

Cabinet

5 November 2013

Report of the Cabinet Member for Finance, Performance and Customer Services

2013-14 Performance and Finance Mid Term (Qtr 2) Report

Summary

1. This report provides a mid year review and update on progress following the year end analysis reported in July 2013. It provides an overview of where the council is doing well and where there may be areas for potential improvement or challenges to be met.
2. The report is structured around the five priorities outlined in the Council's Corporate Plan and by definition also then reports on achievements to date, following the submission of a report on progress against the Corporate Plan priorities submitted to Cabinet in June 2013.
3. The report also provides an overview of the council's financial position and what action the council is taking to affect the necessary savings forecast for 2013-14.
4. Following the extensive £21m savings programme in the 2012-13 budget, the 2013-14 budget requires a further £8.8m of savings in order to reach a balanced position. The forecasts outlined in this report reflect a prudent view of how that challenge is currently being met.
5. The council's net General Fund budget for 2013-14 is £127.8m. An overview of the finance forecast, on a directorate by directorate basis, is outlined in Table 1 below.
6. The mid year forecast indicates that the council faces financial pressures of £3,364k, a slight improvement of £358k compared to the £3,722k reported at Monitor 1.

7. Mitigation strategies have been identified by each Directorate but these proposals are not without risk as the financial position of the health sector or severe weather over the winter months could increase pressure on a number of budgets. However, Council Management Team will continue to monitor the financial position alongside the delivery of mitigating savings with a view to containing the pressures within the overall approved budget for the council.
8. Evidence from other authorities shows that many councils are experiencing either the same or greater level of financial pressures at this point.

Table 1.

Directorate	2013/14 Net Budget	2012/13 Outturn	Monitor 1	Latest forecast	Movement
	£'000	£'000	£'000	£'000	£'000
Children's Services, Education & Skills	19,277	+295	+1,138	+958	-180
City & Environmental Services	11,581	+998	+523	+887	+364
Communities & Neighbourhoods	11,037	-137	+459	+530	+71
Customer & Business Support Services	15,626	-285	-	-	-
Health & Wellbeing	51,986	+2,083	+1,602	+1,719	+117
Office of the Chief Executive	3,007	-3	-	-	-
DIRECTORATE BUDGETS	112,514	+2,951	+3,722	+4,094	+372
Central Budgets	15,264	-3,035	-	-730	-730
GROSS BUDGET	127,778	-84	+3,722	+3,364	-358

Performance Achievements and Challenges

Priority 1: Create Jobs and Grow the Economy

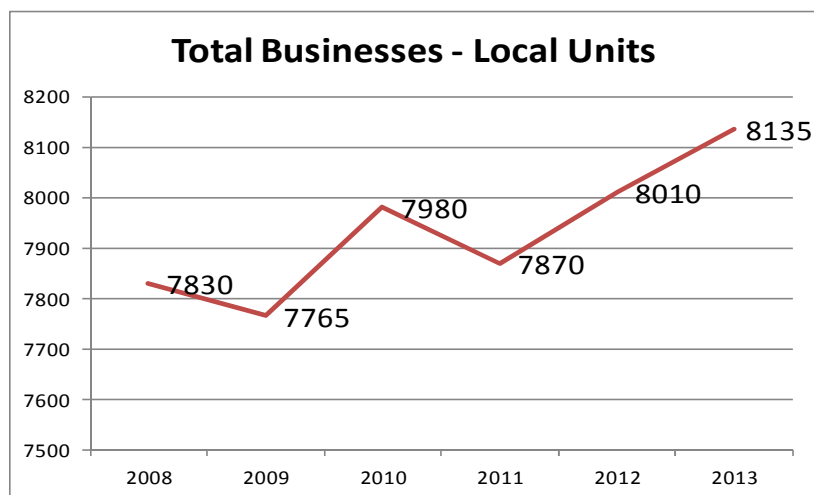
The City of York Council continues to be committed to supporting strong economic growth in a climate where there are early signs that recovery is underway. Economic growth underpins our other priorities, providing new job opportunities for families living in York. This employment supports the city's prosperity and delivers many proven benefits to the individual and to communities.

Economic growth in York is strong and the council is performing well against a backdrop of challenging economic circumstances. This report

demonstrates this good performance. Some challenges remain in certain areas but the council is on track to deliver against this priority.

Economy

9. New businesses are up from 8010 in 2012 to 8135 (1.9% increase) and city centre footfall has improved between June and September with a 1.9% percentage point improvement in the average year to date figure. Welcome news, given the decline noted in the previous report.



10. The council has also recently agreed to invest in footfall cameras at key points across the city centre to gain a greater insight into resident and visitor use and movement around the city, to inform future investment decisions. Despite the challenge of retaining healthy footfall numbers to support local businesses, York still has the 2nd lowest shop vacancy rate in the country after Cambridge.
11. In order to consolidate this strong position, the council is identifying the sector-specific support needed to enable businesses in the city's key sectors to grow. Continued EIF investment in the city will also help to secure York's strategic position within the region and globally, most notably through Re-invigorate York's public realm improvements in Kings Square and an investment of £1.5million in the city centre market refurbishment scheme. The council is also launching the Yorkafter5 initiative, aimed at improving the offer available to visitors and residents in the evening in the City.
12. There has been significant movement in the financial year in terms of the growth in planning activity, with planning applications received or determined including major new housing sites at the Tannery, Strensall, Breck's Lane, Strensall, the former Sessions site,

Huntington. Planning application fee income is more than 12% higher, whilst pre-application advice fee income has more than doubled compared to the same period last year, reflecting the recent upsurge in developer confidence and the strength of York's position as an attractive place to invest. The growth agenda as encapsulated in the emerging Local Plan has led to owners and developers of 'Preferred Sites' coming forward to discuss the potential for early delivery.

13. Many of York's longstanding Brownfield sites have been the subject of planning approvals or renewed interest. The former Terry's factory site has outline approval, with phase 1 of the 270 new-home element now submitted in detail. Phase 2 of the Hungate redevelopment has been submitted for approval with early commencement on site anticipated shortly afterwards.
14. On Piccadilly, following 3 recent approvals the former White Swan Hotel building, vacant for about 30 years, will soon be reoccupied as a shop on the ground floor and affordable housing above, whilst the building just south of the bridge will be converted to 10 apartments, and the 'Banana Warehouse' premises will be redeveloped to create 37 flats and two shops.
15. Formal pre application discussions are ongoing regarding the former British Sugar site, with an application for approximately 1,000 new homes anticipated in Spring next year.
16. Planning permissions have been granted to facilitate the provision of two Primark stores, one in the city centre and one at Monks Cross.
17. Investigation of funding streams to unlock the development and workshops with stakeholders is underway regarding York Central to bring about phased regeneration.

Employment

18. Actions in York are demonstrating positive results on employment. Despite the slow economic recovery, York remains resilient, with a comparatively small loss of private sector employment (-3.7% between 2008 and 2012), whereas e.g. Leeds saw a loss of -9.2%. This strong employment market in York likely to continue with new businesses such as John Lewis and Hiscox recruiting this year. Two job fairs organised by the council have already seen over 1800 prospective candidates attend and £200k of EIF funding is being used to better connect residents to job opportunities, all helping to further drive down unemployment.

19. Consequently, the proportion of Workless Households in York is at its lowest point since 2005, at 13.2%. This compares well to the much higher regional figure of 19.2% and the national figure of 18.1%. The proportion of Children in Workless households has also decreased over the same time period, another welcome downward trend as the council strengthens its approach to tackling poverty.
20. The proportion of people claiming Job Seekers Allowance dropped to 1.7% in September 2013, the lowest JSA rate since October 2008. This represents a decrease of 740 claimants since September 2012. Out of 64 UK cities, York remains the third least affected with respect to Job Seekers allowance claimants since February 2008.
21. However, recent data suggests that public sector cuts are beginning to bite in York. The city is highlighted in new ONS data as the most affected local authority in the region for the percentage loss in public sector employment. This was anticipated, given York's high public sector workforce and will continue to be a challenge for the city. The council's focus on bringing more jobs to the city is therefore crucial to offset this ongoing reduction.
22. Youth unemployment and longer term claimants remain an issue, although this is a national trend and not unique to York. Locally, the longer term outlook is moving in the right direction with youth unemployment decreasing by 230 in the year to September 2013 and longer term claimants reducing by 205 from 1 year ago.
23. York's schools have a significant role to play in preparing our young people for work and providing an environment where they can excel and achieve their full potential. Educational attainment results show significant and tangible improvement over the previous year putting York in a strong position regionally and nationally. Overall York's children are achieving good and improving results but there remains work to do in some of York's schools.

Educational Attainment

24. York has achieved its best GCSE results with 67% of pupils achieving 5+A*-C including English and mathematics. This places York as one of the top (16th out of 152) Local Authorities in England and demonstrates high quality teaching in York schools. In primary schools, the assessment process changed in 2013 and, based on a new set of performance indicators, York results for the most part are

inline or above national figures. Progress results in Maths are an area of focus in the coming year.

25. Currently, 80% of York secondary schools are rated good or outstanding by Ofsted, well above the national picture. At primary level, 73% of schools are now rated good or outstanding compared to a national figure of 78%. Improvement plans are in place at a number of schools with the aim of supporting them to achieve a 'good' rating at their next inspection.

Priority 2: Get York Moving

Delivering the right transport infrastructure is crucial to reducing congestion, boosting growth and improving the city's liveability. This means an increased focus on reducing car dependency and becoming a multi-modal City. Improved bus services and opportunities to support increased walking and cycling are all key to the successful delivery of this priority. The following paragraphs highlight successful projects demonstrating the council is on track to deliver against this priority.

26. The council welcomed the recent news that York is one of only four areas across the country to receive a share of the £16.5m Better Bus Area funding from the DfT. This will help drive up bus performance and passenger numbers and the council aims to increase passenger numbers in York by 18% by 2015. It is working closely with local bus operators to improve service reliability and offer more incentives to travel by bus. These include First's recent bus fare reduction and the introduction of bus smartcards followed by the council's programme of improvements to bus stops and signage that starts next month.
27. In the last three months, the Green Bus Fund has also been awarded £750k to invest in seven electric buses and a further £1.93m of funding has been secured to invest in bus priority measures between the York Designer Outlet and the Germany Beck junction.
28. Residential Personal Travel Planning is a significant component of i-Travel York. throughout 2013 and 2014, the program will be targeting 12,500 households in the Northern Quadrant of York, engaging with residents in a conversation about their travel issues and offering information, ideas and incentives for them to try out new sustainable travel options, as well as running a number of community events in the area.

29. Over the summer over 6,000 households were approached in the Clifton and Rawcliffe areas, with 2,228 households actively participating in the programme. An after care survey found that:
- 37% of respondents said they were walking more often
 - 38% said they were cycling more often
 - 23% said they were using the bus more often
 - 32% of respondents said they were using their car less, estimating an average 18 miles per week less driving.
30. Cycling activity continues to increase at peak times and the first York Sky Ride also encouraged over 5,500 people to get on their bikes as part of another successful Festival of Cycling.
31. York has also secured Department for Transport funding of over £250,000 from the government towards new electric vehicle charging points throughout the city.

Priority 3: Build Strong Communities:

The council is committed to working with communities to ensure they really have a say in local issues and feel they belong. This means they share their views, take part and live an active lifestyle, whilst benefiting from a safe place to live in homes that meet their needs. Some aspects remain a challenge for the City, however, the input of the Peer Challenge has strengthened this area and resulted in a greater focus and more robust work plan.

Housing

32. The 2013 Big York Survey identified affordable housing as the third most important issue requiring improvement and whilst projects are underway, concern still remains. There is some movement in this area, with a £2m scheme to build 18 affordable homes in Elvington currently being developed by York Housing Association. This will be for people with a local connection and in housing need and is due for completion August 2014.
33. Plans to build between 50 and 70 new homes as part of a first phase of new council housing are progressing with a planning application for the former Beckfield Lane refuse site being approved recently. The development will provide 27 new homes, with 9 apartments and 18 houses. Fifty per cent of the houses will be for market sale to

create a mixed tenure community. The nine apartments are intended to form a bespoke 'down-sizing' scheme, aimed at council and housing association tenants who are under-occupying larger family houses.

34. The council plans to boost and improve York's private rented sector through a new private sector housing strategy which was launched as part of the housing summit in October.
35. The policy on Direct Exchanges and transfer concerning rent arrears has been relaxed - tenants with low level arrears can now exchange if they are affected by the spare room subsidy providing they demonstrate a commitment to reducing their debt. This has resulted in Completed Direct exchanges increasing by 70% on the same point last year, making best use of housing assets.

Homelessness

36. To mitigate the effects of welfare reform on rent arrears and increases in other debt a corporate Welfare Reform Task group has been established which includes voluntary sector partners. Residents directly affected by changes have been identified and a range of initiatives to raise awareness and provide support is underway including: the creation of two 'Money & Employment Adviser' posts to provide advice on debt, benefits, and training and employment opportunities to individuals and families.
37. Housing Options service is using £27k DWP grant to target advice and support to tenants affected by Local Housing Allowance changes in collaboration with the Salvation Army. A 'Gateway service' a drop in and telephone advice service provided by CAB and partners is up and running.
38. Despite pressures created by welfare reform the level of rent arrears has remained stable from the same point last year. We estimate that approximately £50k of the current tenant rent arrears is due to the effects of the spare room subsidy. Over 600 council tenants are still affected by this policy change, but the work of the Money and Employment Advisers to offer advice to these tenants, and the changes to facilitate direct exchanges continue to help reduce this figure.
39. The number of homeless households in temporary accommodation has reduced from 99 at year end (and at the same point last year) to 92 at Qtr1, which is a significant achievement, especially in relation

to a 9% increase in this measure nationally. Welfare reform continues to contribute to a challenging context nationally with the number of homelessness decisions and acceptances increasing by 5% compared to the same point last year. In York, we are seeing an increase in numbers approaching us for assistance and advice, but the number formally presenting for decisions has decreased significantly (by 32%). This is due to the very proactive prevention work which is taking place, including the implementation of a dedicated Housing Options worker in the customer centre, who is able to deal with a significant proportion of customers without the need for a formal presentation. Customers are also helped into accommodation in the private rented sector through YorHome, and through North Yorkshire HomeChoice for social housing.

Safer, Inclusive Communities

40. York is still one of the safest cities in which to live, with overall crime figures predicted to reduce again, by 5% on last year. This aspect of York is well recognised by those who reside here, with the 2013 Big York Survey showing the percentage of residents who feel York is a safe place to live as increasing and the percentage of residents who think their local area is safe being stable.
41. There are however, some types of crime that the council is actively working to tackle. Based on the first 6 months of this year criminal and environmental Anti Social Behaviour incidents are slightly up on last year. To improve the way Anti Social Behaviour is dealt with the council is working in partnership with the police to explore the possibility of establishing a multi agency Anti Social Behaviour Hub at West Offices.
42. So far this year the number of domestic violence cases is 5% up on last year and the percentage of repeat victims is also higher. However improved recording has contributed to this increase. The council is adopting a stronger early intervention and prevention approach across services to ensure intelligence is more widely shared and early action taken.
43. However, the numbers for all violent crime continue to reduce as do those for Hate Crime incidents, reducing for the fifth consecutive year: from 169 in 2009/10 to 95 in 2012/13 with the forecast at 84 for 2013/14.

Health and Wellbeing

44. Schools have recently been assessed under the Healthy Schools programme, and the results have shown that every school in York is complying with the programme covering, healthy eating, physical activity and emotional health and wellbeing. Conversely, results from the national child measurement programme for childhood obesity shows the percentage of reception children recorded as being obese has increased marginally to 8.53% from 7.5%. The percentage of children in year 6 recorded as being obese has also increased to 16.13% from 14.7%. New initiatives are currently being considered to assess what further options families have to help reduce the number of overweight children in York.
45. However, it would seem maintaining a healthy weight is seen by the majority as key to staying healthy. The Big York Survey revealed maintaining a healthy weight for your age and height was considered the most important contributor to staying healthy (58%).
46. Teenage Pregnancy conception data received in February 2013, referring to 2011 data, indicates a continuing decline in teenage conceptions in the city, the 2011 rate being 25.3 per thousand females aged 15-17. This is currently below both the England and Regional rates. This continues to be a focus for the Council.

Priority 4: Protect Vulnerable People:

The council has a duty to provide services or arrange for the provision of services to those in our communities who need support to be able to live as comfortably as possible, whether it be children staying with their families, or older people helped to live at home. Demographic changes means that people are living longer and therefore there is growing demand for social care support services provided by the council. Because of this, there continues to be some very real challenges in this theme and some elements are at risk.

Looked After Children

47. The Council's Keeping Families Together initiative is continuing to deliver an overall reduction in the number of children in public care. This initiative seeks to safely support more children at home in the care of their parents or extended family members. It also helps those children who are already looked after to move more quickly on to alternative permanent care. To support these arrangements, the Council has developed a 'new deal' for local foster carers to ensure

that there is a sufficient supply of high quality local placements available for those children who do need to become looked after.

48. The above arrangements have delivered a sustained month on month reduction in the overall number of children who are looked after. Looked After Children numbers have reduced from 243 at the 1st April to 223 at the 20th October. The availability of high quality local placements allows young people to be placed close to home and their local schools. These local placements avoids the need for high cost independent placements often far from York.
49. Although the numbers of looked after children has decreased significantly, from a high point of 256 in 2012, we have yet to see a corresponding reduction in costs. This is partly explained by legacy costs including Special Guardianship, Adoption and Residence Order allowances. In addition some of the looked after children with the most complex needs continue to need highly specialised care which accounts for a significant portion of ongoing care costs.
50. Despite a significant reduction in expenditure in 2013/14, compared to 2012/13, this budget remains under considerable pressure. The Council is reviewing the most expensive out of City placements to ensure the best value for money is achieved without compromise to quality of care. Further reductions in cost are anticipated as the overall looked after population continues to reduce.

Adult Social Care

51. Data from 2010 shows that since 2001 there has been a 24% rise in the number of people aged 80 and over (from 8,100 to 10,047 people so older people already form a significant part of our community in York. By 2020, the over-65 population is expected to increase by 40% and the number of people aged over 85 years is expected to increase by 60%. A growing number of older people will also be living alone. With increasing demands on health and social care services in York and diminishing budgets the current system of support will soon become unaffordable. This sets the challenging context for performance on this priority.
52. However, within this context there has been some positive performance. There has been an increase in the number of people being supported to leave hospital safely and an additional care manager post has been linked to the Neighbourhood Care Multi Disciplinary Team in Haxby and Wigginton to explore more community focussed discharge planning approaches.

53. The reablement service continues to perform well, however, the capacity to review and move people from the service represents a continuing challenge. A number of ways to address the capacity issues to improve are being explored which will also help with hospital discharges.
54. Delays in hospital discharges are continuing (17.1 people in August – at the year end it was 18.5 compared to the national figure of 9.5), however, there are reductions in the delays in acute hospital discharges from 12 people in Qtr1 to 11 in Qtr2 however it is still above the target of 8.25.

Nursing home placements

55. Over the last five months the Council has seen 3 nursing homes receive CQC inspection reports identifying concerns about quality of provision. This has resulted in 2 homes being restricted on new admissions funded by the authority, in line with our quality assurance framework, whilst the Council supports the homes to deliver the improvements needed. Both of these homes had been offering placements at CYC's agreed fee level. This has impacted on the available market for nursing care provision new placements incurring higher costs, requiring more top ups from the Council, resulting in a forecast overspend of £206k. The increased scrutiny from CQC has to be welcomed, and it is clear this is happening across the country as the Commission responds to high profile failures of care elsewhere
56. Permanent admissions to residential & nursing care homes per 100,000 population are performing well against target, with 57.33 in Qtr 2 compared to a target of 61. This has resulted in a welcome underspend against budget against External Residential Care (£351k) and the numbers compare very well against the national figure. In the younger adults group (18-64yrs) York was in the top 15% nationally as at the end of 2012/13.
57. The Modernisation of Elderly Peoples Homes programme has now entered into the Competitive Dialogue phase with three bidders. This process is likely to run until February when final tenders will be assessed. The organisation, Dementia Care Matters have been brought in to ensure CYC secures the best level of care for its new homes and that current care teams are fully prepared and trained to operate in the new care settings. The Joseph Rowntree Foundation

are also providing valuable expertise to the council throughout the process.

Priority 5: Protect the Environment:

Protecting both the natural and built environment in York is crucial to sustain and enhance what the City has to offer to residents, investors and visitors alike. This priority is broadly on track, with specific challenges in the area of waste.

58. The council remains committed to the Allerton Park Waste Strategy and a final decision is pending following the recent judicial review and a subsequent appeal. The implementation of the Waste Strategy is crucial in responding to the significant waste challenge which shows a decline in recycling coupled with increased tonnages being sent for landfill. With increasing landfill tax costs, this is an unwelcome trend and places cost pressures on the service (£208k).
59. As a direct response to this, waste rounds were rationalised and have already delivered significant cost savings this year. An additional 824 households will also now benefit from recycling and garden waste collections which will go some way towards improved recycling rates. However, pressures still remain and projects have taken longer than planned, resulting in budget pressures of £415k. In addition, an unforeseen cost of processing wood due to new statutory requirements has added a cost of £75k to existing pressures. There also remains a shortfall in Commercial Waste income of £104k due to a reducing customer base.
60. A multi-million pound scheme to help protect around 300 residents' homes and businesses from the risk of flooding is now underway in the Water End area of York. The £3.2m scheme is a partnership between the council and the Environment Agency. The council has contributed £1m towards the work which will greatly reduce the risk of a recurrence of the 2012 flooding and leakages in the Water End area of the city.

Organisational Theme: Core Capabilities and Resources:

61. Overall results from the recent staff survey were positive with four out of seven categories of assessment showing positive improvement (control of work, management and peer support and working together).

62. The asset review of all council property and land is ongoing and on 01/10/13 Cabinet approved the sale of St Anthony's House and 13/15 Redeness Street to support corporate priorities with respect to jobs and economic growth and to provide capital receipts to fund the council's capital programme.
63. Workforce development within the council is a key theme. Development events for senior managers on innovation and leadership start in November and a suite of learning and development sessions for staff on using more collaborative and creative techniques are starting in parallel. The focus for these is on supporting cultural change and transformation with new processes and methods whilst fostering greater collaborative community engagement when we design and deliver services. Targeted support and training for specific projects and service teams is also being used to bring new thinking to key service areas or change projects. This work is central to the transformation and innovation agendas.

Transformation & Innovation

64. The council continues to see innovation as a critical element in transforming our services and approach to be sustainable in the future. This view was echoed in the feedback from the Peer Review team in June, alongside a series of recommendations for developing the work in this area.
65. Following this, a review of the innovation work programme to date has led to a revised innovation programme plan being put in place over the summer to strengthen the council's focus on initiatives that support key priorities, in line with the recommendations in the Peer Review. This augments and supports the wide range of innovative activity already underway across the council, ranging from the creation of the York Hologram tour App to the new service delivery models for Libraries & Archives and Warden Call & Telecare services.
66. Alongside this is the creation of a new Transformation Programme, responding to the Peer Review recommendation for a centrally coordinated transformation resource. The Transformation Programme will reshape council services in a way that meets the current and future needs of residents whilst ensuring the council achieves its significant budget savings. It is proposed that the new programme will commence with three initial projects that collectively will reduce forecast budget pressures:

- Health & Adult Social Care
- Hazel Court Based Services
- Business Efficiency.

67. Pilots from challenges using the council's GeniUS! York open innovation and engagement approach have also moved ahead. One project, jointly funded by the Joseph Rowntree Foundation, saw a group of school students working alongside dementia sufferers and a local film company to create a high impact short film and discussion plan for use with students in York schools. The film was produced by young people, for young people and when launched in late November, will reach over 2,000 students and staff during the academic year, with potential to be expanded across the region or nationally.

68. The development of cutting edge fall detection technology is being taken forward by the council's telecare team in collaboration with a local technology developer, following collaboration on a previous challenge from the GeniUS! project. This new technology project, funded through the council's Delivery & Innovation Fund, has the potential to radically improve the telecare offer in York.

69. This represents good progress on new approaches but there is still further to go. The council is continuing to develop its approach to working with residents on the design and delivery of services and increasing the level of support for volunteering and community engagement.

Council Resources

70. The council is committed to achieving a balanced budget whilst delivering some challenging cost savings. The following paragraphs provide additional information where the council is facing cost pressures or has forecasted underspends at this mid-way point in the year that can help to mitigate forecasted overspend.

71. **City and Environmental Services** - Within City and Environmental Services savings from previous years (£168k), including those related to agency staff and terms and conditions, continue to cause a budget problem, however the position has improved and work is ongoing to mitigate this further.

72. There has been a number of mitigating savings identified within Transport Services (£276k underspend) due to savings in

Concessionary Fares and additional highways income and £50k additional income from enforcement of charges on Lendal Bridge and Coppergate.

73. There is also forecast net shortfall of £250k (3.5%) from Parking income following data from the first six months. This is an improvement of £33k from the previously reported position.
74. Within Development Services, Planning and Regeneration increased income levels in Development Management and staffing savings across the service plan is leading to a forecast underspend of £121k.
75. In addition further mitigation of £250k is included to offset overspends within other service areas, through a review of other funding streams and anticipated early saving from the CES restructure.
76. **Communities & Neighbourhoods** – the directorate is forecasting pressures of £530k. Included in this sum is estimated redundancy costs of £419k incurred as a result of delivering savings primarily within Smarter York and Libraries service.
77. There remains a small level of prior year savings that require mitigating totalling £135k. Work is ongoing to reduce this level further.
78. The main areas of overspend are within Smarter York (£229k) due to redundancies (£94k) and delays in the delivery of savings (£70k). There is also a forecast overspend of £140k in Parking services of which £76k relates to a lower than required level of Penalty Charge Notices and £54k redundancies.
79. Underspends totalling £191k across Housing and Community Safety offset the pressures above which relate to higher than forecast income levels at the Crematorium, Registrars service and underspends across housing services.
80. **Customer & Business Support Services** – the Directorate is currently projecting that it will outturn on budget. The directorate will continue to try and identify other underspends which could assist in mitigating the council wide position.

81. **Public Health** – the grant for 2013-14 is £6.641m and there is currently a forecast surplus of £491k. It is proposed that £250k of this will be used as mitigation against overspends in adult social care where there are elements that can be funded by the public health grant, particularly around prevention work. The remaining surplus is a contingency for continuing uncertainties around the transferred contracts from the PCT. In addition to this there is a general fund budget for public health of £754k which is primarily for sport and active leisure and some DAAT functions. No significant variations to this budget are currently expected.
82. Adult Social Care - Pressures in relation to adult social care persist, despite significant investment of £2.5m in the 2013-14 budget. At present, forecasted pressures include demographic pressures (£418k), a continued increase above forecast level in the number of customers taking up Direct Payments (£348k) and use of external placements for emergency and short term breaks (£209k).
83. Home care budgets had been stable for the first four months of the year, but over the summer increased at approximately £1k a week up from £81k to £86k. This has now begun to stabilise again (£84k), but a review of new care packages coming on to the service, shows a mix of needs. Hospital discharges and new packages after a Reablement service account for approximately 1/3 of the additional service needs. The other increases have been required to supplement existing packages of care because of issues such as continence, falls, family carers becoming unavailable due to own health needs or growing dementia.
84. A number of unachieved budget savings also contribute to the forecasted pressure including reablement (£300k), EPH reconfiguration (£175k) and the Night Care team (£135k).
85. **The Office of the Chief Executive** directorate is currently forecasting that it will contain expenditure within budget. As with CBSS, the directorate will continue to try and identify other under spends which could assist in mitigating the council wide position.
86. Corporate Budgets (held by Director of CBSS) These budgets include Treasury Management activity and other corporately held funds and an underspend of £730k is forecast.
87. At present, it is anticipated that there will be a £300k underspend due to reduced interest paid on borrowing and increased interest

earned due to higher than anticipated cash balances. Additional New Homes Bonus of £196k and the use of £250k general contingency and £84k from the 2012/13 underspend are also assumed in the forecast to offset the overall council position.

Dedicated Schools Grant

88. In the DSG area there are no variations to report against the budget of £115,300k.

Housing Revenue Account (HRA)

89. There is an estimated underspend in the HRA of £295k, which is due to number of variations across the service.

Financial Controls

90. Whilst continued determination to control costs from teams across the council should see an improved position as the financial year progresses, further mitigation will need to be identified to contain the expenditure within the approved budget by the end of the financial year. As strategies are identified the reported forecast will be amended in line with the council's stringent financial monitoring, a course of action that has been successful in previous years.

91. Strict expenditure controls are now being put in place across the council, with only very exceptional expenditure being allowed. This includes any spend on filling vacant posts, use of relief staff, training, travel, repairs and maintenance or general supplies and services, unless required for health and safety reasons or to protect vulnerable adults and children. Expenditure will be monitored closely to ensure compliance across all departments.

92. The council's management team will continue to monitor the financial position of the council on a monthly basis and will bring back a final in year detailed report at monitor 3 in February 2014.

93. Should the financial pressures not reduce sufficiently, or proposed mitigation strategies not deliver the improvement required, escalation of the issues will be raised by Director of Customer & Business Support Services to Members outside of the standard reporting schedule.

Reserves

94. The February 2013 Budget Report to council stated that the minimum level for the General Fund reserve should be £6.4m (or 5% of the net budget). As part of that report, it was also agreed that an additional £200k was added to the reserve to provide an appropriate and prudent level of headroom.
95. Members have to be mindful that any overspend would have to be funded from this reserve reinforcing the need to contain expenditure within budget. Should this happen the Director of Customer & Business Support Services would have no option but to recommend to council that the reserve is reinstated to at least its minimum required level which would have implications on future budget setting cycles.

Analysis

96. The analysis of the financial position of the council is included in the body of the report.

Consultation

97. There has been extensive consultation with Trade Union groups on the ongoing implications of the council's financial situation.

Corporate Priorities

98. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan (2011-15).

Implications

99. The implications are:
- **Financial** - the financial implications are dealt with in the body of the report.
 - **Human Resources** - the impact of delivering savings is having considerable implications in terms of managing the HR issues. The council is seeking to manage the process of reducing staffing numbers as effectively as possible, through use of Voluntary Redundancy and working with the Trade Unions.
 - **Equalities** - there are no specific equality implications to this report, however equalities issues are accounted for at all stages of the financial planning and reporting process.

Risk Management

100. The risk management processes embedded across the council continue to contribute to managing the risk issues associated with major projects and key areas of service delivery.

Recommendation

101. Members are asked to approve the report.

Reason: To provide Cabinet with an overview of performance against the five key priorities of the Council and within this an update on the financial position.

Contact Details

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	Report Approved	√	Date 25 October 2013
Wards Affected: All			√
For further information please contact the authors of the report			

Additional supporting background papers – Online only
 5 Priority Scorecards
 1 Organisation Theme Scorecard
 LG Inform Scorecard