



Notice of meeting of

Executive

To:	Councillors Waller (Chair), Ayre, Steve Galloway, Moore, Morley, Reid and Runciman
Date:	Tuesday, 15 December 2009
Time:	2.00 pm
Venue:	Guildhall, York

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Monday 14 December 2009, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 17 December 2009, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

1. Declarations of Interest

At this point, Members are asked to declare any personal or prejudicial interest they may have in the business on this agenda.

2. Exclusion of Press and Public

To consider the exclusion of the press and public from the meeting during consideration of the following:

- Annexes 2 and 3 to Agenda Item 8 (More For York – Adult Social Care Blueprint) on the grounds that they contain information relating to the financial or business affairs of particular persons. This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).
- Annex 2 to Agenda Item 9 (Council Headquarters – Tender Award) on the grounds that it contains information relating to the financial or business affairs of particular persons and information in respect of which a claim for legal professional privilege could be maintained. This information is classed as exempt under paragraphs 3 and 5 respectively of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. Minutes (Pages 3 - 6)

To approve and sign the minutes of the Executive meeting held on 1 December 2009.

4. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak regarding an item on the agenda or a matter within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday 14 December 2009**.

5. Executive Forward Plan (Pages 7 - 8)

To receive details of those items that are listed on the Forward Plan for the next two Executive meetings. This information is based upon the latest available version of the Forward Plan, published on 27 November 2009.

6. More for York - Organisation Review (Pages 9 - 36)

This report presents proposals for the restructuring of senior management roles and responsibilities within the City of York Council.

7. More for York Update - Income Collection and Sustainability Review (Pages 37 - 62)

This report sets out a general update on work on the eight agreed More for York work streams, provides a review of the sustainability impacts of the programme, sets out further proposals regarding the provision of community based cash collection, and proposes the commencement of two further blueprints for inclusion in the programme.

8. More For York - Adult Social Care Blueprint (Pages 63 - 84)

This report provides further information on the progress of the reviews of Home Care and Elderly Persons' Residential Homes, as part of the Adult Social Care blueprint previously reported to Executive on 20 October, and seeks approval for the next stage of this work.

9. Council Headquarters - Tender Award (Pages 85 - 104)

This report presents the process and outcomes of the evaluation of final tenders for the delivery of the Council's new headquarters and recommends Tarras Park Properties York Investors LLP as the preferred bidder.

10. Comprehensive Area Assessment 2009 (Pages 105 - 186)

This report presents to Executive the Audit Commission's final reports for the 2009 Comprehensive Area Assessment of the City of York.

Note: The above document was published with this agenda on 10 December 2009.

11. Response to Comprehensive Area Assessment 2009 (including Improvement Plan 2009/10 Update) (Pages 187 - 198)

This report provides an initial response to the findings highlighted in the 2009 Comprehensive Area Assessment reports. The response includes the delivery of the 2009/10 milestones contained within the Council's Improvement Plan, as approved by the Executive on 21 July 2009.

Note: The above document was published with this agenda on 10 December 2009.

12. 2010/11 Budget Strategy and Medium Term Financial Planning 2011/12 to 2013/14 (Pages 199 - 208)

This report provides an update on the strategy being adopted for the development of the 2010/11 Revenue Budget and outlines longer term issues linked to public sector funding and the implications these may have on the Council's medium term financial planning.

13. 14-19 Reforms - the York Response to National Changes (Pages 209 - 220)

This report summarises the Local Authority's 14-19 Plan (a statutory appendix of the Children and Young People's Plan), which sets out priorities for developments to 2015, and recommends that the Council should play a leading role in the development of an enlarged Apprenticeship programme for 16-19 year olds in the City.

14. Former Lowfields School, Dijon Avenue, Acomb (Pages 221 - 228)

This report seeks approval for the demolition of the former school buildings at the above site and to fund the work from the resultant capital receipt.

15. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551027
- E-mail – fiona.young@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

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Access Arrangements

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (40 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

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- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
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City of York Council

Committee Minutes

MEETING

EXECUTIVE

DATE

1 DECEMBER 2009

PRESENT

COUNCILLORS WALLER (CHAIR), AYRE,
STEVE GALLOWAY, MOORE, MORLEY, REID AND
RUNCIMAN**114. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

115. MINUTES

RESOLVED: That the minutes of the Executive (Calling In) meeting held on 10 November 2009 and the minutes of the Executive meeting held on 17 November 2009 be approved and signed by the Chair as a correct record.

116. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

117. EXECUTIVE FORWARD PLAN

Members received and noted details of those items that were currently listed on the Forward Plan for the next two Executive meetings.

The Chair reported that, since publication of the Executive agenda, a number of items had been added to the Forward Plan for the meeting on 15 December and there were now ten items listed for that meeting.

118. COUNCIL FAIRNESS AND INCLUSION STRATEGY AND SINGLE CORPORATE EQUALITY SCHEME 2009-12

Members considered a report which outlined progress towards improving the Council's fairness and inclusion policy and practice and sought approval for a refreshed corporate Fairness and Inclusion Strategy and Single Corporate Equality Scheme for the period 2009-12.

The refreshed Strategy document, attached as Annex 1 to the report and summarised in Annex 2, had been drafted after extensive consultation with the relevant communities, the Social Inclusion Working Group, partners

and staff. Details of consultation were provided in Annex 3. The Strategy set out the corporate framework to be used by each Directorate to put in place Directorate Fairness and Inclusion (equality) single schemes and plans. It addressed the areas for further improvement identified by the self-assessment against the Equality Framework for Local Government (EFLG) carried out in April 2009, at which time the Council had reached the first level -'Developing' - of the three-level Framework. The aim was to achieve the third level – 'Achieving' – by April 2011.

Progress on the Strategy and Scheme would be reported annually each summer, with further refreshes if necessary. There would be a major review in May 2012, by which time the Single Equality Act and associated Codes of Practice were expected to be in place.

RESOLVED: (i) That the Corporate Fairness and Inclusion Strategy and Single Corporate and Equality Scheme 2009-12 be approved.¹

(ii) That Officers be requested to review the scheme to ensure that faster progress is made and that this be included in the report to Executive with the April 2010 review of outcomes from the Strategy, with an indication of the prioritisation of activities.²

(iii) That progress be reported at least twice per year to the Decision Session of the Executive Member for Leisure, Culture and Social Inclusion, with outcomes that improve local life for all of York's residents.³

(iv) That Officers be requested to review the collation of data and details provided to the Executive, the policies behind the questions included in surveys issued by the Council and how the information so gathered is used to review Council policy.⁴

REASON: To meet statutory requirements, to realise the strategic vision of ensuring that, as the City changes and continues to prosper, everyone is included and no-one is left behind, and to ensure that progress on the Strategy is properly monitored.

Action Required

- | | |
|--|----|
| 1. Begin the process of implementing the Strategy | MM |
| 2. Initiate a review of the Scheme for inclusion in the April 2010 report to Executive | MM |
| 3. Schedule progress reports on the Forward Plan for Executive Member Decision Session | MM |
| 4. Initiate a review into these aspects of information gathering | MM |

119. MINUTES OF WORKING GROUPS

Members considered a report which presented the minutes of the meetings of the Local Development Framework (LDF) Working Group, the Young People's Working Group and the Social Inclusion Working Group held on 7 July, 24 September and 19 October respectively.

Members' attention was drawn in particular to the recommendations of:

- The LDF Working Group, that the Biodiversity Audit be approved for publication as part of the LDF evidence base (Minute 5, Annex A);¹
- The Social Inclusion Working Group, that a representative from Higher York be appointed to serve on the Group as a non-voting co-opted member (Minute 12, Annex B).²

RESOLVED: (i) That the minutes attached at Annexes A, B and C to the report be noted.

(ii) That the recommendations to Executive contained in Minute 5 of the LDF Working Group and Minute 12 of the Social Inclusion Working Group, as set out in paragraphs 6-8 of the report, be approved.¹⁻²

REASON: In accordance with the requirements of the Council's Constitution in relation to the role of Working Groups.

Action Required

- | | |
|--|----|
| 1. Proceed with publication of the Biodiversity Audit as part of the LDF Framework | MM |
| 2. Confirm appointment of the new co-opted member and include on SIWG agenda distribution list | JC |

120. REFERENCE REPORT: NATIONAL SERVICE PLANNING REQUIREMENTS FOR ENVIRONMENTAL HEALTH AND TRADING STANDARDS SERVICES

Members considered a reference report which presented the recommendations of the Executive Member for Neighbourhood Services in respect of the service plans for food law enforcement, health and safety law enforcement and animal health enforcement.

The Executive Member, at a Decision Session held on 15 September 2009, had recommended that the service plans be approved. The original report to the Decision Session was attached at Annex 1.

RESOLVED: That the service plans for food law enforcement, health and safety law enforcement and animal health enforcement be approved.¹

REASON: In accordance with the recommendations of the Executive Member for Neighbourhood Services and to meet statutory

obligations with regard to service planning for environmental health and trading standards services.

Action Required

1 Implement the new service plans

KS

A Waller, Chair

[The meeting started at 2.00 pm and finished at 2.15 pm].

EXECUTIVE FORWARD PLAN

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 5 January 2010		
Title & Description	Author	Portfolio Holder
<p>10:10 campaign 2010</p> <p><i>Purpose of report: The report will outline the 10:10 campaign and identify planned projects, resources and timescales for implementation of the campaign across CYC directorates.</i></p> <p><i>Members are asked to: Note the campaign and proposed projects that will enable the Council to achieve the aims of the 10:10 campaign.</i></p>	Noel Collings	Executive Member for City Strategy
<p>The Future Delivery of Key Account Management and Inward Investment Activity in York</p> <p><i>Purpose of report: To make proposals for the future delivery of Key Account Management and inward investment activity in York, through rationalisation and more efficient working. The purpose of this will be to offer a more streamlined approach to liaison with both indigenous and incoming businesses, including reviewing the future of york-england.com. It is intended that, subject to consultation, any new approaches will be implemented from April 2010.</i></p> <p><i>Members are asked to: To agree a new approach to the future delivery of engagement with businesses through Key Account Management, to be funded largely by Yorkshire Forward.</i></p>	Roger Ranson	Executive Leader

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 19 January 2010		
<p>Mercury Abatement of Flue Gases – York Crematorium</p> <p><i>Purpose of report: To advise members of the statutory requirement to abate mercury in flue gases from crematoria and to seek support and guidance in respect of action to be taken at York Crematorium.</i></p> <p><i>Members are asked to: Consider the options for the abatement of 2 or 3</i></p>	Dick Haswell	Executive Member for Neighbourhood Services

<p><i>cremators and offer advice to support the budget process.</i></p>		
<p>Minutes of Working Groups</p> <p><i>Purpose of Report: This report presents the minutes of recent meetings of the Young People’s Working Group, the LDF Working Group and the Social Inclusion Working Group and asks Members to consider the advice given by the Groups in their capacity as advisory bodies to the Executive.</i></p> <p><i>Members are asked to: Note the minutes and to decide whether they wish to approve the specific recommendations made by the Working Groups, and /or respond to any of the advice offered by the Working Groups.</i></p>	<p>Jayne Carr</p>	<p>Executive Leader</p>
<p>Corporate Asset Management Update Report</p> <p><i>Purpose of report: To advise on progress with the Corporate Asset Management Plan against each of the original property outputs.</i></p> <p><i>Members are asked to: Approve the recommendations made in the report.</i></p>	<p>Philip Callow</p>	<p>Executive Leader</p>
<p>Report back on Changes to the Constitution</p> <p><i>Purpose of report: This report will set out details of the changes to the constitution resulting from the abolition of the Shadow Executive agreed at Full Council on 15 October 2009.</i></p> <p><i>Members are asked to: Receive details of the changes in accordance with article 16 of the constitution.</i></p>	<p>Alison Lowton</p>	<p>Executive Leader</p>



Executive

15 December 2009

Report of the Chief Executive

More For York - Organisation Review**Summary**

1. This report presents proposals – contained as recommendations to the Executive- for the restructuring of senior management roles and responsibilities within the City of York Council.
2. The objectives of the proposals are to ensure:
 - greater and more consistent levels of customer service to residents and users of Council services;
 - increased responsiveness to neighbourhood and community needs and a strengthened approach to securing economic prosperity for the City, now and for the future;
 - timely planning for the services which a changing population will require – particularly health improvement and services to older people;
 - increased levels of partnership working to align activity and resources across public agencies;
 - efficiency gains through rationalising tiers of management to provide appropriate levels of leadership and management across the organisation – with a target saving of £1.2m – £1.6m from management costs in 2012/13.
3. It is proposed that the Organisation Review is conducted in two phases:
 - Phase one - September 2009 - April 2010: establish new agreed structure at Corporate Management Team level and appoint individuals to Director positions, with revised areas of responsibility and efficiency targets to be achieved from management levels within Directorates;
 - Phase two - April 2010 - October 2010: establish management structures for new Directorates.

Background

4. City of York Council has a track record in delivering efficiency savings as part of its commitment to pursue value for money for the people of the City. Between 2005 and 2008 £9m savings were made and service standards sustained and improved.
5. In December 2008, recognising that further progress would require a step change in approach - given financial projections within the medium term financial strategy – the Executive asked for an efficiency programme to be developed for the City of York Council with the objectives of:
 - delivering improved services for the people of York;
 - realising efficiency savings to put the Council's finances in a better position to weather the recession and consequent predicted reductions in national funding for public services.
 - Develop simpler processes for staff with less administration.
6. On the 7 July 2009 Executive approved the establishment of a comprehensive transformation programme for the City of York Council – 'More for York'.
7. The objectives of the More for York programme are to deliver
 - More for customers – through improved access to services and swifter more responsive service delivery;
 - More for employees – through provision of better accommodation equipment and training for employees;
 - More for our money – through increased use of the Council's total purchasing power, collection of income and elimination of unnecessary spend.
8. The targeted savings are to amount to £15m from the base budget of the Council on a recurring basis by 2012/13.
9. On 7 July Executive approved functions of the Council which would be in scope at this stage for review and redesign in order to identify in detail savings which could be made.
10. Ten areas were identified for review including the senior management structures of the Council, on which matter Executive asked that the following be undertaken:
 - a review of the senior management structures of the Council to ensure that the Directorate structures are fit for purpose to deliver services in the future;
 - a review of the potential centralisation of support services such as Finance prior to the move to the new HQ;
 - rationalisation of the levels of management to give clearer focus to each focus area and reduce the cost of management across the Council.

11. The potential to save £1.2m - £1.6m in management costs by 2012/2013, was identified to Executive.
12. The review of the senior management structures of the Council began on the 30 September 2009 on the arrival of the new Chief Executive of the Council. This report contains proposals – for further consultation – which are a product of the review.
13. The review process consisted of:
 - an appraisal of the City and the Council’s priorities as expressed in the community and corporate strategies and the extent to which existing structures are aligned to these priorities;
 - an appraisal of strengths and weaknesses of the current structures in terms of value for money, satisfaction and delivery;
 - consultation with elected members, partners, senior management, staff, trade unions, and regulatory bodies.
 - research on models and trends in high performing/lower spending unitary and metropolitan authorities.

Consultation

14. Extensive consultation has been undertaken between 30 September and 4 December, the outcomes of which have informed the development of the proposals before Executive.
15. Consultation has comprised the following:
 - briefings with Group Leaders, Executive portfolio holders, Shadow spokespersons, Scrutiny Chairs;
 - workshop discussions with Corporate Management Team, the Corporate Leadership Group, Senior Management Group and staff groupings;
 - briefing of Senior Management PAs;
 - briefings with Unison and the GMB and presentations at the Joint Consultative Committee negotiation meetings with all trade unions represented within the Council workforce;
 - submissions received by email to chiefexec@york.gov.uk or in writing to the Chief Executive at the Guildhall from employees of the Council;
 - discussions with partners within the LSP ‘Without Walls’ – including North Yorkshire & York NHS, York Hospital Trust, North Yorkshire Police, York St John’s University, Private Sector partners, York CVS, York College.
 - Discussion with the Council’s regulatory bodies – the Audit Commission, Ofsted and the Care Quality Commission.

16. The consultation was framed around the following three dimensions:
- the principles which should drive restructuring of senior management;
 - the process which should be followed to implement the restructure
 - options/models for the senior management structure of the organisation.
17. Key findings of the consultation process are:

Feedback from Members

17.1 Members have responded to the consultation individually and collectively. Broadly their responses are supportive of the principles for the review, with particular emphasis on cultural change to streamline processes and create a more nimble organisation. Members want the organisation to have a strong corporate identity and leadership, effective relationships with partner organisations and the ability to respond positively and confidently to challenges.

Feedback from Partners

17.2 Comments from City partners recognise the positive ways in which the Council consults and works with them, and in particular the high calibre of the officers they engage with. They signal an appetite for cultural change that will create a more confident, ambitious and proactive organisation that harnesses the skills and expertise of its partners and empowers its staff to respond quickly and positively to change. They look to the Council to provide strong leadership, and anticipate stronger and more effective partnership working within which service delivery can be reviewed to secure improvement and reduce duplication.

Feedback from Trade Unions

17.3 UNISON has indicated broad support for establishing an efficient, lean management structure, but emphasised a concern that this should not result in large and unwieldy portfolios within which there is insufficient management resource for either the functions or for the front line staff. They would also seek assurances that the process put in place to achieve the reduction in numbers will be fair and that managers (as with all staff) will be properly supported with training and development of management skills so that all managers are able to compete on an equal footing.

Feedback from staff

- 17.4 A large number of responses were received from teams and individual staff. Many highlighted informed and insightful ideas for service improvement, streamlining of process and cost savings. These are being pursued with service managers.
- 17.5 Responses from chief officers indicated broad support for the principles of the review. Different opinions have been offered on the number and composition of directorates and the location and structure of services affected by the proposals, particularly partnerships, policy, improvement and performance, culture and the creation of an Adult, Children and Family Services Directorate. These have been considered in formulating the options.
- 17.6 Responses indicated a broad support for the design principles. Some put forward proposals for structural change, but most prioritised cultural change as the means for securing organisational and service improvement. Contributors envisioned a single, customer focused organisation with more clearly defined and accessible vision and values, improved communication and a greater willingness and ability to embrace change. Many anticipated a streamlining of bureaucracy and processes that would allow for greater efficiency, adaptability and speed of response, and there was some support for rationalisation of management structures and greater empowerment of front line staff in delivering 'joined-up' services to customers.
- 17.7 Broad support was expressed for the creation of a consolidated support service function and the efficiencies that could accrue from common policies and processes across the organisation. Different opinions were expressed about the precise composition of the function, but there was general agreement that 'support' services needed to be equal partners in management and development of the business.

Options

18. The review process described in section two above has produced the following two options which most clearly satisfy the objectives for reorganisation set out at section one above.

18.1 **Option one**

The establishment of the following Director posts and Directorate responsibilities:

i) Director of Customer and Business Support Services

Responsibilities

- Council Tax
- Housing Benefit
- Council Tax Benefit
- York Customer Centre
- Business Rates
- Cashiers
- Corporate Finance
- Payments
- Debtors
- Creditors Payroll
- Civic, Legal and Democratic Services
- Internal Audit
- Insurance
- Procurement
- Fraud
- Risk Management
- Efficiency
- Human Resources
- Information Technology and Telephony
- Register Office

Indicative net budget £7,640,230 based on figures for 2009/10.
Indicative full time equivalent posts: 775.

ii) Director of Communities and Neighbourhoods

Responsibilities

- Housing
- Parks & Open Spaces
- Libraries & Heritage
- Arts & Culture
- Voluntary & Community Sector Support
- Building Maintenance
- Waste Services
- Street Scene
- Highways infrastructure & maintenance
- Parking Services
- Neighbourhood Management Team
- Environmental Health & Trading Standards
- Safe City
- Sport and Active Leisure

Indicative net budget: £27,318,510 based on figures for 2009/10.
Indicative full time equivalent posts: 601.

iii) Director of Adult, Children and Family Services

Responsibilities

- Day Services
- Respite Care
- Mental Health Services
- Integrated Learning
- Equipment for People with Disabilities
- Care Management & Social Work
- Hospital Discharge
- Home Care
- Residential Care
- Fostering & adoption
- School Improvement
- School Governance
- School admissions & attendance
- Inclusions (including SEN)
- Young People's Service
- Children's Social Care
- Adult & Community Education
- Youth Offending Team
- Safeguarding & Child Protection
- Children's Trust
- Resources & Planning
- Early Years & Children's Centres
- Extended Schools

Indicative net budget: £75,015,920 based on figures for 2009/10.
Indicative full time equivalent posts: 1333.

iv) Director of City Strategy

Responsibilities

- Land Use Planning
- Development Control
- Building Control
- Conservation and Urban Design
- Sustainability and Carbon Reduction
- Major Site Development
- Land Charges
- City Walls Management
- Emergency Planning and Business Continuity
- Transport Planning
- Local Bus Partnership
- Highways Safety
- Highway Network Strategy & Management

- Engineering Consultancy
- Economic Development
- Science City
- City Centre Management and Development
- Skills Training, Future Prospects, York Training Centre
- Tourism and Visitor Info
- Property
- Waste Strategy
- Civil Engineering

Indicative net budget: £22,793,390 based on figures for 2009/10.
Indicative full time equivalent posts: 312.

18.2 Option Two

The establishment of the following Director posts and Directorate responsibilities:

i) Director of Customer and Business Support Services

Responsibilities

- Council Tax
- Housing Benefit
- Council Tax Benefit
- York Customer Centre
- Business Rates
- Cashiers
- Corporate Finance
- Payments
- Debtors
- Creditors Payroll
- Civic, Legal and Democratic Services
- Internal Audit
- Insurance
- Procurement
- Fraud
- Risk Management
- Efficiency
- Human Resources
- Information Technology and Telephony
- Register Office

Indicative net budget: £7,640,230 based on figures for 2009/10.
Indicative full time equivalent posts: 775.

ii) Director of Communities and Neighbourhoods

Responsibilities

- Housing
- Parks & Open Spaces

- Voluntary & Community Sector Support
- Civil Engineering
- Building Maintenance
- Waste Services
- Street Scene
- Highways infrastructure & maintenance
- Parking Services
- Neighbourhood Management Team
- Environmental Health & Trading Standards
- Safe City

Indicative net budget: £19,093,880 based on figures for 2009/10.
Indicative full time equivalent posts: 534.

iii) Director of Health and Wellbeing

Responsibilities

- Day Services
- Respite Care
- Mental Health Services
- Integrated Learning
- Equipment for People with Disabilities
- Care Management & Social Work
- Hospital Discharge
- Home Care
- Residential Care

Indicative net budget: £42,018,040 based on figures for 2009/10.
Indicative full time equivalent posts: 685.

iv) Director of Culture and Children's Services

Responsibilities

- Fostering & adoption
- School Improvement
- School Governance
- School admissions & attendance
- Inclusions (including SEN)
- Young People's Service
- Children's Social Care
- Adult & Community Education
- Sport & Active Leisure
- Youth Offending Team
- Safeguarding & Child Protection
- Children's Trust
- Resources & Planning
- Early Years & Children's Centres
- Extended Schools
- Arts & Culture
- Libraries & Heritage

Indicative net budget: £41,222,530 based on figures for 2009/10.
Indicative full time equivalent posts: 709.

v) Director of City Strategy

Responsibilities

- Land Use Planning
- Development Control
- Building Control
- Conservation and Urban Design
- Sustainability and Carbon Reduction
- Major Site Development
- Land Charges
- City Walls Management
- Emergency Planning and Business Continuity
- Transport Planning
- Local Bus Partnership
- Highways Safety
- Highway Network Strategy & Management
- Engineering Consultancy
- Economic Development
- Science City
- City Centre Management and Development
- Skills Training, Future Prospects, York Training Centre
- Tourism and Visitor Info
- Property
- Waste Strategy

Indicative net budget: 22,793,390 based on figures for 2009/10.
Indicative full time equivalent cost: 312.

19. In both options the Chief Executive retains responsibility as Head of Paid Service, Town Clerk, and principal adviser to the Elected Leadership of the Council. The Chief Executive's Office would contain the following functions:

- Policy
- Equalities
- Performance
- Partnerships
- Research + Consultation
- Marketing + Communications
- More for York Programme Office

Indicative net budget: £2,916,000 based on figures for 2009/10
Indicative full time equivalent posts: 86.

Arrangements would be made at an appropriate level for management of the staff in the Chief Executive's office, drawn from existing staff resources.

Analysis

20. Option One

Chief Executive and 4 Directors of:

- Customer and Business Support Services
- Communities and Neighbourhoods
- Family Services
- City Strategy

- 20.1 This model would establish a small strategic leadership team at officer level for the City of York Council focussed on the key priorities for the City over the next decade.
- 20.2 The Customer and Business Support Services Directorate would bring together support services which are currently devolved across the Council and provide greater consistency, flexibility of service provision and efficiency savings. This will be combined with a strengthened focus on customer service - through redesign of services with customers to meet their needs, including arrangements for access to services (how when and where), simplifying processes and getting rid of unnecessary bureaucracy, setting of customer service standards across the Council and provision of training for all staff in customer service. This Directorate will work particularly closely with the Communities and Neighbourhoods Directorate to ensure that the front line customer response is followed with effective delivery and close down of issues to a customer's satisfaction, avoiding repeat work and duplication of effort.
- 20.3 The Communities and Neighbourhoods Directorate would bring together the universal services which respond to and support the daily needs of communities and neighbourhoods such as refuse collection street cleansing street lighting parks and grounds maintenance the Council's landlord function and housing maintenance as well as leisure recreation and library facilities. These services play an important part in the immediate quality of life experienced by residents at a local level. In addition this Directorate would be responsible for working with partners, particularly North Yorkshire Police to make communities safe – and community life strong. Building on the Ward Committee process and working alongside Tenants Associations this Directorate would work closely with the Voluntary and Community sector to strengthen community life.
- 20.4 The Adult Children and Family Services Directorate would bring together the Adult and Children's Social Care functions with Education Support Services, Children's Trust and Youth support services and Adult Learning. This would be a large Directorate in budget and staffing responsibilities. The advantage of bringing these services together is to make sure that services are planned and delivered for residents in a way that acknowledges that people do not live in categories marked

'adult' or 'child' – particularly 'young adults' who can slip between service providers at a key moment in their lives.

- 20.5 The key factor influencing children's or indeed older people's quality of life is often the support or otherwise which they receive from family members. It is not uncommon that one service of the Council is working with a young person and another with an older relative in the same family. This proposal would allow for greater co-ordination and more flexible service provision. This arrangement would also allow for closer working with the NHS building on the recent work done by both organisations on the health and social care needs of our communities 'The Joint Strategic Needs Assessment'. Both organisations would be able to pool and use budgets more effectively to provide services. Arrangements for safeguarding of adults and children would be strengthened through a shared and consistent approach.
- 20.6 A key challenge will be to re model social care and services to adults – in common with the national picture people in York are living longer and wish to have more choice and control over services which they receive and older people will potentially require services for much longer periods of time.
- 20.7 The services and wider support to schools and for post 16 education, which are judged to be outstanding, would be maintained.
- 20.8 The Directorate of City Strategy will have responsibility for the economy and for strategic planning in relation to land use, transport, housing, the environment and skills as well as bringing forward major schemes and sites for development. Additionally a number of the functions of the Directorate would be strengthened viz support for inward investment and business growth, and work on carbon reduction and sustainability. A review will be required of the functions in City Strategy and their management to achieve efficiency savings, in line with the other Directorates

21 **Option Two**

21.1 Chief Executive plus 5 Directors of

- Customer and Business Support Services
- Communities and Neighbourhoods
- Health and Wellbeing
- Children, Culture and Leisure
- City Strategy

- 21.2 Option Two provides for a larger Corporate Management Team and retains separate Directorates with responsibility for Adult and Children's Social Care. The proposals and objectives for the Directorates of Customer and Business Support Services, Communities and Neighbourhoods and City Strategy remain as for option one.

- 21.3 The Directorate of Health and Wellbeing would play a key role in working with the NHS in York to lead on Health Improvement across the City and to plan for the demographic changes described above – the increasing number of older people and increasing life expectancy. This is a major challenge for the City as it is for all local authorities. The Director would have also a lead responsibility for commissioning across the social care agendas of the Council, working with the NHS and seeking opportunities to pool budgets, locate teams together and make efficiencies. Based on 9/10 figures the Directorate would have a net budget of just over 42 million and 684 staff.
- 21.4 The Directorate of Children and Culture would be responsible for all aspects of social care provision for Children, the children’s trust, youth services, support to schools and education providers, adult learning, culture and leisure services. The Directorate would have a budget of 41.2 million and 709 staff.
- 21.5 Research on models for local authority senior management team structures and responsibilities, drawn from 42 high performing ‘4 star’ unitary, metropolitan and London borough councils, suggests that there is a trend currently towards a reduction in top teams and specifically: one Directorate which provides support services for the Council, and two or three customer facing Directorates. There is increased emphasis on strategic management from a smaller corporate team, increased emphasis on partnership working and shared commissioning of services and on moving resources to front line delivery.
- 21.6 Some authorities such as Northumberland, Cheshire East, Hartlepool and South Tyneside have two externally focussed Directorates, effectively a Directorate of Place and a Directorate of People. In this model the Director of Place brings together neighbourhood level services with the strategic planning functions for the local authority area as a whole, and the Directorate of People brings together Children’s Services with Adults and Family Services.
- 21.7 4* Authorities such as East Riding, Stockton on Tees, Ealing, and Wakefield have brought together Children’s Services and Adult’s Services but not Neighbourhood and Strategic development services.
- 21.8 Where Adult and Children’s Services are combined it is clear that one consequence is that the Assistant Director roles within the Directorate carry significant increased operational responsibilities including management of multi million pound budgets and large staff groups.
- 21.9 Structures at Assistant Director/Head of Service tier vary widely with no clear trends, e.g. the smallest number in a sample of 20 for which we have data is 9 and the largest 33. Evidence suggests that decisions about the balance between strategic and operational responsibilities at AD level and local priorities/circumstances dictate the number of third tier posts. Directors will take responsibility for determining assistant director and management structures, subject to further consultation in phase 2.

21.10 As is clear from the outcomes of the consultation process the establishment of an effective organisational culture is as important as the senior management structure and location of services. Organisational culture is broadly defined as 'the way we do things around here'. Central to the culture of high performing councils and service organisations are the following features:

- a passion for customer service – a highly developed understanding at all levels of the organisation of the needs of customers;
- strong team working across all parts of the organisation to deliver shared goals;
- ambition and confidence – constantly looking for ways to deliver more, of better quality;
- a high level of staff development, performance management and strong internal communications.

21.11 The organisation review will be supported by a programme of workforce development activity to strengthen these aspects of the culture of the authority. The revised job profiles for senior managers will include as essential requirements competence in the key components of the CYC Business Model. There will be particular emphasis on: customer insight/service, business process reengineering, project management, partnership working and a commitment to fairness and inclusion, in addition to specialist/technical/professional expertise, I.T skills, people management and financial management.

Corporate Priorities

22. The proposals for the organisation review have been designed to give greater focus and alignment of services to the priorities of the community and corporate strategy. The organisation review will particularly contribute to the creation of an 'effective organisation', but clearly proposals for the Directorate of Communities and Neighbourhoods, City Strategy and the options in relation to Adult and Children's Services will sustain a focus on: a thriving city, a safe city, a healthy city, a learning city, a sustainable city and a city of culture. A commitment to inclusion – ensuring equitable access to services and targeted work to narrow gaps in life chances underpins the work of all council services.

Implications

Financial

23. The organisational review has a target net saving of between £1.2. and £1.6m in 2012/13. In achieving this net saving, the up front costs relating to the early release of staff will need to be funded through the in-year savings.

24. The table below presents an analysis of the savings, early release costs and investment in organisation development for Options 1 and 2 for the years 2010/11 to 2012/13. In 2012/2013 an in year net saving off 1.658m is forecast to be achieved from management costs in option one. In option two an in year net saving of 1.555m is forecast to be achieved from management costs in 2012/2013.
25. 33K per annum has been identified for the retraining and redeployment of staff affected through the organisation review.
26. The full impact of the organisation review is presented – in order that Executive in approving the Corporate Management Team structure and responsibilities for consultation is aware of the wider and consequential implications on Management if the target reduction of between 1.2 and 1.6 m is to be achieved.
27. As presented the two options represent:

Option One

- deletion of 2 posts of 7 in the Chief Executive and, Director tiers;
- deletion of up to 34 posts of 355 in the assistant director and management grades of the Council (grades 12, 11 and 10).
- Proportionate reduction in administrative support to senior management

Option Two

- deletion of 1 post of 7 in the Chief Executive and Director tiers;
- deletion of up to 34 posts of 355 in the assistant director and management grades of the Council (grades 12, 11 and 10).
- Proportionate reduction in administrative support to senior management

28. Indicative costs and savings are shown on the table below:

	10/11	11/12	12/13	<i>Total Cumulative Savings</i>
	£	£	£	£
Option 1				
2 Posts CX, Director	261,790	261,790	261,790	785,370
Up to 34 Posts Assistant Director, Grade10-12		518,500	1,918,500	2,437,000
Reduction in Administrative Support	43,100	112,780	112,780	268,660
Total Permanent Ongoing Savings	304,890	893,070	2,293,070	3,491,030
Option 2				
1 Posts CX, Director	130,900	130,900	130,900	392,700
Up to 34 Posts Assistant Director, Grade10-12		518,500	1,918,500	2,437,000
Reduction in Administrative Support	21,550	91,230	91,230	204,010
Total Permanent Ongoing Savings	152,450	740,630	2,140,630	3,033,710

One-off Investment Costs required to deliver On-going Savings			
Option 1			
Re-training and Re-deployment Costs	33,000	33,000	33,000
Early Release Costs	137,360	237,575	523,609
Option 2			
Re-training and Re-deployment Costs	33,000	33,000	33,000
Early Release Costs	68,260	208,004	494,038

29. The following assumptions have been made in developing the financial model above:-

- all Pension costs have been charged over the maximum 5 year period;
- redundancy costs are an assumed full charge in the year the person is released from the post;
- a provision of £100k has been set aside from the savings over 3 years in order to fund retraining and redeployment.
- That a vacancy freeze will immediately apply to posts at grade 10 and above which will only be released for recruitment subject to a business case approved at senior management level.

The one-off investment costs will continue to fall out beyond 2012/13 as a result of the decision to charge pension costs over the maximum 5 year period.

Human Resources (HR)

30. The HR/staffing implications arising from the proposals described in the report above will be managed in accordance with established Council/Chief Officer procedures for change management. The extensive consultation activities outlined in the document, represent a key part of this process. The individuals potentially affected by these proposals – senior management and P.As to senior management have been consulted with as part of the process. Additionally, the statutory requirements for Children and Adult Services outlined in Option 1, give rise to potential implications for salaries, grades and job descriptions at the second tier within the Family Services directorate. These would have to be taken into account if Option 1 were selected.
31. Numbers of staff for each of the new Directorates is contained in the table below.

Current Headcount as at 20/11/09

Chief Execs	207
Neighbourhoods	991
City Strategy	316
Resources	280
LCCS	1385
HASS	1186
Grand total	4365

Current Full time equivalent posts as at 20/11/09

Chief Execs	181
Neighbourhoods	734
City Strategy	270
Resources	253
LCCS	795
HASS	874
Grand total	3107

Option 1 Headcounts as at 20/11/09

Adult, Children and Family Services	2151
Chief Executives	94
City Strategy	330
Communities & Neighbourhoods	710
Customer & Business Support Services	1080
Grand Total	4365

Option 1 FTEs as at 20/11/09

Adult, Children and Family Services	1333
Chief Executives	86
City Strategy	312
Communities & Neighbourhoods	601
Customer & Business Support Services	775
Grand Total	3107

Option 2 Headcount as at 20/11/09

Chief Executives	94
Children's Services	1312
City Strategy	330
Communities & Neighbourhoods	586
Customer & Business Support Services	1080
Director of Health	957
Grand total	4359

Option 2 FTEs as at 20/11/09

Chief Executives	86
Children's Services	709
City Strategy	312
Communities & Neighbourhoods	534
Customer & Business Support Services	775
Director of Health	685
Grand total	3101

Equalities

32. The Organisation Review has been shaped around a commitment to fairness and inclusion – the Council's stated commitment to leave no resident and no community behind in access to opportunity and access to appropriate services. The implementation of the Review will comply with all relevant Equalities and Employment legislation. The redrafting of senior management job descriptions will include a core competence in relation to fairness and inclusion.

Legal

33. There are a number of statutory senior officer posts affected by this review and it is important that the authority ensures that any organisational changes take this into account both structurally and in the drafting of management responsibilities.
34. The Council is required to have a s151 officer and a monitoring officer as well as a Director of Children's Services and a Director of Adult Services. The authority is also required to have a head of paid service who is usually (and is in fact in York) the Chief Executive. The Head of Paid service is required by s4 Local Government and Housing Act 1989 and has overall responsibility for the carrying out of the authority's

functions, the number and grades of staff required to carry out those functions and the appropriate manner in which those staff are organised.

35. The s151 officer is governed by the Local Government Act 1972 which requires the authority to ensure that one of their officers has responsibility for the administration of the authority's financial affairs. This is linked to s113 Local Government Finance Act 1988 which provides that the holder of such a post has to be a member of specified accountancy bodies. s114 of that Act also places personal duties on that officer in respect of cases of actual or anticipated financial misconduct. There is nothing in the legislation which specifies at what level the s151 officer should be appointed although it is obvious that the post holder needs to hold sufficient authority to carry out their responsibilities.
36. The monitoring officer post is governed by s5 Local Government and Housing Act 1989. This requires every authority to designate one of its officers as monitoring Officer in order to carry out a range of functions under the Act. these are largely related to personal duties in relation to cases of actual or anticipated maladministration and responsibility for the Standards regime. There is no qualification requirement save that the monitoring officer cannot be the head of paid service. There is nothing in the legislation which specifies at what level the monitoring officer should be appointed although it is obvious that the post holder needs to hold sufficient authority to carry out their responsibilities.
37. The Local Authority Social Services Act 1970 (LASSA) was amended by the Children Act 2004 to require local authorities to appoint 'an officer' to be known as the Director of Adult Social Services at the same time as they appointed 'an officer' to be known as the Director of Children's Services. The statutory guidance underpinning these appointments states that these posts are to be statutory Chief Officers with accountability for their respective areas. The Guidance is issued under s7 LASSA and as such means that the authority would have to have very good reason for choosing to ignore that guidance. Both posts have to be directly accountable to the Chief Executive and be of equal status. Option 1 in this report proposes bringing together adult and children's social care. The implication of this is that the two statutory Director posts would need to report into the overall director and have a reporting line as well to the Chief Executive. Option 2 could mean that these statutory responsibilities were held at council (as opposed to statutory) director level. There are no qualification requirements for either of these posts.
38. In discussing these proposals, members need to ensure that they do not discuss the individuals concerned but focus on the posts within the existing and proposed structures.

Crime and Disorder

38. No implications

Information Technology (IT)

39. No implications

Property

40. No implications.

Other

41. No implications

Risk Management

42. As with any significant reorganisation a risk is that the energies and focus of services and staff are distracted and uncertainty undermines morale. For that reason effective management of the change process is essential, with priority given to frequent communication throughout the organisation, support and guidance for staff affected by the change process, use of agreed procedures for the management of change and whilst taking sufficient time to ensure the changes are properly planned for moving at a pace to provide certainty for staff. Reduction in management posts will be challenging and put additional demands on staff unless a thorough review is undertaken of internal operations to ensure all non essential processes are minimised. As ever close attention will be paid to the performance of the organisation through this period to ensure early action on any issues which arise.

Recommendations

43. Members are asked to:

(a) Adopt Option One as the preferred senior management structure of the City of York Council and to create the posts of:

Director of Customer and Business Support Services
Director of Communities and Neighbourhoods
Director of Adult, Children and Family Services and to retain the post of Director of City Strategy with the revised responsibilities outlined in the report.

This Option is best suited to the needs of the City of York Council at this time as it provides for:

- increased focus on customer service
- greater responsiveness to the needs of communities and neighbourhoods
- strengthened contribution from the Council to economic development for the City
- greater co-ordination and consistency in work with adults and children, increased opportunities for partnership working and

commissioning with the health sector on health and social care provision and work on overlapping agendas for adult and children's services such as 14-19 education.

- A small senior leadership team with the greater part of the management resource involved in direct service delivery
- (b) Approve the financial investment required to release the savings as outlined in table one at para 28.
- (c) Refer this report to a meeting of the Staffing and Urgency Committee for due consideration.
- (d) Instruct officers to make all necessary arrangements for implementation of the proposed senior management structure of CYC using the agreed processes and frameworks of CYC for such matters.

Contact Details

Author:

Kersten England
Chief Executive

Chief Officer Responsible for the report:

Kersten England
Chief Executive

Background Papers:

Executive report 20th October – More for York Blueprints
Executive report 7th July – Effective Organisation Programme, Efficiency Review
City of York Council Business Model,
City of York Council Corporate Strategy
Medium Term Financial Strategy
Annual Audit and Inspection letter 2009
CPA Corporate Assessment 2008
CPA Direction of Travel Statement 2008
Staff Survey results
Place Survey

Annexes

Annex 1 CYC Current and Proposed Structure
Annex 2 Consultation meetings

Annex 1 - CYC Current and Proposed Structure

CYC Current Structure



Learning, Culture and Children's Services

Director: Pete Dwyer



- School improvement
- School governance
- Schools admissions and attendance
- Inclusion (including Special Educational Needs)
- Young people's service
- Children's social care services
- Adult and community education
- Libraries and heritage
- Arts and culture
- Sport and active leisure
- Parks and open spaces
- Youth offending team
- Safeguarding and child protection
- Children's Trust
- Resources and planning
- Early Years and Children's Centres
- Extended schools
- Fostering, adoption and young people's residential care

Housing and Adult Social Services

Director: Bill Hodson



- Housing landlord services
- Homelessness services
- Grants and adaptations
- Warden call and sheltered/extra care housing
- Care management and social work support
- Hospital discharge
- Home care
- Residential care
- Day services
- Respite care
- Mental health services (led by Selby and York Primary Care Trust)
- Integrated learning disability teams (social care and health)
- Equipment for people with disabilities

Chief Executive
Kersten England



Chief Executive's

Director of People and Improvement:
Heather Rice



- Civic, democratic and legal services
- Human resources
- Property services
- Marketing and communications
- Equalities
- Payroll

Neighbourhood Services

Director: Sally Burns



- Environmental services
 - Waste services
 - Street Scene
 - Highways infrastructure and maintenance
 - Parking services
- Neighbourhoods and community safety
 - Neighbourhood management team
 - Environmental health and trading standards (includes environmental protection unit, animal health, food safety and standards, consumer advice, pest control, health and safety, bereavement services)
 - Safe city
 - Register Office
- Licensing and regulation
- Construction
 - Civil engineering
 - Building maintenance

Council directorates

City Strategy

Director: Bill Woolley



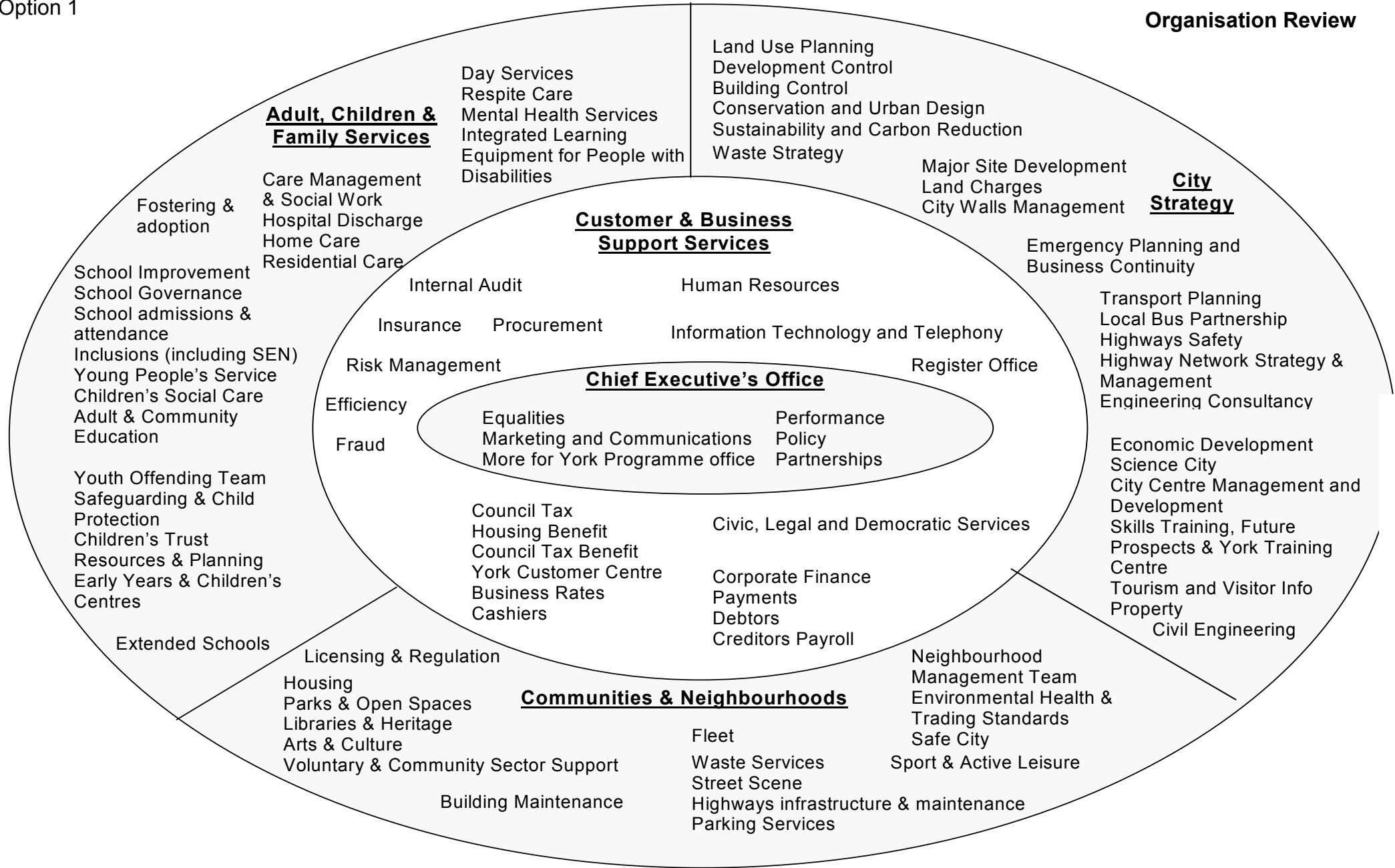
- Land use planning
- Local Area Agreements
- Development control
- Building control
- Conservation and urban design
- Major site development
- Land charges
- City walls management
- Transport planning
- Local bus partnerships
- Engineering consultancy
- Highway safety
- Highway network strategy and management
- Waste treatment strategy
- Sustainability and carbon reduction
- Local Strategic Partnership, Without Walls
- Regional and key cities agenda
- Economic development
- Science City
- City centre management and development
- Emergency planning and business continuity
- Skills training, Future Prospects, York Training Centre
- Tourism and visitor information

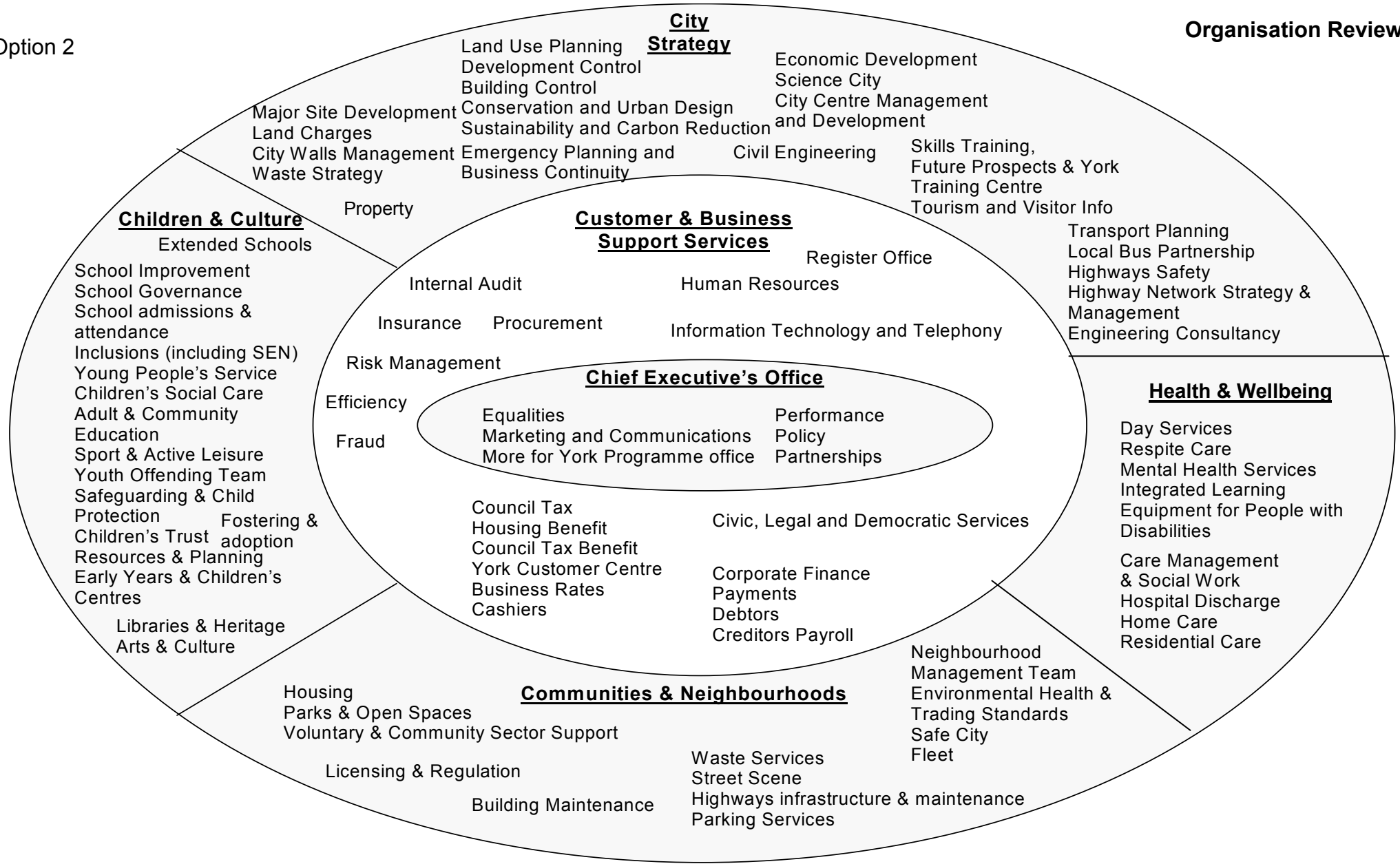
Resources

Director: Ian Floyd



- Financial services
 - Corporate finance
 - Payments
 - Debtors
 - Creditors
- Public services
 - Council tax
 - Housing benefit
 - Council tax benefit
 - Business rates
 - Cashiers
 - York Customer Centre (YCC)
- Audit and risk management
 - Internal audit
 - Procurement
 - Insurance
 - Fraud
 - Risk management
 - Performance management
 - Information management
 - Policy development
 - Corporate planning
 - Efficiency
 - Information Technology and Telephony (ITT)





Annex 2 - People/Organisations who responded to the consultation process

Cllr Scott – Leader of the Labour Group

Cllr Gillies – Leader of the Conservative Group

Cllr D’Agorne – Leader of the Green Group

Labour Group

Corporate Leadership Group

Senior Manager’s Group x 3

CLG PA’s

Staff events x 3

Corporate JCC

John Kinsella, Unison

Heather McKenzie, Unison

John Kirk, GMB

Audit Commission

Care Quality Commission

Ofsted

LSP Chair

York and North Yorkshire PCT

North Yorkshire Police

York St John University

CPP

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Executive

15th December 2009

Report of the Corporate Management Team

MoreforYork Update – Income Collection and Sustainability Review

Summary

1. This report sets out a general update on work on the 8 agreed moreforYork workstreams, provides a review of the sustainability impacts of the programme, sets out further proposals for member decision regarding the provision of community based cash collection and proposes commencement of 2 further blueprints, for inclusion in the programme.

Background

2. The moreforYork Programme has been established to transform City of York Council into a more effective organisation that delivers
 - **More for our customers**
 - **More for our employees**
 - **More for our money**
3. The scope of the programme was agreed by Executive in July 09 and in October 09 Executive agreed the detailed proposals for 8 of the 10 workstreams. Two further blueprints are presented on this agenda (Organisation Review and Adult Social Care).
4. This report provides
 - Section 1 – An update on progress made on each of the 8 agreed blueprints
 - Section 2 – A review of the Sustainability impacts of the programme
 - Section 3 – Further detailed proposals for community based income collection
 - Section 4 – A summary of 2 additional recommended Blueprints

Section 1 – Progress report

Programme Office

5. These 8 blueprints were agreed by members on October 20th 2009 and implementation work began immediately. Detailed plans are being drawn up for each

workstream with an overall Programme Plan outlining the dependencies between streams, and detailing the supporting workstreams such as IT HR and Finance. This is supplemented by directorate views of the plan setting out directorate specific workstreams and the impact of cross-cutting workstreams which enable each directorate to plan and co-ordinate their programme effort. Risk and Issue Logs, and mechanisms for tracking financial and performance benefits have also been developed.

6. Equalities Impact Assessments (EIAs) have been carried out for initiatives which will impact in the current financial year and feedback has been incorporated into relevant workstreams e.g. Provision of recycling containers. Further EIA events are planned to gain valuable input into all initiatives.
7. Consultation with staff and unions has commenced both at Joint Consultative Committees and directly with affected groups of staff.
8. Below are some of the highlights of this early work in each stream which may be of interest to members. This does not attempt to set out a comprehensive assessment of progress. This will be done in a milestone review in the next moreforYork Update report in the early Spring

Housing

9. Good progress has been made and early savings have been identified from the Gas Maintenance area and from a deal to allow the University to source material from Jewsons via the Eco Depot. Productivity improvements have been achieved and a pilot of mobile working in Housing Repairs will commence in the New Year. A solution will shortly be procured for tracking vehicles to enable improved and more cost effective work allocation to teams working in the field.

Neighbourhood Services

10. Waste and Neighbourhood Pride service - Major is work ongoing in order to optimise utilisation of waste and Neighbourhood crews and vehicles. A pilot of mobile technology will support the business in December and January. The provision of new containers is now being achieved in 5 days (down from 10 days). Recycling is now rolled out to 91% of the city.
11. Customer Services – Work is ongoing to streamline income collection in parking. Work is in progress to improve the end to end process, including major improvements to the YCC in April next year. This will make contact easier for the customer and will provide the necessary information to allow NS to continually and significantly improve the levels of service.
12. Highways - Work is ongoing on Highways maintenance contracts to enable them to work smarter with suppliers and neighbouring authorities.
13. Fleet and Transport - Significant ongoing savings of £176k have already been realised in the general running of the Neighbourhood's fleet, including renegotiation of the tyre contract.

Customer Services

14. Resource analysis has been carried out to determine the optimum resource required in the York Customer Centre, resulting in the introduction of part-time working. All staff have been assessed for capability and performance, and team leaders have been coached in performance management.
15. A new face-to-face manager has been appointed. Work to co-locate city centre receptions in 9 St Leonard's and the City Finance Centre is ongoing and customers are being consulted as part of the Budget consultation.

Income Collection

16. Work on the Top 30 commercial debtors is now complete, and £248k has either been paid or written off. £162k remains outstanding and is now being pursued aggressively.
17. The Single Person Discount review, matching council tax records for people claiming Single person discount with credit references to assess whether their claim is legitimate, has so far resulted in an increase in Council Tax collection of £237k.

Procurement

18. A reduction in the use of first-class mail and the sending of all second class mail by TNT is expected to produce a saving of £90k with no reduction in service.
19. Changes to the authority's telephone tariff have been implemented and are expected to realise £35k of savings.
20. 67 contracts with a value of £24m have been identified as due for renewal before the end of the current financial year. The Head of Procurement is talking to each of the directorates to confirm the details and determine how best to progress.
21. Many anticipated quick win contracts have been identified including glazing, agency staffing, photocopiers and stationery. Benefits from improved arrangements can be anticipated this year.

ICT

22. Savings of £14.5k have been achieved by the switch to BT One Bill.
23. Briefings with all of the staff likely to be affected have been held. Team members have also attended all DMTs, and agreed a plan for consolidation of teams and a list of staff to be included.
24. Multifunctional devices, which are to replace the current printers photocopiers and scanners, have been installed in 4 Museum Street and the Office of the Future, and their usage is being monitored.
25. An audit of all desktop hardware is almost complete, and the audit of the Microsoft licences will be complete by the end of the year.

Property

26. Activity to date has concentrated on stakeholder engagement across CYC and obtaining input and buy-in to the detailed planning activity.
27. Two papers will go to Executive for approval in the New Year: A Review of the Commercial Portfolio and The Establishment of a Strategic Asset Management Board. Benefits from these are anticipated in 2010/11.

HR

28. The e-recruitment system went live on 18th November, and to date there have been 21 applications submitted electronically. There have been 5270 hits on the site, with 260 people registering as users.
29. In November the HR Admin teams for Chief Executives, Learning Culture & Children's Services, Housing and Adult Social Care and the Recruitment Pool were co-located in Mill House, as the first stage in the formation of the HR Business Support Centre.

Section 2 – Sustainability Review

30. The moreforYork Transformation Programme is built upon three key themes: More for our Customers, More for our Employees, More for our Money. Sustainability is an integral part of the initiatives within all of these themes. As a result of this the effectiveness of sustainability improvements will be a determining factor in the success of the programme.
31. Our customers and staff not only recognise the importance of sustainability but insist on CYC actively improving the sustainable environment. Whilst these views are sufficient in their own right to promote sustainability within the programme, it makes sound financial sense to deliver efficiencies in a sustainable way. Thereby the utilisation of new technology, processes and structures will enable us to provide our services more effectively and with less resources today and reduce potential negative impacts / costs in the future.
32. The More for York Programme team have joined the Carbon Management Programme Core Team to ensure that the realisation of benefits is consistent with the Carbon Management Programme and that no double counting of any emissions reduction or cost saving takes place.

Approach to Realising Sustainable Benefits.

33. **Blueprint Development** - During the development of the respective blueprints we ensured that the focus of benefit identification was not solely financial savings. Benefits for our customers, staff and the environment were given importance. Sustainable Initiatives or initiatives which had associated sustainable benefits were captured. Likewise any initiatives with negative impact were identified and mitigation sought. For example by tracking our vehicles we will gain efficiency through improved utilisation and this will ensure overall fleet emissions will reduce. We will be able to provide accurate data regarding emissions to prove this benefit.
34. **Profiling Benefits** - Part of the blueprinting process involved the development of Individual Benefit Profiles. Benefits have been grouped into six strands, which links in with CYC's Sustainability Impact Assessment criteria:

- Natural & Built Environment
 - Climate Change
 - Transport
 - Economy
 - Social
 - Housing
35. **Sustainability Impact Assessments (SIAs)** for each workstream and the overall Programme have been compiled. SIAs for the moreforYork Programme are attached. at Annex 1.
36. **Measurement** - In order to measure the success of any initiative it is imperative to be able to monitor improvements and quickly identify failings to be rectified. Whilst drafting individual benefit profiles, indicators are identified to enable effective measurement. Often these indicators are easy to identify i.e. reduced spend can be measured by normal accounting processes. However softer benefits may not be so self evident or be suitable to be measured numerically. We are corporately reviewing the indicators currently in use across CYC so as to avoid duplication of effort and employ best fit. From this we can identify any gaps in data collection and plan how to measure benefits and collate data.
37. **Baselining data** - Once suitable Indicators have been established it will be necessary to baseline data to be able to measure performance and update profiles. Where there is not data available it will need to be established and maintained.
38. **Monitoring** – We will use the existing benefits realisation process to track the achievement of sustainability benefits as they are one type of benefit. The individual profile will explain the particular process to collate data and from what source (corporate or directorate performance data, data collected by a partner organisation such as North Yorkshire Police, or if we will have to collect the data
39. **Collate, Monitor & Report** We will update Benefit Realisation Plans with data as it is made available and undertake ongoing reviews of progress & identify how to maximise benefit the sustainability impact of the work we do.
40. **Future Development of Sustainability Improvement Initiatives** will be picked up as part of the Staff Suggestion Scheme which moreforYork is currently drafting.
41. **Overview of Sustainability Impact** – from our initial work the moreforYork Programme is likely to have a very positive impact upon :-
- **The quality of the built environment and the cultural heritage of York, preserving the character and setting of the historic city of York** – improved waste collection and grounds maintenance will improve standards of cleanliness across the city. The introduction of generic operatives will ensure litter & waste is removed in quicker timescales. The introduction of a comprehensive Facilities Management function will ensure an effective planned maintenance programme for CYC buildings
 - **Climate change by reducing greenhouse gas emissions such as CO2** – Reduction in usage of vehicles (reduced numbers & promoting shared use) will reduce CO2 emissions. Also planned Street Lighting Controls will ensure that CO2

emissions reduce, this will be underlined by a review of the street lighting procurement specification. Using a better type of tyre on vehicles will reduce fuel consumption, have a longer lifespan and hence reduce CO2 emissions. Dynamic scheduling of work and mobile working, improved quality (less rework), less inspections (get right first time), utilisation of multi skilled workers, vehicle tracking will all reduce CO2. The re-provision of a Data Centre will use less servers, rationalisation of printers, bulk printing, desktop and mobile devices will all reduce carbon emissions. Increased contact options and introducing Single Point of Contact for customers (& extending contact times) will reduce the need for customers to visit CYC offices. Better procurement will ensure the sustainability compliance of suppliers.

- **Reduced waste generation and increased levels of reuse and recycling** – Provision of 3 containers for recycling will improve recycling usage. Trader Waste Audits will identify leakage into the domestic waste stream and ensure it is dealt with effectively. Rationalisation of Printer Services & Managed Print will reduce paper usage by 50% after three years and increase recycling of waste. Improved Procurement processes will reduce the number of goods purchased.
- **Reduced air, land and water pollution** - Improved use of the CYC fleet and reduced customer travel will reduce air pollution. Improved facilities management in CYC buildings will also contribute to reduced CO2 emissions.
- **Prudent and efficient use of energy, water and other natural resources** - Through reduced travel for customers, reduced use of CYC fleet of vehicles, reduced energy utilisation by computers and printers and better compliance with CYC policies of our suppliers and more sustainable goods and services procured e.g. recycled paper.
- **Safety and security for people and property** – The introduction of a Health & Safety Asset Manager system will improve safety precautions. The introduction of Street Lighting controls will improve safety & security to both. By providing effective Soft FM measures i.e. fire prevention, security services, bacteria testing, health and safety standards in CYC buildings will improve. Better procurement will ensure suppliers comply with CYC H&S standards.
- **Reduce inequality and embrace diversity** – Consistency of advice and utilisation of best practice throughout CYC will impact on CYC staff. Services will be designed & maintained around the customer and their changing needs.

Section 3 – Income Collection - Proposal to extend the external payment service.

42. This report sets out a proposal for members' consideration to move from the current city centre single cash payment facility to an externally provided facility based in local shops and post offices. This would mean extending the scope of the Allpay bill payment contract currently used to collect rental income, to include all cash payments due to the council. The contract is operated through the Northern Housing Consortium and is due to be retendered prior to July 2010. This solution reflects the practice already implemented in many other councils (for example Newcastle City, Wakefield, Bolton and Haringey Councils).

43. Implementation of this proposal would result in local post offices and small retailers handling up to 194,000 cash payments annually, on behalf of the council. The Banking Hall at City Finance Centre, would no longer be handling cash payments, freeing up the accommodation to be used to provide integrated face to face services to customers in preparation for the move to new Head quarters in 2012. This proposal will contribute £125k pa to the moreforYork Efficiency Programme in 2010/11.

Background

44. On 20th October, Executive agreed a series of blueprints relating to the moreforYork Programme. The Income Collection blueprint set out proposals to explore the most cost effective methods for maximising income collection. Amongst these proposals was a recommendation to consider the merits of moving away from cash collection in council offices to an alternative community based method. Executive agreed the Income Collection blueprint and requested a further paper on cash collection following discussions with the Post Office.
45. The council has long understood the benefits of introducing more convenient and cost effective payment methods for its customers. In 2006, Executive agreed to the introduction of a phone based bill payment service via the York Contact Centre. In 2007 the council established an on-line payment facility through its website. Both of these changes have provided the public with an alternative payment method to cash and account for approximately 40,000 transactions per year. In 2007, it was reported to Executive that £72k per annum had been realised from administrative budgets through the efficiencies achieved by the introduction of telephone and on-line payments.
46. There are, however, customers who have limited access to banking facilities and cannot take advantage of direct debit and card based payment facilities. Also there are customers, mainly older people, who prefer to pay their bills in cash. The council currently offers a cashiering facility at the Banking Hall at City Finance Centre for these customers. This service handles around 82,000 cash payments a year. The majority of cash payments received relate to Council Tax and a more detailed breakdown can be found at Annex 2. In addition to the services provided from the Banking Hall, cash payments are accepted at the reception and parking offices at 9 St Leonard's. Cash payments are also received at Kings Court, Mill House and Acomb. The provision of bill payment services via cashiers is an expensive option for an organisation both in terms of the cost of staff to perform the transaction, but also the administration associated with counting/sorting large amounts of banknotes and coins that need to be processed and banked. Additionally there are quite significant costs incurred through the provision of CCTV and the secure transfer of cash to and from the bank. Taking all of these elements into account the cost per transaction through CYC cashiers at the Banking Hall is £1.52. The cost via the web and phone is estimated to be around 30p per transaction.

Proposal

47. Aside from the primary objective to improve efficiency, a key principle of the moreforYork Programme is to provide more convenience for customers through extended hours of service and more ways to access, enquire and pay for services. In addition, the Programme is also looking to increase the opportunity for services to be delivered in the community. The current payment arrangements do not support these principles and require customers who have no banking facilities to travel into the centre of York to pay their council bills. Therefore a combination of the relatively high

transaction cost and lack of convenience has prompted a review of how cash payments should be handled.

48. Many other local authorities are now moving away from the direct provision of bill payment services to specialist bill payment providers such as the Post Office and Allpay. Allpay offer the facility for customers to pay bills through nominated retailers and any post office, with unit transaction costs of 42p and 47p respectively. Experience of our own Housing service (see below) and other local authorities who have moved to providers such as Allpay indicate that not only is it successful in terms of cash collection, but that it also proves popular with customers.
49. In 2006, Executive agreed to the introduction of the Allpay service to allow council tenants to pay their rent at outlets across the city. The feedback from tenants has been that the change was welcome and the service is popular and convenient. Since its introduction, the majority of Housing cash payments are made through this route. Over £25k rent money is taken every weekend, indicating that there is significant demand for weekend services. Additionally the service has improved the collection of rent and rent arrears year on year since the service was introduced. In part, it is considered that the convenience associated with Allpay has supported the improved cash collection in Housing Services.
50. A limited survey has been carried out to understand whether those who travel into the city centre to use the Banking Hall do so because they also want to access other council services. Overall, we believe that customers are in the main, simply paying a bill. Very few of those sampled intended to visit other reception areas. Customers have also been consulted about their preferences in terms of services within the new HQ. Of the 1654 responses only 19 or 1.14% wanted a cash office or bill payment facility and 6 or 0.36% wanted cash machines/bank facilities.
51. Given the positive experience with Housing, learning from other local authorities and our understanding of our customer base, we believe that these proposals will allow customers more choice about where they pay their council bills using cash. It is recommended that the current facility for customers to pay bills at the Banking Hall be replaced by a network of retail and Post Office outlets through the Allpay facility. Customers will have a greater choice to pay their bills at 68 retailers and 43 post offices spread around the York Area, many of which open longer hours than currently available at the Banking Hall. A full list of Allpay outlets and locations is attached at Annex 2. Naturally the council will continue to take positive action to encourage customers to pay by even more cost effective and convenient ways such as Direct Debit, Web based automated payments and telephone payments through our customer services contact centre (the YCC).

How does it work?

52. The Allpay service operates on the basis of providing customers with a payment card that they take along to a post office or retailer. The card contains details about the customer that are provided, securely, by the council. This information is encoded into the card by Allpay and allows the cash payment to be credited to the council's bank account. If a customer loses their card, a replacement can be issued within 5 days on request. The card can only be used to credit their CYC account. Some Housing customers already have a card for their rent account and also one for their electricity payments. As the cards are branded, it is obvious to the customer which card relates to what creditor. From the council's perspective, payments are received within 24

hours into our bank account which means that there is no adverse impact on our cash flow.

53. It is proposed that there would be a 'roll-out' of cards over several months. The council services that currently attract large volumes of cash payments such as Council Tax would be targeted first. The extension of the Allpay service would be supported through an extensive marketing campaign in post offices and small retailers and would be paid for by Allpay. The council would use opportunities such as the annual issue of Council Tax bills to also market the service.

Residual Service

54. It is proposed that payments would still be accepted at reception areas at St Leonard's for the period up until the move to a new HQ. However it is expected that customers will take advantage of the facilities offered elsewhere and the numbers of cash transactions will significantly reduce. Our plans suggest that by April/May 2010 there will be sufficient capacity at the reception areas at 9 St Leonard's to allow residual cash payments to be handled there and the Banking Hall will close. At that point it is expected that a modest refurbishment of the Banking Hall will allow Housing Options/Advice to be provided from there. Consideration is being given to the provision of Automated Payment machines to supplement the reduced cashier service.

Post Office/Retailer Impact

55. Changing demographics over recent years have seen local and neighbourhood shopping centres facing an uncertain future. The move to Allpay payments through local retailers and post offices will contribute to their sustainability and encourage wider use of post offices and other businesses. Officers recently met with the Post Office to discuss this proposal. They are very keen to work in partnership with the council and believe that Allpay is the best channel for Council Tax and Sundry Debtor accounts.

Link to Customer Service Blueprint

56. On 20th October, Executive also agreed the proposals contained in the Customer Services Blueprint document. One of the key initiatives here was to consolidate all customer facing activities at the reception areas in St Leonard's. This consolidation is dependent upon the overall reduction in cashiering to a level that can be managed from within spare capacity at 9 St Leonard's. In future, the majority of residual cash transactions will be managed through the secure Parking reception area.

Conclusion

57. The provision of the current cashier service is both costly and inefficient. Cash is expensive to process, with especially high bank charges for coin. For customers who currently pay their bills by cash, we currently only offer one facility through which to pay, meaning a trip into York city centre. The extension of the Allpay bill payment service to Council Tax and Sundry Debtors will not only significantly reduce costs, but will offer customers more choice about where they pay.

Risk Management

58. Two key risks have been considered. The first relates to the risk that less income will be collected as a result of this change. It is not considered that this is a serious risk. Evidence from other local authorities suggests that the provision of more payment

outlets actually increases the amount collected. From our limited experience at CYC with Housing Services, there was an increase in the collection rates and that has been maintained since the move to Allpay. It has proved particularly effective in terms of the collection of rent arrears. Naturally this will be reviewed on a monthly basis should Executive agree the proposals in this paper. The second risk has related to the procurement approach. The original contract was procured for Housing Services. Having discussed it with procurement experts and legal services, we are content that the contract we have allows for an extension to other council services.

59. In addition to the above this proposal will raise additional risks, which will be managed by the Customer Services project team:
60. Staff morale may be affected by the proposal to move to an external bill payment method. The impact will be mitigated by reducing the impact on staff where possible through effective vacancy management, redeployment, training and turnover. An effective communication plan will also ensure that staff are kept informed about any changes impacting on them.
61. Some customers will inevitably be uncomfortable with the changes to service provision, which may result in some reputational damage. This risk will be mitigated through a positive marketing and communications exercise stressing the positive elements of the change (increase in customer choice and reduced costs to the council tax payer). Unions may challenge the changes. The project will ensure ongoing union involvement and staff consultation.

Equalities Implications

62. An initial desktop Equalities Impact Assessment was carried out in the early stages of the Income Collection Blueprint. At that stage it was considered that this proposal would not have a detrimental impact on any customer groups. In fact it was considered that the increase in choice would be of benefit to some groups and feedback from customer groups suggested that those who collect their pensions or benefits at the post office would particularly welcome the change. In recent weeks specific consultation has been carried out in order to plan and deliver this service in a fair and inclusive way. Feedback has been positive and there is no evidence that this proposal will adversely impact any customers. We will continue to survey staff and customers to assess whether we need to make any further changes to improve the customer experience.

HR Implications

63. There will be a reduction in the number of employee posts as a result of this proposal. It is expected that at least 6 posts will be removed from the establishment as the in-house demand for cashiering services reduces. Immediate alternative opportunities have already been identified for staff, within the customer services environment together with support for reskilling.
64. Employees and their representatives have been consulted on these proposals and ongoing communication with both staff representatives and individuals will take place throughout the change process.
65. The restructure of the Cashiers service will be implemented following council policies and procedures that are contained within the Management of Change policy. Suitable

redeployment opportunities will be provided wherever possible for any displaced staff. Any changes to staff roles will be supported by new and updated job descriptions which will be evaluated by the City of York Council's job evaluation team.

Financial Implications

66. The proposals in this report contribute to the achievement of the efficiencies being sought through the moreforYork Programme. The current cashier function costs around £295,000 primarily in staff costs and banking charges. This equates to a unit cost per transaction of £1.52. The Allpay charges for the same volume of transactions would be £52,000 (based on an assumed 70/30 usage split of retail outlets to post offices). This represents a potential saving of £243,000. However there is still a requirement to provide some cashiering support to Parking Services to deal with the coinage that they collect. This will reduce the potential savings target to £125k pa. A further piece of work to consider how the collection of coin could be managed to reduce these costs further.

All Pay Costs	2009/10				2010/11
	January	February	March	Total	Full Year
No of Transactions					
Council Tax	6,300	-	-	6,300	75,600
Business Rates	173	173	173	519	2,076
Rents	2,658	2,658	2,658	7,974	31,896
Debtors	-	712	712	1,424	8,544
Housing Benefit Overpayment	-	121	121	242	1,452
	9,131	3,664	3,664	16,459	119,568
Transaction Costs	3,973	1,594	1,594	7,161	52,020
Cashier Function Savings					
Employees	-	11,180	12,096	23,276	145,152
Office Expenses	-	1,218	1,218	2,436	14,616
Bank Contract	1,492	1,492	1,492	4,476	17,900
Total Savings	1,492	13,890	14,806	30,188	177,668
Net Savings	- 2,481	12,296	13,212	23,027	125,648

Options

67. There are only two options associated with this report:
- Agree the proposals . In summary, the move to Allpay improves accessibility and choice for all our customers and delivers a service that is responsive to our customers needs and generates annual ongoing savings of £125k.
 - Retain the existing form of service provision which will have a detrimental impact on future customer choice and the ability to achieve the efficiencies identified in both the Customer Services and Income Blueprints in the moreforYork programme.

Section 4 – Additional Blueprints

68. The blueprints that have been agreed to date form the first phase of the programme. In order to achieve the agreed savings targets and to enable the organisation to respond to issues which arise during the implementation phase, it has always been the intention to identify further workstreams. Presented below are 2 further areas where a blueprint needs to be developed to identify whether work should be initiated. Members are asked to agree the development of the blueprints which will then come back to Executive for agreement before any implementation begins.

Children' s Social Care

69. LCCS and Children's Social Care (CSC) in particular are facing very significant challenges as a result of developments across the national Children's Social Care environment. Specifically:
- A more frequent and rigorous inspection framework (including unannounced spot inspections)
 - A significant increase in referrals for safeguarding services following Lord Laming's review into the tragic death of Baby Peter
 - A subsequent increase in demand for care placements
70. These circumstances put the department under pressure both in terms of staff capacity and financial resources and hence maintaining a safe high quality service is more difficult.
71. The significant increase in referrals to children's social care has resulted in a rise in the number of looked after children, which in turn has increased the costs incurred by the service. This situation, reflected across the country, reduces any capacity for preventative work by social care professionals and leaves the organisation simply reacting and deploying already stretched resources to respond to some of the most vulnerable and 'at risk' children & young people in the city. This reduced capacity to undertake the critical preventative and early intervention work increases the likelihood of more costly and intensive interventions (including becoming looked after) at a later stage. An increase in such outcomes is in the interest of neither the council nor those involved.
72. After a careful analysis of local trends and national drivers, LCCS have developed a clear vision of the key changes that are needed to address this situation. However CSC recognise that they lack the change management and project management expertise to successfully deliver the ambitious yet necessary changes in the required time. The involvement and support of moreforYork in this work will give it the structure, resources and drive needed to enable the service to transform itself and meet the challenges it faces on cost and capacity. Without this support it is unlikely that the required changes will be delivered successfully.
73. This work will be undertaken by the CYC team and will not form part of the risk reward contract with Northgate Kendric Ash.

Finance, Performance and ancillary areas

74. In July, Executive received a report on the 'Effective Organisation Programme-Efficiency Review'. It was stated in the report that "There are a range of early actions that need to be undertaken to provide a firm launch pad for the change. These include

consideration of the consolidation of some support services ahead of the move to the new HQ - specifically HR, Finance, IT and Procurement.'

75. Further to that report, it is now proposed to complete a blueprint focused on Finance, Performance & other support activities. The objectives are similar to those of the already completed HR, ICT and Procurement blueprint, where the potential to leverage efficiency gains and service improvements through the pooling and restructuring of resources into a central hub will be explored. This will include maximising opportunities/benefits by moving to consistent working practices whilst ensuring service delivery is fit for purpose for the respective activity areas.
76. The blueprint will support the proposal in the Organisation Review paper to create a central support hub for the organisation and will identify the most productive and efficient way of delivering these services. CMT are overseeing the work and it will run alongside the Organisation review and cover the following areas:
 - Financial support (including income and creditors as part of Income & Procurement Blueprints)
 - Performance
 - Policy
 - Partnerships
 - Associated admin support.
 - Any other support activities which are currently bundled together with finance, HT ICT or procurement within, which have not been covered in other blueprints so far
77. NKA are supporting this piece of work and if the blueprint is agreed by members (draft timescale March 2010) this will be incorporated into the contract and subject to the same Risk Model. Any savings made will contribute to the contract savings targets and will be covered by the existing proposed fee structure i.e. there will not be additional fees for implementation.

Financial Implications

78. The Medium Term Financial Strategy (MTFS) presented as part of the Budget Report to Council on 26th February identified a cumulative 3-year target of £15m net real efficiency gains (2010/11 £3.25m, 2011/12 £5.15m, 2012/13 £7.15m). These targets were considered necessary in order to ensure that the council could meet forecast future financial pressures without the need for significant cuts or reductions in services. Given further pressures on public spending, and pressure for additional spending in areas such as looked after children and adult social care that have emerged in the last year, we know that the Council will need to make savings in excess of the £15m targets. Therefore the scope of the Programme will need to reflect this in the future.
79. The forthcoming budget for 2010/11 currently assumes that the Programme will generate net savings of £3.5m on the basis of the predicted savings from year 0 and 1, net of fees and investment costs. .
80. The proposals set out in the 8 blueprints already agreed contribute significantly to the achievement of £15m of ongoing net efficiency savings (after deduction of all fees and investment costs), specifically identifying £4.244m gross savings in 2020/11 rising to £13.225m by 2012/13. This is set out in the table below. Further proposals are to be considered on this agenda and additional recommendations will be will be brought

forward in the new year to ensure we meet the target of £15m pa of net savings and to address any increase in the savings targets for the Council in the future.

81. The table below summarises the gross savings predicted from each stream. The sums in columns Year 0-3 represent additional savings found in each year which go into the base budget. The eventual ongoing annual saving is featured in the Annual Savings column.

More for York : General Fund Financial Summary					
General Fund	Year 0 2009/2010	Year 1 2010/11	Year 2 2011/12	Year 3 2012/13	Annual Savings
	000's	000's	000's	000's	000's
Efficiency Savings					
Customer Services	267	530	385	60	1,242
Housing (None HRA)	0	73	47	20	140
HR	0	230	716	778	1,724
ICT	0	390	996	202	1,588
Neighbourhood Services	401	1,308	345	267	2,321
Property	0	0	572	0	572
Procurement	20	410	925	2,125	3,480
Income Collection	435	1,303	370	50	2,158
Gross GF Efficiency Savings	1,123	4,244	4,356	3,502	13,225
HRA	Year 0	Year 1	Year 2	Year 3	Annual
Housing Savings	51	867	437	249	1,604

82. Specific financial implications arise from the need for capital investment, and revenue investment, plus the need for provision for redundancies. All of these costs will be a charged against the moreforYork Programme and were set out in the report in October 09.

Corporate Priorities

83. The report directly supports the corporate strategy objective of delivering an Effective Organisation in delivering efficient and effective services. Provision of a corporate customer service culture will help contribute to the effective delivery of all corporate priorities in enhancing the customers' experience with council services

Consultation

84. The Customer Strategy and moreforYork programme places customers at the heart of the design of services. The income collection workstream has been the subject of consultation with both the SWIG and the SERG and this will continue. In addition, all Directorates have been consulted about these proposals and CMT are supportive of the initiative. The budget consultation also includes a question about customer's willingness to embrace web and phone payments and their views on local collection of cash.

Implications

85. The implications this report are: -
- **Financial** - covered in the report
 - **Human Resources (HR)** - covered in the report

- **Equalities** - covered in the report
- **Legal** – no implications
- **Crime and Disorder** – no implications
- **Information Technology (IT)** –. Interfaces with receipting systems, SX3 and our bank reconciliation programmes are currently being assessed.
- **Property** - These proposals will maximise the use of our current accommodation by streamlining the receptions and related services for the councils, contributing to the council's efficiency objectives and will help us to prepare for occupation of the new HQ.
- **Risk Management** – This report addresses two major corporate risks - the failure to achieve £15m of savings in the next three years and the failure to co-ordinate related change activity. This report seeks to mitigate both these risks by implementing a robust plan of action to achieve savings whilst aligning the delivery programme with other change activity. The specific risks of the Income Collection recommendations are set out in paras 58-61.

Recommendations

86. The executive is recommended to :-
87. Note the progress made on the More for York Programme
88. Note the work undertaken to date on identifying the Sustainability benefits from the Programme
89. Agree the Income Collection proposals as set out in paras 42 - 67 particularly
 - a. the proposal to introduce the Allpay facility;
 - b. the closure of the cashiering function in the banking hall and the provision of a residual cashiering facility at 9 St Leonard's.
90. Agree the production of an additional Blueprints for work on Children's Social Care as set out in paras 69 - 73
91. Agree the production of additional Blueprints for work on Finance Performance and associated support as set out in paras 74 - 77

Reasons

92. To enable the council to deliver service improvements and create efficiency savings of £15m over the next three years and to redesign services enabling a more customer focused, locally based service delivery model.

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Title

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Report Approved

Date 2nd December
2009

Dept Name Resources
Tel No. 553419

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

All

For further information please contact the author of the report

Annexes

Sustainability Impact AssessmentsAnnex 1

All Pay OutletsAnnex2

Key

✓✓	Likely to have a very positive effect
✓	Likely to have a positive effect
I	Likely to have a mixed or neutral effect
*	Likely to have a negative impact
**	Likely to have a very negative impact
?	Uncertain effect
0	No significant effect or clear link

Below is a set of sustainability questions based on the key issues identified from the Integrated Regional Framework and CYC Sustainability Appraisal of the Local Development Framework. Each question is to be scored in accordance with the key to determine the effect which a proposal/decision will have on the overall sustainability of the York. Where negative or very negative impacts are predicted, individuals completing this form should suggest alterations that have the potential to improve the proposal/decision.

Sustainability Question	Appraisal Result								Workstream Initiative / Measurement Indicator
	✓	✓	I	*	*	?	0		
Natural and Built Environment	✓	✓							
Will it increase land use efficiency that maximises the use of brownfield land?		✓							Property: The introduction of a Strategic Asset Mgt Board will support the efficiency of land use. <i>Indicator: Size and number of vacant & derelict land and buildings.</i>
Will it maintain and improve a quality built environment and the cultural heritage of York and preserve the character and setting of the historic city of York?	✓	✓							Neighbourhood Services: Optimisation of waste schedules & rounds Review of Ground Staff operations will result in improved standards. The introduction of generic operatives will ensure litter & waste is removed in quicker timescales. <i>Indicators: NS performance data.</i> Property: The introduction of a comprehensive Facilities Management function will ensure an effective planned maintenance programme. <i>Indicators: Stock of listed buildings in York, % at risk. Number of Scheduled Monuments at risk. Number of conservation areas in York.</i>
Will it conserve and enhance the natural environment?		✓							Neighbourhood Services: Environmental improvements will be achieved by: Improved waste collection, street cleaning. Review of litter & dog bin collection rounds. Provision of recycling containers will reduce amount of waste escaping from bags in bad weather. <i>Indicators: NS performance data.</i> Property: The Strategic Asset Mgt Board will champion this. <i>Indicators: Number of conservation areas in York.</i>
Will it reduce air, land and water pollution?		✓							Customer Services: Increased contact options and introducing Single Point of Contact for customers (& extending contact times) will reduce the need for customers to visit CYC offices. <i>Indicators: Monitor usage of contact options & compare to historic data.</i> Housing: Reduction in air pollution due to: reduced fleet of vans, less trips due to improved diagnostics, dynamic scheduling, mobile working, improved quality (less re work), less inspections (get right first time), utilisation of multi skilled workers, vehicle tracking, review of crew cabs for voids (1 crew cab could replace 3 vans). <i>Indicators: Tracking of vehicles will provide detailed data on emissions. Compare Fuel consumption levels to historic data.</i> Neighbourhood Services: Improved fleet utilisation will reduce air pollution. <i>Indicators: Tracking of vehicles will provide detailed data on emissions. Compare Fuel consumption levels to historic data.</i> Property: Effective FM will minimise pollution. <i>Indicators: Monitor Carbon Dioxide emissions from CYC buildings & compare to historic data.</i>

Sustainability Question	Appraisal Result						Workstream Initiative / Measurement Indicator
Will it reduce waste generation and increase levels of reuse and recycling?	✓	✓					<p>Neighbourhood Services: Provision of 3 containers for recycling will improve recycling usage. Trader Waste Audits will identify leakage into the domestic waste stream and ensure it is dealt with effectively. <i>Indicators: % of residents served by kerbside collection of recyclables. Total kilograms of waste collected per head. % of household waste recycled. Trader Waste Audits</i></p> <p>ICT: Rationalisation of Printer Services & Managed Print will reduce paper usage by 50% after three years and increased recycling of waste. <i>Indicators: Compare consumption of paper to historic data. Monitor recycled waste levels.</i></p> <p>Procurement: Improved Procurement Processes will reduce the number of goods purchased. <i>Indicators: Monitor performance data with historic records.</i></p> <p>Property: Effective FM will minimise pollution. <i>Indicators: Monitor recycled waste levels.</i></p>
Will it reduce the impact of flooding to people and property in York?						0	
Climate Change							
Will it reduce the impact of climate change by reducing greenhouse gas emissions such as CO2?	✓	✓					<p>Property: CO2 emissions will be effectively monitored and reductions targeted. <i>Indicators: Comparison with historic data.</i></p> <p>Neighbourhood Services: Reduction in usage of vehicles (reduced numbers & promoting shared use) will reduce CO2 emissions. Also planned Street Lighting Controls will ensure that CO2 emissions reduce, this will be under lined by review of street lighting procurement specification. Using a better type of tyre on vehicles will reduce fuel consumption, have a longer lifespan and hence reduce CO2 emissions. Effective tracking of vehicles will enable accurate carbon footprint monitoring. <i>Indicators: Monitor data produced by tracking system. Monitor fuel consumption levels and compare to historic data. Compare lifespan of tyre consumption. Monitor CO2 emissions from street lighting.</i></p> <p>Housing: Reduction in air pollution due to: reduced fleet of vans, less trips due to improved diagnostics, dynamic scheduling, mobile working, improved quality (less re work), less inspections (get right first time), utilisation of multi skilled workers, vehicle tracking, review of crew cabs for voids (1 crew cab could replace 3 vans). <i>Indicators: Monitor data produced by tracking system. Monitor fuel consumption levels and compare to historic data.</i></p> <p>ICT: Provision of a Data Centre, Rationalisation of Printer Services and Bulk Printing, Rationalisation of desktop and mobile devices: will all reduce Carbon emissions. <i>Indicators: Record emissions from ICT facilities and compare to historic data. Monitor CO2 emissions from CYC buildings. Comparison of energy usage.</i></p> <p>Customer Services: Increased contact options and introducing Single Point of Contact for customers (& extending contact times) will reduce the need for customers to visit CYC offices. <i>Indicators: Monitor usage of contact options & compare to historic data.</i></p> <p>Procurement: Improve Sustainability compliance of suppliers. <i>Indicators: Data from supplier audits.</i></p>
Will it increase York's resilience to future climate change by assisting to adapt to the impacts of climate change by minimising threats and maximising opportunities?						0	
Will it result in the prudent and efficient use of energy, water and other natural resources?	✓	✓					<p>Housing: Less materials to be used and reduction in associated waste by: Use of standard materials, rationalisation of range, reduced vans and associated stock, improved van stock control. <i>Indicators: Compare material usage with historic data.</i></p> <p>Procurement: Improved Procurement Processes will reduce the number of goods purchased and promote sustainability e.g. increased use of recycled paper. <i>Indicators: Compare purchasing levels with historic data and type of goods purchased e.g. recycled paper, energy consumption levels via utility bills.</i></p> <p>Neighbourhood Services: Reduction in vehicle usage will result in less fuel usage. Energy efficient street lighting specification in future procurement. Improved lifespan of tyres. <i>Indicators: Performance data as mentioned above.</i></p> <p>Property: Effective FM will maximise energy and water efficiency. <i>Indicators: Monitor CYC buildings energy efficiency ratings.</i></p> <p>ICT: Provision of a Data Centre, Rationalisation of Printer Services and Bulk Printing, Rationalisation of desktop and mobile devices: will all reduce energy usage across CYC (est. by 30% in three years of current usage by ICT and reduce the use of consumables. Centralisation of ICT will ensure that Sustainability is at the heart of Strategy and enable a sustainable control framework for target setting. <i>Indicators: Comparison of energy usage with historic data.</i></p> <p>HR: Moving from weekly to monthly pay will reduce paper & ink usage. <i>Indicators: Comparison of purchasing levels with historic data.</i></p>

Sustainability Question	Appraisal Result						Workstream Initiative / Measurement Indicator
Will it increase the proportion of renewable energy utilised?		✓					Property: Strategic Asset Mgt Board will promote renewable energy usage where practicable. <i>Indicators: Record & monitor renewable energy usage across CYC estate.</i>
Transport							
Will it encourage and support the use of sustainable transport modes such as walking, cycling and public transport?						0	
Economy							
Will it create conditions for business success, stable economic growth and investment?			I				Procurement: Collaboration with partners would ensure more value for our corporate buying power. <i>Indicators: Comparison with historic data.</i> ICT: Provision of a Data Centre, there is the potential to share services with partner organisations. Housing: Reduction in the need to use sub contractors due to improved internal efficiencies may have an adverse effect on their profitability. <i>Indicators: Monitor numbers of sub contractors used and compare spend with historic data.</i>
Will it provide good quality employment opportunities available for all in York?						0	
Will it provide education and training opportunities for all which build skills and capacity of the population of York?						0	
Social							
Will it improve the health and well-being of the York population?		✓					Neighbourhood Services: Improvements in the cleanliness of York will have positive benefits in terms of well-being. <i>Indicators: Feedback from Ward committees. Local Quality of Life Indicators</i>
Will it improve safety and security for people and property?	✓	✓					Neighbourhood Services: The introduction of Health & Safety Asset Manager system will improve safety precautions. The introduction of Street Lighting controls will improve safety & security to both. <i>Indicators: Analysis of CYC H&S records. Analysis of data produced by North Yorkshire Police Authority & Safer York Partnership on residents perception of safety.</i> Property: By providing effective Soft FM measures i.e. fire prevention, security services, bacteria testing, etc. <i>Indicators: Monitor incident levels and compare with historic data.</i> HR: Consistency of H&S advice and utilisation of best practice throughout CYC <i>Indicators: Analysis of CYC H&S records</i> Procurement: Ensuring suppliers comply with CYC H&S standards. <i>Indicators: Data from Supplier audits.</i>
Will it reduce inequality and embrace diversity?	✓	✓					HR: Consistency of advice and utilisation of best practice throughout CYC. <i>Indicators: Results of staff surveys and input from Equalities & Diversity.</i> Customer Services: Services will be designed & maintained around the Customer and their changing needs. <i>Indicators: Feedback from customer surveys / questionnaires.</i> Procurement: Ensuring suppliers comply with CYC inequality & diversity standards. <i>Indicators: Data from Supplier Audits</i>
Housing							
Supply quality affordable housing for all?		✓					Housing: Improved void time will increase availability of affordable housing. <i>Indicators: Analysis of void time & numbers with historical data.</i>

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A list of local Post Office outlets where City of York Council customers can make payments

Total number of outlets = 43

POST OFFICE	Address	Postcode	
Micklegate	95 Micklegate	YO1 6LE	
Market Place	4 Colliergate	YO1 8BP	
York	22 Lendal	YO1 8DA	
Walmsgate Bar	101 Walmsgate	YO1 9UA	
Tang Hall lane	192-194 Tang Hall Lane	YO10 3RA	
Melrosegate	204 Melrosegate	YO10 3SW	
Broadway	44 Broadway	YO10 4JX	
Heslington	13 Main Street	Heslington	YO10 5EA
Naburn	The Reading Rooms	Front Street	YO19 4RR
Dunnington	Costcutter Store	29 York Street	YO19 5QT
Warthill (serve and store)	Warthill Post Office	Warthill	YO19 5XL
Wheldrake	Costcutter Supermarket Group	58 Main Street	YO19 6AB
Escrick	Main Street	Escrick	YO19 6LQ
Riccall	53 Main Street	Riccall	YO19 6QE
Bishopthorpe	26-27 Main Street	Bishopthorpe	YO23 2RA
Copmanthorpe	9 The Shopping Centre	Copmanthorpe	YO23 3GG
Rufforth	Methodist Hall	Wetherby Road	YO23 3QF
Bolton Percy	The Old School	School Lane	YO23 7AD
Appleton Roebuck	Parish Hall, the Old School House	Main Street	YO23 7DJ
Dringhouses	14 Tadcaster Road	Dringhouses	YO24 1LH
Woodthorpe	61 Moorcroft Road	Woodthorpe	YO24 2RQ
Acomb	65 Front Street	Acomb	YO24 3BR
York Road	12 Regents Building	York Road	YO24 4LT
Bright Street	37 Stamford Street		YO26 4YE
Beckfield Lane	147 Beckfield Lane	Acomb	YO26 5PJ
Upper Poppleton	Station Road	Upper Poppleton	YO26 6DA
Marston	Angram Road	Marston	YO26 7LQ
Tockwith	Westfield Road	Tockwith	YO26 7PY
Green Hammerton	PO & Village Stores	Green Hammerton	YO26 8BN
Great Ouseburn	Main Street	Great Ouseburn	YO26 9RG
Skelton	52 Farfield Drive	Skelton	YO30 1YP

Linton on Ouse	Linton on Ouse Village Hall	Morethorpe - Annex 2	YO30 2AS
Eastholme Drive	Rabbani Stores	20 Eastholme Drive	YO30 5BW
Crichton Avenue	1 Intake Avenue		YO30 6HB
Heworth	73 East Parade	Heworth	YO31 7YB
Foss Mount	191 - 193 Huntington Road		YO31 9BP
Brockfield	52 - 54 Brockfield Park Drive		YO31 9ER
Haxby	41 The Village	Haxby	YO32 2HU
New Earswick	20 Hawthorn Terrace	New Earswick	YO32 4BL
Strensall	53 - 55 The Village	Strensall	YO32 5XA
Huntington	43 North Moor Road	Huntington	YO32 9QN
Hopgrove (serve and store)	Orchard Nurseries	48 Hopgrove Lane South	YO32 9TG
Stockton on Forest	52 The Village	Stockton on Forest	YO32 9UQ

A list of PayPoint outlets where City of York Council customers can make payments

Total number of outlets = 68

Outlet	Address	Postcode
Arden News	4 Rougier Street	YO1 6HZ
First York	45 Tanner Row	YO1 6JP
May News	76 Goodramgate	YO1 7LF
Monk Bar Newsagency	10 Goodramgate	YO1 7LQ
May News	23 Parliament Street	YO1 8RS
Dillons Newsagents	85 Walmgate	YO1 9UA
Malthurst Service Station	128 Lawrence Street	YO10 3EB
Freshways York Ltd	27-29 Hull Road	YO10 3JW
Somerfield	Hull Road	YO10 3LQ
Sainsbury's	6-10 Farmdale Avenue	Osbaldwick YO10 3PF
The Co-op	143-145 Tang Hall Lane	YO10 3SD
Sainsbury's	212-214 Fulford Road	YO10 4DX
The Co-op	46 Broadway	YO10 4JX
Spar	47 Heslington Road	YO10 5AR
Your Shop	9 Market Square	Vanbrough Way YO10 5NH
Costcutter	29 York Street	Dunnington YO19 5QT
Ebor (Costcutter)	56 Main Street	Wheldrake YO19 6AB
York Road Carage	York Road	Escrick YO19 6EY
Southbank Stores	75 Balmoral Terrace	YO23 1HR
Costcutter	14 Bishopthorpe Road	YO23 1JJ
Sainsbury's	Scarcroft Road	YO23 1ND
May News	26 Sim Balk Lane	Bishopthorpe YO23 2QQ
The Co-op	47 Main Street	Bishopthorpe YO23 2RA
The Co-op	17 Church Street	Copmanthorpe YO23 3SE
Sainsbury's	54-58 Blossom Street	YO24 1AP
The Co-op	20-22 Tadcaster Road	Dringhouses YO24 1LQ
The Co-op	51 Moorcroft Road	YO24 2RQ
Nicholas News & Store	13-15 Wains Grove	Dringhouses YO24 2TU
The Stop Gap	155 Gale Lane	YO24 3AG
Acomb News	43 Front Street	Acomb YO24 3BR
Cornlands Road News	91 Cornlands Road	YO24 3ED

		More for York Update - Annex 2	
Somerfield Petrol Station	6 Beagle Ridge Drive	Acomb	YO24 3JQ
Foxwood News	2 Beagle Ridge Drive	Acomb	YO24 3JQ
Wards News	45 York Road	Acomb	YO24 4LN
Early to Late Martins	243-245 Hamilton Drive		YO24 4PL
The Co-op	10 Regent Buildings	York Road	YO25 4LT
Costcutter	101 Poppleton Road		YO25 4UN
Tilstons Discount Tobacco	6-8 Garfield Terrace		YO25 4XU
Ebor (Costcutter)	Bramham Avenue		YO25 5BE
Sainsbury's	17 Beckfield Lane		YO25 5PN
The Co-op	127 Beckfield Lane		YO25 5PW
Sangha Food & Wine	25A Boroughbridge Road		YO25 5BE
The Co-op	97 Boroughbridge Road		YO25 6AA
The Co-op	The Green	Upper Poppleton	YO25 6DF
Spar	10-12 Atherton Drive	Nether Poppleton	YO25 6HN
The Co-op	Great North Way	York, Business Park	YO25 6RB
Costcutter	8 Westfields Road	Tockwith	YO25 7PY
The Co-op	York Road	Green Hammerton	YO25 8EQ
Shipton Road Stores	218 Shipton Road		YO30 5RZ
Eastholme News	18 Eastholme Drive	Rawcliffe	YO30 5SW
Spar Stores-	122 Clifton		YO30 6BQ
Sainsbury's	201 Burton Stone Lane		YO30 6DG
McDelta (Lukes take away)	49 Crichton Avenue		YO30 6EF
Sainsbury's	25 Bootham		YO30 7BW
Costcutter	83 Heworth Road		YO31 0AA
Spar Stores	125 Bad Bargain Lane		YO31 0PF
Londis (G & K News)	70 Fourth Avenue		YO31 0UB
Spar - Alfred Jones	Mill Lane	Heworth	YO31 7TF
The Co-op	75-77 East Parade		YO31 7YB
The Staff Shop	York Hospital	Wiggington Road	YO31 8HE
Londis	192 Haxby Road		YO31 8JP
Dodsworth News	2 Saxon Place	Heworth	YO31 8UE
Spar - Alfred Jones	191-193 Huntington Road		YO31 9BP
Somerfield	Main Street	Haxby	YO32 2LU
Londis	39 Oak Tree Lane	Haxby	YO32 2YL
McDelta (Martins)	19 The Village	Haxby	YO32 3HS
The Co-op	9-10 The Village	Haxby	YO32 9SA
May News	43 North Moor Road	Huntington	YO32 9QN

names in brackets are the names on the Post Office website given for the address/postcode

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Executive

15 December 2009

Report of the Director of Housing and Adult Social Services

More For York - Adult Social Care Blueprint

Summary

1. At the meeting on 20th October the Executive received a report on progress on the More For York blueprints. As part of that report members approved the Vision for the Adult Social Care blueprint but at that time work was still in progress to develop two other projects covering:
 - Review of Home Care*
 - Elderly Person Residential Home (EPH) Review

*(*Home care includes 'Re-ablement' - a term used commonly across the country to describe services or interventions that are aimed at enabling people to regain their health and their independent living skills e.g. after a fall or a stay in hospital. The term 're-ablement' is used in this report as shorthand to describe this process.)*

2. This report provides more detail on these two projects and seeks approval for the next stage in the work. This starts by reaffirming the vision for services – i.e. what we want to achieve for our customers. It then sets out the reasons why changes need to be made to achieve that vision (more detail is set out in the annexes) and the principles that should underpin any changes. Finally, options are set out for members to consider.

The Vision – What are we aiming to achieve for customers and citizens ?

3. This was set out fully in the Adult Social Care blueprint approved on 20th October and has 4 main elements:
 - Services that are customer focused – simple to understand and accessible
 - Personalised approach and Choice – customers who are eligible for services will know how much money is available to fund their care and have the opportunity to control that directly if they want to.
 - Maximisation of independence and optimising people's health and well-being – support that enables rather than disables, intervenes early to prevent problems becoming acute and uses assistive technology.

- Universal support for everyone – all citizens to get the information, advice they need to live independently even if they are self-funders.

(Although this is seen as the prime responsibility of social care it touches upon the full range of local authority responsibilities [housing, community safety, neighbourhood services, transport, learning, employment advice etc] as well as the critical partnerships with the NHS, care providers and the voluntary sector).

- 3.1 The context in which this vision for change exists is set out in Annex 1. This lists the key factors that require the council to carry out these reviews taking into account demographic change and growth in demand; financial pressures; strategic challenges; immediate service challenges.

Why services need to change – the key issues

4. The key issues for consideration of the home care services review are set out in Annex 2. In summary they are:
- Comparative unit costs of the in-house and private sector services
 - Targets for the in-house 're-ablement' service to achieve its aim of enabling as many people as possible to live independently without the need for extensive packages of care
 - Capacity issues to ensure there are no 'blockages' in the system so that people are not waiting to receive re-ablement support or to move on to long-term care services
 - Setting out clear standards and expectations for all services i.e. commissioning for the outcomes to be achieved for customers and monitoring performance closely
 - The importance of a positive partnership and fruitful integration with the NHS
5. The key issues for consideration of the residential care services review are set out in Annex 3. In summary they are:
- The council's role as a provider of a large number of residential care homes
 - Demand for 'standard' residential care is falling but demand for more specialist care is rising
 - Comparative unit costs of the in-house and private sector services
 - Understanding the investment needed to the council's homes to bring them up to the standards expected by customers in the future
6. There is an important link to the housing strategy for older people to explore the potential for extra care housing to be a realistic alternative for more people.

Strategic Objectives and Principles of changes in Home Care and EPH provision

7. Both projects are critically inter-dependent. The changes to provision needed to reduce reliance on residential care are dependent on an

effective range of health and social care support services in the community. The projects will therefore be successful if they achieve the following joint outcomes:

- ❑ ensure that services meet the expectations and needs of older people in terms of quality, range and the positive impact on their lives
- ❑ maximise opportunities for choice and personalisation
- ❑ increase the capacity to re-able people, maximising their independence and minimising their need for support services
- ❑ increase the service capacity in the city to meet increased demand (e.g. by freeing up existing investment through minimising the unit cost of services)
- ❑ harness the creativity and capacity of alternative solutions in the third sector, not-for-profit and private sectors and in the wider community

7.1 This means focussing on the outcomes we want to achieve for people through the provision of services rather than focussing on the detailed service arrangements. To do this we need to begin with a strong emphasis on Commissioning – setting out very clearly what providers are expected to achieve for their customers and working with them to ensure they hit the agreed standards consistently. This rigour must apply equally to those services provided directly by the council as it does to those supplied by independent care providers.

8. The role of the NHS is also critical to the success of the overall strategy for adult social care support. The appointment of a Locality Director for York and the re-launch of the Adults Commissioning Group (City of York Council, NHS in North Yorkshire and York [PCT] and York Health Group [GPs]) provides the best opportunity for many years to agree and act on joint priorities and to look for more integrated ways of delivering services on the ground. An example of this is joint work on extending assistive technology to enable people to monitor their own health and to relay essential information back to GPs (tele-health)

Delivery timescales and milestones

9. Both these reviews need to be initiated quickly if they are to have a significant impact in 2010/11. Each depends on the outcomes that the other will provide to successfully deliver the overall transformation in adult social care services.

The Home Care review needs to focus on defining the services to be commissioned and their outcomes in time to shape the Home Care market testing planned to be issued in April 2010.

The EPH review is a project that also needs to be started now. It is a longer-term piece of work that will release its benefits over a number of years. The agreement of a strategy and plans will reduce the existing uncertainty in the service. It is proposed to bring back further reports on progress in March and July 2010.

Home Care Review Options

10. Option 1 – Status Quo

Cost – The Long Term Commissioning Strategy projected annual increases in the costs of meeting care needs based on the current configuration of services of at least £10m between 2007 and 2020.

11. Analysis

Maintaining the status quo would leave many of the current issues unresolved. It would not resolve the need to increase the supply of home care, tackle the need for more efficiencies or provide a plan to bear down on increasing costs by reducing expenditure in some areas of work. It would also make the potential overspend set out above more likely to occur.

12. Option 2 – Limited changes to in-house services

Potential savings - £150k

13. Analysis

The proposed work would involve further reviewing the operation of the in-house team to maximise efficiency within existing Terms & Conditions and working practices. The emphasis would also be on more cost-effective use of temporary /agency staff, further minimising sickness absence and maximising customer contact hours. However, there would be a 'ceiling' on improvement by operating within the current arrangements that would inhibit more savings through efficiencies.

14. Option 3 – Significant Changes to in-house services

Potential savings - £800k (to be validated)

15. Analysis

The proposed work would involve negotiations with staff and trade unions on making significant changes to the existing Terms & Conditions and working practices of the in-house team and implementing electronic rostering to maximise customer contact hours. The savings would only be realised if this work achieved a significant reduction in the direct costs of the service to the council.

16. Option 4 – Market testing of all or part of in-house services

Potential savings – £1.7m

17. Analysis

This level of saving could only be realised if all the current in-house services were subject to market testing. There would be an option to market test some of the services and to continue to invest in improvements in those retained in-house (e.g. market test the care services and the home support service but retain the re-ablement service in-house). That option would reduce the level of savings.

EPH Review Options

The narrative below sets out the options available to the authority in determining its future approach to EPHs. It is recommended that options 2 and 3 are implemented as they are sequential, logical and demonstrate both financial and service improvement for CYC and best value for customers.

18. Option 1 – Status Quo

Cost – The Long Term Commissioning Strategy projected annual increases in the costs of meeting care needs based on the current configuration of services of at least £10m between 2007 and 2020.

19. Analysis

Leaving things as they are is not a viable option given both :

- the increasing projected annual costs set out above and
- the need to improve facilities in the council's EPHs

Residents are telling us that different services will be needed in the future and the current model of care does not meet many people's aspirations. We need to be planning the changes now to ensure that care in York reflects best practice and value for money.

20. Option 2 – Improvements in costs pending a full asset review

Potential Savings - £140k

21. Analysis

A reasonable target would be to achieve a 2% saving from the current budget of approximately £7m, including corporate recharges and other overheads. This would involve:

- Reviewing the management and allocation of staffing/temporary staff etc.
- Demand management – linking vacancies to savings, more efficient resource allocation between housing options and residential care
- Impact and benefits of use of EPHs for Respite and Day Activities
- Procurement - of meals/food, temporary staff, fuel etc.

More work will need to be done to validate the potential savings from this approach.

22. Option 3 – Full asset appraisal and long-term re-commissioning plan

Potential Savings - until a full asset appraisal and long term re-commissioning plan are carried out, it is difficult to quantify precisely what the potential savings could be although it is anticipated that they are likely to be significant.

23. Analysis

Work is underway to assess the suitability of all the current EPH buildings to provide care to the standard required. The outcome of this work will be brought back to members in 2010 but is expected to confirm that some homes would require very significant investment to remain viable in the longer-term. The report will also quantify the volume and type of residential care the council will need to commission in the future. This information will enable members to plan changes needed more effectively.

24. Discussions are underway with NHS colleagues about the potential for closer joint working on new and more integrated models of care e.g. for older people with dementia. There may also be potential to increase the short-term use of the council's homes for people who need support outside hospital before being able to return to their own homes.

Consultation

25. In 2008 older people in York told us that they wish to be offered care wherever possible in their own homes, but to be able to access residential care when their needs are for specialist care, because of very high physical dependency, or because of high levels of confusion and memory loss. They wanted to be assured of the quality of care that is provided. They trusted the Council to provide good quality care, but there was an understanding that the Council might not be the most cost effective provider for care, and that care in the independent sector can also be of good quality.
26. The proposals within this report have been discussed with the trade unions through the departmental Joint Consultative Committee.

Corporate Objectives

27. The provision of good quality, cost effective home care services contributes to the Corporate objective of *"Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest"*
- Other relevant objectives are *"Improve efficiency and reduce waste to free-up more resources"* and *"Improve our focus on the needs of customers and residents in designing and providing services"*.

Implications

28. Financial

The options outlined in this paper could realise efficiency savings within Adult Social Services of in excess of £2m per annum . The exact savings would need to be developed further once it is clear in terms of the overall strategy, and more detailed analysis is then conducted. The Council's Medium Term Financial Strategy sets out the need for significant efficiency savings in coming years, with an expectation that all areas of the Council will deliver significant improvements in efficiency. Further pressures on public spending are likely to require the Council to have to

seek additional savings in coming years over and above those already set out in the current Financial Strategy.

29. Human Resources (HR)

The no change and limited change options do not have any significant anticipated impacts on staff.

The significant change option for in-house services has impacts in terms of changing working practice and could impact upon existing contractual arrangements with staff.

Market testing home care services currently provided by the council may involve staff transferring employment to a new provider(s) under TUPE.

30. Equalities

Staff

Any changes to working arrangements would be subject to consultation in accordance with the Council's change management policies.

Customers

The customers of EPHs are vulnerable people, some with dementia and other mental health needs, others with high levels of physical and/or social dependency. Any changes to service provision will require very careful management and be subject to consultation.

Customers of home care are also vulnerable and there would need to be very good communication related to any change of providers with people given choice about how the service is delivered through personal budgets.

31. Legal

Changes to service provision in relation to adult social care must be taken in the context of the statutory framework. There has been much litigation in this area and it is important that the Council understands the legal risks that it is taking as the review progresses. At this stage, there are no immediate legal implications but it is important that any review is conducted with an understanding of that framework in order to minimise the risk of legal challenge.

Home Care

There may well be legal issues arising from any change to staff terms and conditions and these will need to be considered at the appropriate time. If there is a decision to market test the service this is likely to give rise to a further range of issues, including TUPE.

Legal issues will also arise if the changes to the way the service is delivered also lead to changes in the nature of the service delivered to those in receipt of them. It is important that any such changes are managed appropriately to limit the risk to the Council.

EPH

There are a range of legal issues which will arise in any reconfiguring of the service which are likely to include the contract for agency staff, the

status of any in-house casual staff agency and the transfer of casual staff from EPHs to one or the other option. The staff terms and conditions will need to be fully understood to support the delivery of a more flexible workforce.

Any change to the configuration of EPH requires consultation and careful consideration of the results of any such consultation. It is important that legal advice is taken at an early stage in this process to avoid the risk of legal challenge.

Contract Review and Change

This will also require detailed legal advice. Understanding our contracts and our scope for change, as well as making the best of tender opportunities will be critical to delivering improved value for money.

32. Crime and Disorder

There are no direct implications anticipated from the proposals in this report.

33. Information Technology (IT)

Members have already given support for the approved IT development plan to implement electronic home care monitoring.

34. Property

There are no direct implications anticipated from the proposals in this report. The next report to the Executive will give more detail on the asset appraisal of the council-owned buildings in which residential care is provided.

35. Other

External providers, both not for profit and private sector, in home care and EPH sectors, provide the majority of these services in York. They will be looking to the Council for clear messages on future commissioning intentions to help them decide on their investment decisions to increase or modernise capacity in York.

36. Risk Management

Any significant change programme to front-line services involves potential risk. The projects would be formally managed with a risk log and detailed actions to mitigate risk. Key risks to be noted at this stage include:

- ❑ Strained industrial relations during detailed consultation about significant changes
- ❑ Maintaining levels of service during any changes to the way in which the council employs agency or casual staff
- ❑ Maintaining safe and responsive levels of service should there be a transfer from one provider to another
- ❑ That timescales slip and/or costs are not reduced in line with projections (or more likely that continued growth in costs due to increasing demand is not sufficiently restrained)

- Insufficient supply to enable the care system to operate more effectively
- Insufficient capacity to commission and monitor services as planned

Recommendations

- 37. That the Executive decide which of the options set out in paragraphs 10-17 would be the best way forward for home care services.
- 38. That the Executive approve the proposed way forward for the EPH review as set out in paragraphs 18 to 24.
- 39. That the Executive receive further reports in 2010 confirming the work required to deliver the savings for the approved options.

Contact Details

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Report
Approved

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2009

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Wards Affected:

All

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Background Papers:

City of York Long-Term Commissioning Strategy for Older People 2006 – 2021 (2007)

Annexes:

- 1 - The wider context for change - overview of reasons for change in Home Care and EPH provision
- 2 - Home Care Review – Key Issues
- 3 - Elderly Persons Homes (EPH) Review – Key Issues

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The wider context for change - overview of reasons for change in Home Care and EPH provision

1. Demographic change and growth in demand

The York Long Term Commissioning Strategy for Older People (2007) projected:

- an increase of 60% in the number of people over 85 by 2020 (2,300 more people over 85)
- an increase of 1,150 in community care packages and of 268 residential and nursing placements by 2020

These projections were based on the assumption that:

- over 85s are more likely to need support from health and social care services
- services continued to be provided in the same way

1.1 The table below shows the predicted increase of people needing care and support at home as well as going into residential and nursing care in York. This indicates an overall increase of 24% from 2009 to 2030 and a year on year increase of 7.4% (average) for both these provisions. These projections are based on the current use of services. The way we meet these needs should be changing, as we transform social care services and implement the Putting People First agenda. The information in the table below is as reported by Projecting Older People Population Information (POPPI) and is likely to be a conservative estimate as CYC actual data, as stated in the column to the left, for 2008/2009 is higher in all instances.

	Actual 08/09 ¹	Projection				
		2009	2015	2020	2025	2030
Number of older people helped to live at home	3,095	2,863	3,276	3,522	3,838	4,207
Number of households receiving intensive home care for people aged 65 and over	292	240	275	295	322	353
Number of older people receiving community-based services provided or commissioned by the CSSR (Council and Social Services Responsibility)	4,449	4,131	4,727	5,082	5,538	6,070
Total number of older people in residential and nursing care during the year, purchased or provided by the CSSR	1,016	948	1,085	1,166	1,271	1,393
Number of older people admitted to supported permanent residential and nursing care	233	227	259	279	304	333
Number of carers aged 65 and over receiving services	234	205	235	252	275	301

POPPI (November, 2009), DoH

¹ Data source from RAP 2008/2009

2. Financial pressures

- The figures from the 2007 Long Term Commissioning Strategy projected additional costs of £4.4m by 2010 to meet the care needs of older people rising to £10.7m by 2020.
- The growth in HASS expenditure in these areas since 2007 reflects this upward trend. In the Quarter 2 Monitor report it is projected that the adult social care budget could overspend by approximately £1.1m despite savings of £800k during the course of the year.
- The current and future national economic environment that CYC is operating in is one where reduced investment in public services is anticipated. This adds to the imperative for HASS to contain its costs by seeking efficiencies and investments that reduce demand.

3 Strategic challenges

- 3.1 The projects will take into account the push to decrease the number of people who need to access residential care by providing more preventative solutions (such as creative use of assistive technology), investing in improving people's health (through re-ablement and intermediate care) and extending the range of options in the community (through increased use of personal budgets, availability of extra care housing etc.). This will shift services to be more in line with what people have said they want in the future and should also achieve some savings given the comparative costs of residential and community care packages.
- 3.2 The need for this direction of travel is reinforced by a recent report from the Department of Health "Use of Resources in Adult Social Care" which highlights best practice and compares how councils use their resources to meet care needs. For example, this shows that in York we are spending more proportionately than the average council on residential care for older people as compared to community care alternatives.
- 3.3 The projects will also need to be seen in the context of how they fulfill key national and local strategies that include:
 - Our Health, Our Care, Our Say – White paper 2006
 - Transforming Adult Social Care LAC (DH) (2008)¹
 - Shaping the Future of Care Together - Green Paper 2009
 - City of York Long Term Commissioning Strategy for Older People 2006-2021
 - York HASS Directorate Plan 2009/10 – 2011/12
 - More for York Programme
- 3.4 The vision for the development of significant changes to the way that services are provided is shaped by four main factors:

- ❑ changing expectations of older people and the wider community about the type of care services that they want - with a focus on the desire to live independently in the community
- ❑ the need to increase CYC's capacity to address the growth in demand without unaffordable escalation of expenditure
- ❑ the delivery of services should be from the provider that offers the best value to the citizen and customer in terms of cost, quality, access and effectiveness
- ❑ the Council should only deliver services directly where it can demonstrate it is best placed or it is more appropriate for it to do so.

4. Immediate Service challenges

- 4.1 The existing portfolio of CYC in-house residential provision no longer matches demand or expectations across the board. As at 30th September 2009 there were 23 vacancies in CYC EPHs but a waiting list for specialist places for older people with mental health problems. These vacancies are significant and are clearly a drain on resources. The provision of residential care needs to be re-aligned to supply more of what people need ('specialist' care) and less of what is no longer in such demand ('standard' care).
- 4.2 As the council's re-ablement service is relatively early on in its development timescale it is not currently demonstrating sufficient outcomes for customers (i.e. ceased or significantly reduced packages of care following 6 weeks of intervention) and it does not have sufficient capacity to meet all demands. This necessitates the provision of ongoing packages of support on leaving the service. Consequently, there is a waiting list of customers for re-ablement and a number people are not moving on quickly enough to ongoing packages of community care due to lack of overall home care capacity.

5 Conclusion

The demographic, financial, strategic and service drivers all point to a pressing need for significant changes in the focus and nature of residential and community care services.

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Executive15th December 2009

Report of the Director of City Strategy

Council Headquarters – Tender Award**Summary**

1. This report:
 - Presents the process and outcomes of the evaluation of final tenders for the delivery of the Council's new headquarters.
 - It recommends Tarras Park Properties York Investors LLP ("Tarras") as the preferred bidder and sets out the key elements of their bid.
 - It sets out areas of the bid that require further clarification.
 - Asks Members to grant delegated authority to the Project Champion (Director of City Strategy) in consultation with the Director of Resources, subject to satisfactory clarification to enter into a contract with Tarras to deliver the Council's new Headquarters.

There are 2 Annexes to this report, annexe 2 contains information which is exempt and cannot be disclosed at present for commercial and legal reasons. It is envisaged that in due course the Council will make further information available in accordance with its constitution and information policy.

Background

2. The case for a new Council headquarters, which is one of the Council's corporate imperatives, remains as compelling as ever. The project undertaken in compliance with the Council's constitution and public procurement rules makes a significant contribution towards the Council's corporate strategy particularly in the areas of an effective organisation and an inclusive and sustainable city. The accommodation project is integral to the Council's 'More for York' transformation programme and is on track to achieve a wide range of benefits:
3. **For the customer**, in providing a purpose built York Customer Centre which will be fully flexible, accessible and compliant with the Disability Discrimination Act (DDA) and provide the single most important focal point for the new headquarters building. The new customer facility will enable quick, simple and easy access to the full range of council services in one place, in a modern customer environment that supports the delivery of the customer strategy. Customers will no longer have to visit over six different reception points in and around the city centre to access individual services.

4. **For the environment**, the aim is to have a new headquarters building that is designed to deliver benefits to the environment. Its redesign/construction and subsequent operation will achieve low greenhouse gas emissions and a minimum target of 20 per cent renewable energy, to reduce the future running costs of the building. The new headquarters will be sustainable in terms of its economic, social and environmental impact. Its central location will support the vitality of the city centre, as well as supporting the existing infrastructure and transport links for customers, visitors and the large volume of staff walking or cycling to work.
5. **For the business**, in providing a modern working environment to support an effective and efficient business operation. Rationalising 16 administrative offices down to four will achieve significant long-term savings and fund the cost of the new headquarters building, at no additional cost to the residents of York. The new headquarters will provide the potential to share space with partner organisations to support and improve partnership working and support more collaborative working between services, resulting in a more joined up and efficient delivery to customers.
6. **For the City**, by providing the opportunity for inward investment to the City by releasing a number of important historic buildings such as St Leonard's Place and Blake Street, which can be sensitively restored and put to more appropriate use.
7. At the Executive meeting on 21st October 2008 Members approved the commencement of a four stage OJEU competitive dialogue procurement process to support the development of potential solutions for the design and construction of a new headquarters building. The competitive dialogue process enables different bidders to develop different solutions to meet the requirements of the Council. Further reports to the Executive on 3rd February, 14th April and 24th July 2009 have mapped the progress of the procurement process.

Procurement

8. We have now entered the final stage (stage 4) of the OJEU competitive dialogue procurement process which includes the submission of final tenders from the selected bidders, the final evaluation of the submitted bids and subject to Members' approval the award of contract to the winning bidder.
9. On 14th September the two selected developers:
 - Aviva - Yorkshire House, Rougier Street
 - Tarras – West Offices, Station Rise

were invited to submit their final tenders by 5th October 2009.

10. The overall procurement process is governed by EU procurement regulations which stipulates that the Council must assess the tenders received on the basis of the award criteria and that the make up of the evaluation team who undertake that assessment must be consistent

across the bids. The assessment and marks awarded must be fair and transparent and the whole procurement and evaluation process must be robust and stand up to scrutiny and any subsequent challenge.

11. Throughout October and November the evaluation team, made up of both internal and external representatives from the project board, the project team and specialists from planning, sustainable development customer services, and legal have evaluated each submission using the previously agreed and published set of weighted financial and qualitative criteria. (see attached criteria annexe1).
12. Each bidder has responded positively to the Council's invitation to enter into competitive dialogue with the Council and submit tenders for the delivery of a new Council headquarters. The evaluation process has identified that the most economically advantageous tender scoring the most points is West Offices, Station Rise and the preferred bidder is therefore Tarras. The evaluation scores are contained within the exempt annexe 2.

West Offices

13. The West Offices proposal is summarised as follows:
 - It is on a single centrally located site with good sustainable transport links across the city.
 - The building with its historic importance, its attractive setting and impressive arrivals courtyard will have a civic presence and enhance the local and built environment.
 - Will provide a net internal area of 11,095 sq m. which exceeds our requirements by approximately 500sq.m
 - The additional space and configuration of the building is sufficiently flexible to support the opportunity for the council to share space in the new headquarters with other partner organisations.
 - In addition, space could be made available for other third parties and in both cases this would attract additional income for the Council.
 - Provides a fully integrated York Customer Centre that is fully inclusive, welcoming, safe and fully Disability Discrimination Act (DDA) compliant.
 - Is sustainable and benefits the environment in its design, construction and subsequent operation and exceeds the Council's sustainability brief.
 - Provides the opportunity to deliver a scheme that demonstrates an excellent example of sustainable regeneration of a historic building within the city centre, which will become a fine example of the Council's sustainable planning policies in action.
 - Provides modern and efficient office accommodation for a minimum of 1400 staff, that meets all statutory requirements and offers a fully inclusive environment supporting an open and interactive culture and flexible working regime.
 - Is deliverable within a design and construction budget of £32m.
 - Can be delivered within a realistic programme completed and ready for occupation by late 2012.
 - Has the support of the city's planners and other consultees including English Heritage and York Civic Trust.

- Is low risk to the Council in terms of cost and time constraints in that Tarras have fully committed to deliver the project within both the specified budget and timescales, at their risk.
14. The West Offices building is located to the south of the River Ouse and in the heart of the city centre on Station Rise, just off the inner ring road at Station Road. The property's main entrance frontage (eastern elevation) is to Station Rise. The property is visible from Tanner Row/Toft Green along its southern elevation. The northern elevation faces the historic city walls and the western elevation faces Hudson House, a 1960s office development. The property forms part of a wider site, which comprises a collection of office buildings historically occupied by businesses active in the railway industries.
 15. West Offices is a Grade 2* listed structure of historical importance to the city and nationally. The original buildings comprise of mid-19th century railway station and hotel with later alterations and additions. The site retains both architectural interest and historical significance as the buildings represented the forefront of the early development of railway buildings, in terms of station and hotel design.
 16. Tarras intend to demolish some of the later additions and construct a large infill extension, with bridge links, linking to the existing refurbished building. The old main entrance into what was the station building, along the southern elevation, will be brought back into use as the main entrance for visitors/customers of the building. The cellular nature of the existing U-shaped building prohibits the creation of open plan office space within these areas and therefore the majority of these existing rooms will be utilised as meeting rooms and ancillary accommodation. The newly created building within the centre will provide open plan office accommodation and natural lighting will be provided at lower levels through the incorporation of light wells.
 17. Tarras are the freeholder of the site and will transfer a substantial proportion of the site to the Council as part of the tender. An area to the south west of the site is being retained for the developer to construct a potential hotel (retained land). The net internal area of the accommodation is approximately 500sq.m more than that identified within the development brief. This, along with the configuration of the accommodation, should allow for future flexibility with a particular regard to sharing the space with partner organisations who have already expressed an interest and other third parties. In both cases this would attract additional income for the Council.
 18. The site provides vehicular and pedestrian access to Hudson House, George Stephenson House and NERC Offices (5* hotel). These access roads must be maintained to the reasonable satisfaction of adjacent owners. Hudson House retains the right to park no more than nine vehicles on the site to be sold and Acropolis Properties retain the right to park on Station Rise. The number of parking bays is not specified in the Title documents but Acropolis will be liable to pay a fair proportion of the cost of maintenance of this road. The Council will not be entitled to park its own vehicles or those of its visitors on Station Rise.
 19. The proposed Conditional Sale and Development Agreement will be subject to Tarras obtaining satisfactory planning permission with no onerous planning conditions. Tarras have fully accepted the risks of managing the development costs and achieving practical completion before 30th September 2012 within their tender.

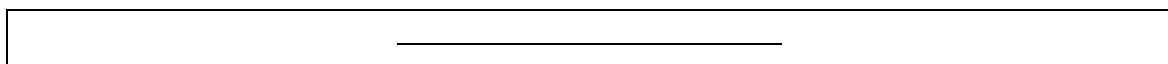
20. Tarras have worked hard to address the principle planning concerns expressed by planning officers, English Heritage and other interested parties in the early stages of the scheme. The removal of later additions and alterations has strong support from conservation officers and English Heritage. As the building is a Grade 2* listed building Tarras will need to continue developing the proposal during design and construction in conjunction with English Heritage. However, foreseen planning conditions have principally been identified and included for within the scheme, minimising the risk.
21. English Heritage and the city's Planners support the overall scheme and it is likely the current scheme would receive support for planning consent. The scheme has the potential to be an exemplar for integrated historic buildings and contemporary design. However, alongside the benefits of working within a historic setting it should be recognised that working within the constraints of a Grade 2* listed building may compromise operational efficiencies and future adaptability. In particular, the refurbishment approach welcomed by English Heritage and the Council's Conservation Team within the existing buildings, results in a certain amount of the existing cellular space having to be retained.
22. The design offers a good ratio of net to gross areas. However, the operational efficiency of the building is impacted on by an over provision of vertical circulation (all existing staircases are being retained for heritage and fire purposes). This results in a large number of staircases being required to overcome the changes in existing floor levels and a degree of complexity in the internal circulation.
23. A significant proportion of the development is a new build insertion into the U shaped building. The quality of the new build in conjunction with the existing will be a critical factor in determining the success of the scheme, especially given that English Heritage, the Conservation Team and CYC customers will expect a high standard. Tarras have recognised that further clarification of the design and specification detailing will be required to ensure these expectations are achieved.
24. A consequence of the design means the building will have a very deep plan, limiting external views and reducing the level of natural daylight reaching the lower floors. The design to this area will need careful consideration by Tarras to ensure that not only is the space suitably lit but also the design creates an ambient working environment to the satisfaction of Council employees.
25. The Arrivals Courtyard is an attractive and welcoming space and the creation of an external breakout space for staff beneath the relocated glass canopy is a positive additional benefit. The main Customer Centre area offers a large open flexible space to meet the Council's core requirements. Tarras have proposed a clear security barrier between the Customer Centre and staff areas. However the security strategy requires further development as currently visitors to meeting rooms and ancillary accommodation may need to be escorted.
26. The Customer Centre still requires some further clarification of detailing to fully demonstrate how this space will deliver to meet the council's aspirations and development brief. This does however require careful management on the Council's part.

Sustainability

27. The proposal clearly demonstrates and meets the Council's sustainability aspirations in relation to low carbon design and operation. In particular:
- Carbon dioxide emissions are estimated at 476 tonnes/annum compared to the Council's existing portfolio of 1,620 tonnes/annum, a reduction of 70%. This saving will make a significant contribution to the Council's aim to reduce carbon dioxide emissions on all our non-housing activities by 25% by 2013.
 - Predicted Energy Performance Assessment (EPC) rating of 15 that equates to Band A (1-25). The proposal is performing well beyond similar existing buildings and due to the highly efficient building services out performing typical newly built buildings.
 - The building energy efficiency (159kWh/m²/annum) is 41% better than the existing accommodation portfolio (271kWh/m²/annum) and 26% better than CIBSE benchmarks (215kWh/m²/annum).[†]
 - 100% of the building's heating and hot water will be generated from a combination of bio diesel Combined Heat and Power (CHP) and bio diesel boilers. The ventilation and cooling strategy uses an absorption chiller in the summer months to temper the peaks. Tarras have identified five potential suppliers for bio diesel three of which meet the Council's ethical supply policy.[‡]
 - Water consumption would be better than the existing portfolio (10,648m³ compared to 13,563m³ for the existing portfolio). However Tarras are currently indicating only 9% can be obtained from recycled water (grey/rainwater harvesting).
28. Following clarification of the tender, Tarras have confirmed the thermal performance of the building will meet CIBSE design criteria[§] and is in line with the Council's design brief and sustainability policy. Under the proposed ventilation strategy the building utilises natural ventilation (in line with the sustainability brief) and will make use of its thermal mass and night time purging during warmer periods of weather to lower the temperature of the building. Although predicted temperatures are within design parameters, the impact of purging and cooling will be limited subject to seasonal variations in temperature and therefore it should be noted that on occasions the building could be warm during summer months. The Council will therefore need to familiarise staff with the Council's sustainability policy as part of the overall staff induction of the building, so they appreciate why the facility is not fully air-conditioned.

Summary

29. In summary, the West Offices scheme provides CYC with a building that not only meets their requirements but offers CYC future flexibility within an attractive city centre setting. It provides the opportunity to deliver a scheme that demonstrates an excellent example of sustainable



* Carbon Management Program Plan, 2008

† CIBSE TM46: 2008 - Offices

‡ National or locally produced rape seed oil or recycled cooking oil from UK food processors. Not palm oil or oils from deforested rainforest land.

§ CIBSE TM46: 2008 - Offices

regeneration of a historic building within the city centre and could become a fine example of the Council's sustainable planning policies in action.

30. Tarras are the freeholder of the site they are proposing to transfer to the Council and undertake development works that will provide the office accommodation identified in the Development Brief. Tarras have fully committed to deliver the project within both the specified budget and timescales at their risk. They have also looked to substantially mitigate planning and construction risk associated with the scheme.
31. The scheme is positively supported by English Heritage and the city's Planners and it is likely the scheme would receive support for planning consent with foreseeable planning conditions having principally been identified and included for within the scheme minimising risk of unforeseen conditions.
32. Alongside the benefits of working within a historic setting, CYC will need to make a long term commitment to maintain the building to a modern office standard, given its 2* listed status. It should also be recognised that working within the constraints of a Grade 2* listed building may compromise future adaptability. The quality of detail elements of the design and the specification along with aspects of design excellence will be addressed by clarification before contract award.

Clarification

33. As part of the procurement process, subject to Members' approval of the preferred bidder and prior to the Council entering into a formal contract, the Council will require further clarification of the successful bid.
34. Key areas include:
 - Tarras team – Further detailing roles, responsibilities and process for engagement with CYC in developing and implementing the scheme.
 - The arrangements in terms of design development and the engagement of CYC to jointly resolve the development of :
 - the detailing of design and quality specification to meet the high standards expected, as detailed in para 23
 - the ambient working environment set out in para 24
 - the security strategy set out in para 25
 - the detailing of the customer centre within the Council's brief and developer's cost constraints as set out in para 26 above
 - Clarification of whole life costings.

Consultation

35. As part of the procurement process each developer was required to take part in a process of public and staff consultation to gather information/views/ comments to inform their proposals.
36. In May, a twelve page publication was sent to every household in the city, the business community and Council staff. The document provided information about each scheme and a questionnaire inviting feedback on a

number of aspects of the new HQ project. This included location, ease of access, customer services, design and sustainability, cost effectiveness, value for money and being kept informed. The public were not asked to choose between the two options due to the nature of the evaluation process being used following EU procurement rules.

37. The consultation was also supported through the Council's website and a three day exhibition held in the Mansion House, where staff and public were able to talk to each developer about their scheme.

Feedback

38. Tarras have used the feedback from public and staff consultation events to inform their proposals. The feedback from the 'open comments' received in the returned questionnaires was very positive and supportive of the scheme.

39. Of the 362 'open comments' specifically about West Offices, the three main areas of interest related to:

Heritage - the historical significance of the building - 188 (52%)

Location - particularly green and quiet places - 65 (18%)

Appearance - general attractiveness of buildings - 51 (14%)

40. General feedback from the public rated the most important sustainable features in a new headquarters to be:

- re-use of existing building structures and fabric
- sustainable public transport to the new HQ
- a building and systems that are highly energy efficient (e.g. in its use of lighting and heating, etc).

Response

41. Where concerns were expressed, these related to either cost control or design of the new elements of the scheme.

42. Responding to cost concerns, Tarras are confident that they have firmly addressed these issues in their proposals with the early involvement of a building contractor who has worked on key elements of the design. Where design was of concern Tarras have adopted a collaborative approach to working with Planning, English Heritage and have employed a consultant team experienced in working with listed buildings in York.

43. Dialogue with staff user groups helped to inform the internal layout requirements submitted as part of the West Offices Proposal, however it is acknowledged that this is an on-going process which will continue throughout the further development of the design following contract award.

44. There will be a further round of public consultation following the award of contract during and prior to the submission of a planning application.

Further Consultation

45. In December, a small leader article will appear in Your City directing residents to the council's website for further information about the results of the evaluation of the two preferred schemes. This will be followed up with a more detailed feature article in the February edition of Your City which will provide further detailed information regarding the proposed scheme and informing residents about the forthcoming opportunities to be involved in further consultation on the council's new headquarters.
46. A second set of public consultation will be held in February /March prior to the submission of a formal planning application in May. Residents and staff will be able to have their say and influence the final design on the chosen scheme through the council's website, in writing to the project office or at a public consultation event to be held in the city centre. There will be a further opportunity for the public to have their say on the proposal during the formal planning process once the submission has been made. The council website will contain further detail about these events nearer the time.

Next Steps

47. Subject to Member approval of the preferred developer as Tarras, each bidder will be formally notified as to the outcome of procurement process on 16th December 2009.
48. This will be followed by a period of clarification with the preferred bidder in December/early January 2010, prior to formally entering into a contract in late January 2010 (subject to a satisfactory process of clarification).

Timescales

49. The indicative timetable for the overall completion of the new headquarters is as follows:

Contract Award	January 2010
Design Development	January to August 2010
Pre-planning Consultation	March 2010
Planning Application	April / May 2010
Planning Approval	July / August 2010
Contractor Appointment	September 2010
Start on site	December 2010
Practical Completion	September 2012

Corporate Priorities

50. The provision of new accommodation and the consequential improvement in services to our customers will contribute to all of the Council's corporate priorities. The project will feed into and be a key component of the Council's 'More for York' programme.

Implications

Financial

51. The budget for the accommodation project is £43.804 million as reported to Executive in June 2008; this includes the construction budget of £32 million. The final tender from Tarras for the delivery of the Council's new headquarters is maintained within this £32m construction budget and any additional costs incurred are the responsibility of the developer as long as the Council does not change any of the parameters relating to the design brief specification.
52. If the scheme proceeds with the prospective bidder Tarras, the costs will be closely monitored throughout the building construction process. Whole life costs are being clarified by Tarras, to ensure that the future whole life costs of running the new headquarters have been adequately accounted for. Whole life costs are the costs involved in owning, maintaining, running an asset over its life.
53. The whole life cost information supplied by Tarras has an impact on the overall net present value (NPV) saving of the project, as does the timing of the construction works. (The NPV saving is the future savings that will be made from moving into the new headquarters over a 30 year period discounted to current day prices).
54. The report to Executive on 21 September 2009, estimated that the NPV would be £5.0m and that there would be an "early years deficit" figure to be funded from the venture fund reserve of £1.69m. It should be noted that a review of the capital receipts shows that due to the timing differences of capital receipts being received later than previously reported, the position of the "early years deficit" has changed to £1.89m. (an increased cost to the venture fund reserve of £0.2m). The timing of capital receipts are reviewed in conjunction with property services on a regular basis and change depending on current market conditions.
55. Information supplied by Tarras during the final stage of the tender process has been used to update the finance model, which can be used to monitor the project savings against in future. The NPV saving is forecast to be £4.70m, £0.3m lower than previously estimated and the "early years deficit" figure £1.93m, £0.04m higher. (This will be an increased cost to the venture fund reserve). Two factors contribute to the change in the NPV saving and the "early years deficit" figure. An increase in whole life costs has an unfavourable affect, whilst the reduction in finance costs has a positive affect and goes towards partially netting off the increase in the whole life costs.
56. The whole life costs estimated by Tarras are higher than those forecast in the original model. This is substantially due, as described in paragraph 17 above, to the increase in the net internal area of the accommodation being approximately 500sq.m more than that identified within the development brief. However, this external accommodation should provide the opportunity to generate additional income, which could be offset against the higher whole life costs incurred.
57. The finance costs have reduced using the construction budget profile provided by Tarras as there is a change in timing of the borrowing required in the earlier years of construction / refurbishment. This is because the construction budget profile is slightly weighted to build completion of the

project life in 2012/13, and therefore has a positive affect on the NPV saving and “early years deficit” figure.

58. The construction budget estimated in the original model was £0.24m greater than that presented in the Tarras however this does not make any difference to the NPV saving or the “early years deficit” figure as the difference is incorporated elsewhere in the remainder of the £43.804m Administrative Accommodation budget.
59. It should be noted that the payment profile of the construction budget, the profile of the remaining Administrative Accommodation budget and the timing and value of the capital receipts will be subject to slight fluctuations over the next 3 years, leading to minor variations in the funding profile of the project, in the NPV saving and the “early years deficit” figure. The change in the NPV saving to £4.7m and the increase of £0.24m in the “early years deficit” figure to £1.93m, which are to be funded from the venture fund reserve, will be included for executive approval in the Capital Monitor 3 report.
60. Financial Viability – As part of the procurement process in order to ensure that the bidder is financially viable a review was carried out taking into account the organisations financial standing and other relevant financial information. The review of Tarras shows that the company has a high financial strength in its industry and also a very good credit rating.

Legal

61. See exempt Annexe 2.

Equalities

62. Work is currently underway to complete a full set of Equality Impact Assessments (EIA's) as an integral part of the Accommodation Project.
63. Liaison with the Corporate Equality and Inclusion Team has been undertaken to ensure a corporate approach and effective communication is in place at all times to benefit the process. Initial work involved the Council's Staff Equalities Reference Group examining key issues for consideration at its meeting of the 27 April 2009 which proved beneficial and raised some key points for examination.
64. These work outputs were then used as part of an Equality Impact Assessment (EIA) Workshop involving the Accommodation Project Team, the Directorate Equality Leads network and Corporate Equality and Inclusion Team members to shape the ‘groupings’ of EIA's into three areas. These areas (Design and Construction, Facilities Management and Communications) have a broad representation of officers working on them on an ongoing basis to deliver and identify the EIA's required, their known outcomes to be addressed and key timescales to take them through to the commissioning and beyond of the chosen headquarters scheme in 2012. The Equalities Staff Reference Group and the Social Inclusion Working Group will also be involved throughout this process.

Risk Management

65. The accommodation project is managed within a project management framework adopting the principles of the well-established PRINCE 2

project management methodology. This was a key component of the accommodation project Business Case approved by Members in November 2005.

66. The major controls for the project include the approved business case, project plan, risk register, issues log, exception reports and end of stage assessments. The project risk register is maintained on Magique, the Council's corporate risk reporting system and this provides full reporting and traceability of the project's risks.
67. The project risks were reviewed at the Audit and Governance committee on 21st September 2009.
68. The proposed agreement with Tarras will be subject to Tarras obtaining satisfactory planning permission. It is understood the current scheme is likely to receive positive support for planning consent with foreseeable planning conditions having principally been identified and included for within the scheme, minimising risk of unforeseen conditions.
69. Under the terms of the CSDA Tarras would not have grounds to determine the agreement if delays are experienced or additional costs incurred as a result of adverse ground conditions or archaeological issues, or indeed if the building contract price comes in at more than they had expected. All of these risks will be transferred to Tarras.
70. The key risks identified at this stage to the project are addressed in exempt Annexe 2.

Recommendations

71. Executive are asked to:
 - Note the content of the report and in particular the outcome scores of the evaluation of the tenders for the delivery of a new Council headquarters building.
 - Approve – West Offices, Station Rise – Tarras as the Preferred Bidder.
 - Grant delegated authority to the Project Champion (Director of City Strategy) in consultation with the Director of Resources to enter into a contract with Tarras following agreement of the final terms of the Conditional Sale and Development Agreement and satisfactory resolution to any outstanding items of clarification.

Reason: To enter into a Conditional Sale and Development Agreement to provide a new Council headquarters

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Bill Woolley
Director of City Strategy

Report	✓	Date
Approved		

Specialist Implications Officer(s)

Financial

Name: Louise Branford-White
Title: Technical Finance Manager
Tel No. 551187

Wards Affected: Acomb, Clifton, Fishergate, Guildhall, Heworth, Heworth Without, Micklegate **All**

For further information please contact the author of the report

Background Papers:

22nd November 2005 Executive - Accommodation Project – Business Case
3rd February 2009 Executive - Accommodation Project – Update Report
14th April 2009 Executive - Accommodation – Update Report
21st July 2009 Executive -Accommodation – Update Report

Annexes

Annexe 1 – Evaluation Criteria

Exempt Annexe 2 – Evaluation Scores/Legal information: Conditional Sale and Development Agreement and Top Ten Project Risks

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Procurement Criteria

The council will consider applications on the basis of the Most Economically Advantageous Tender criteria being: -

Financial – 40%

Quality – 60%

Financial Criteria
Whole life cost
Capital cost
Financial ability to deliver

Quality Criteria	Description
Site assembly	The extent to which the bidder has control of an appropriate site sufficient to meet the council's needs.
Timescales	The extent to what the bidder can complete all work to enable the City of York Council to occupy the new premises by the end of 2012 or earlier.
Planning	The extent to which the bidder's development proposal is likely to achieve all necessary consents.
Buildability	The extent to which the building proposal is feasible in terms of cost and design.
Risk to delivery	The extent to which the bidder's proposals pose risks to the project, e.g. Archaeology, listed buildings, contamination.
Building efficiency	The extent to which the bidder's proposals meet council needs efficiently.
Customer facilities	The extent to which the customer facilities meet the brief and enable the council to, deliver its services and promote the customer first ethos exemplified by the 'More for York' programme and customer service strategy.
Accommodation	The extent to which the business and staff accommodation will meet the brief and effectively balance the needs of people, process and place.
Enhancement of built environment and public realm	The extent to which the bidder's proposal will deliver an outstanding example of office, urban and civic design.
Carbon saving	The extent to which the building will be carbon neutral. If not, the extent to which it can achieve the best possible reduction in carbon emissions.
Sustainability	The extent to which the design and construction of the building demonstrate sustainability, including sustainability in use To what extent will it support council targets and approach.

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By virtue of paragraph(s) 3, 5 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Executive

15 December 2009

Report of the Director of Resources

Comprehensive Area Assessment 2009

Summary

- 1 The purpose of this paper is to present to Executive the Audit Commission's final reports for the 2009 Comprehensive Area Assessment.
- 2 The council is pleased to receive the Comprehensive Area Assessment reports set out the final results for 2009, these are attached as annexes as follows:
 - Area assessment with one green flag for 'working together for disabled children' (Annex A) and no red flags (see Annex B for summary version, Annex C for full version);
 - Organisational assessment with an overall score of 2, Performing Adequately (see Annex D for summary version, Annex E for full version);
 - Annual Audit Letter with a clear audit opinion on the council's financial statements for 2008/09 (see Annex F). The content of this Letter has already been published in the Annual Governance Report, presented to the Audit & Governance Committee on 21 December 2009.
- 3 The final reports in addition to other performance information relating to the city have been published by the Audit Commission on the 'One Place' website as from 9 December 2009.
4. The council's detailed response to these reports is contained in a further report called "Response to CAA 2009" published in agenda item 11 for this meeting.

Background

The process

- 5 Comprehensive Area Assessment (CAA) is the new framework for the independent assessment of local public services in England; CAA was introduced in April 2009.
- 6 The CAA framework is area based and focused on outcomes delivered by councils working alone or in partnership. It is designed to be more proportionate than previous performance frameworks, and is aligned with frameworks in other public sectors. The development of CAA came at a time when government was committing to an overhaul of performance management. CAA has been developed to work closely with the new Local Area Agreements (LAAs) and the National Indicator Set as part of a single system.
- 7 By bringing together evidence across different local services, the Audit Commission believe that CAA is more effective in driving improvement than separate assessments for each sector can be.
- 8 CAA has two main elements which inform each other:
 - An area assessment that looks at how well local public services are delivering better results for local people across the whole area, focusing on agreed priorities such as health, economic prospects and community safety, and how likely they are to improve; and
 - Organisational assessments for councils, combining the external auditor's assessment of value for money in the use of resources with a joint inspectorate assessment of council service performance, for example Audit Commission, Ofsted and Care Quality Commission.
- 9 The area assessment is not be scored, it is a narrative report providing an overview of key priorities for the area, overall success and challenges, and a summary of prospects for improvement highlighting where different or further action is required. It identifies significant contributions made by individual partners and, if need be, where a partner organisation needs to do more. The area assessment may include green and red 'flags':
 - **Green flags** highlight exceptional performance or outstanding improvement from which others can learn
 - **Red flags** represent significant concerns about outcomes or future prospects where more or different actions are required.

- 10 The organisational assessment is carried out annually across all councils, fire and rescue services (FRSs), police authorities and PCTs. Organisational assessment will include two elements:
- use of resources
 - managing performance

The organisational assessment is scored for the use of resources and performance elements separately. These two scores will then be combined to give an overall organisational score as follows:

Score	Descriptor	Performance
1	An organisation that does not meet minimum requirements	Performs poorly
2	An organisation that meets only minimum requirements	Performs adequately
3	An organisation that exceeds minimum requirements	Performs well
4	An organisation that significantly exceeds minimum requirements	Performs excellently

- 11 The Area and organisational assessments are being published annually; the first round of CAA results are to be published on 9 December 2009. The Audit Commission is committed to making the CAA more relevant and accessible to the public and has adopted the 'oneplace' brand for public reporting to help this. The main vehicle for publication will be on the 'oneplace' website where results of both area and organisational assessments are accessible by geographical area. The Audit Commission envisages 'oneplace' becoming a powerful tool for public accountability.

Summary Results 2009

Area Assessment:

- 12 York has been assessed on how well it delivers against its seven aims in the Sustainable Community Strategy - to create a Thriving City, Sustainable City, Safer City, Learning City, Inclusive City, City of Culture and Healthy City.
- 13 The council is delighted that the city has been awarded a Green Flag for its achievements and innovative working with disabled children. Strong partnership working, including the involvement of parents, is having a significant and positive impact on the lives of children with disabilities in York. Annex A gives fuller details of the submission made by the council for the Green Flag, which demonstrates how the council and its partners are at the forefront of excellent service delivery.
- 14 York has one of only seven green flags in the Yorkshire & Humber Region and significantly no red flags. Nationally there are 62 red flags in areas of concern with a lack of future prospects.

- 15 York is quite unique, with only two other authorities (Slough & Wolverhampton) matching York's CAA profile in terms of:
- achieving 1 green flag and no red flag
 - scoring only a 2 overall for the organisational assessment, despite scoring a 3 on managing performance. Most councils in this position score a 3 overall (see 'Analysis' below).
- 16 The area assessment in summary:
- a. **City of Culture** - highlights the satisfaction amongst residents regarding art galleries and museums in the city, as well as a lower level of satisfaction with leisure and sporting facilities.
 - b. **Healthy City** - praises York as a healthy city, where life expectancy is higher than the national average. The number of early deaths from heart disease, strokes and cancer has reduced in recent years. The number of adults taking part in regular physical activity, however, is decreasing.
 - c. **Inclusive City** - highlights York's growing BME population and that people from these backgrounds are less likely to have positive experiences in the city. It recognises the work that has already been done to tackle issues of equality, but also raises concerns about high house prices in York and the impact that has on home ownership.
 - d. **Learning City** - rates York's educational and children's services as excellent quality and highlights the city's exam results as amongst the best in the country. The OFSTED children's services annual rating for York has been confirmed as 'performing excellently'.
 - e. **Safer City** - rates York as a safe city, where overall levels of crime have fallen in recent years. Youth offending is also relatively low, but alcohol and drug misuse is a significant contributory factor to crime.
 - f. **Sustainable City** - praises the work of organisations making York more sustainable, for example through its status as Cycling City and the use of Park & Ride as particularly good. The assessment praises the city for planning to mitigate further flooding in the future as a result of climate change. Particularly strong performance has been highlighted in reducing waste and increasing recycling in partnership with communities, with this being raised as a potential Green Flag area for the future.
 - g. **Thriving City** - rates York's local economy as strong, with levels of unemployment below regional and national levels and weekly wages high. It recommends that the main area of focus should be on ensuring that local people can acquire the necessary skills to get the new jobs that are coming to the city, as well as helping businesses weather the recession.

Organisational Assessment:

- 17 The council has been awarded a score of 3 'Managing Performance' within its services and a 2 for its 'Use of Resources'. The Audit Commission weighted combined score for the organisation is 2 'performing adequately'. See 'Analysis' below for national comparisons relating to this score.
- 18 The Managing Performance score reflects the continuing strong performance scores across the council with Children's Services continuing excellent performance and in respect of adult care services, the council responding well to address the need for improvement in its services provided for older people.
- 19 Within the Use of Resources score there are elements of stronger performance in some areas, in particular the council's provision of value for money services, its risk management arrangements and elements of its commissioning of services. The report acknowledges that the council has already embarked on a challenging programme to deliver £15m efficiency savings over a three year period, the need for which was identified through our own self assessment processes. The successful effective delivery of the 'More for York' programme should have a positive impact on the council's future use of resources.

Annual Audit Letter:

- 20 The Letter summarises the findings from the District Auditor's audit of the council's 2008/09 financial statements, giving an unqualified audit opinion, and the work undertaken to assess the council's arrangements to secure value for money in its use of resources. This confirms the outcomes reported earlier this year by the Audit Commission in the Annual Governance Statement (Audit & Governance Committee 21st September 2009).

The Council's Response

- 21 The council's response to the CAA reports is outlined in item 11 on this meeting's agenda, which also updates progress against the council's Improvement Plan 2009/10.

Consultation

- 22 The Audit Commission consulted with the council and its partners on the CAA findings before presenting the final report.

Options

23 No options are required in this report.

Analysis

24 Unlike York, the vast majority of councils who scored a 3 for managing performance and a 2 for Use of Resources, received a 3 overall for their Organisational Assessment:

	All Authorities	District	Single Tier	Authorities in Yorkshire & Humber
Scored 3 for organisational Assessment made up of 3 – managing performance 2 - UoR	71	24	29	4 Wakefield Scarborough Harrrogate Hambleton

25 A much smaller proportion of councils received an overall score of 2 for their organisational assessment, having scored a 3 for managing performance and a 2 for Use of Resources:

	All Authorities	District	Single Tier	Authorities in Yorkshire & Humber
Scored 3 for organisational Assessment made up of 3 – managing performance 2 - UoR	19	10	9	2 York Richmondshire

26 Also, other councils who have scored 4 (excellent) for Children's services, also scored well on their overall organisational assessment. However in comparison to Kingston on Thames (who have the same scores for Use of Resources and managing performance), York's overall Organisational Assessment score has been labelled a 2 rather than a 3 (see table below). It should also be noted that Kingston upon Thames received a red flag, whereas York did not.

	Green Flags?	Red Flags?	UoR	Managing Performance	Overall OA	Children's score
York	1	0	2	3	2	4
Blackburn with Darwen	0	1	3	3	3	4
Camden	2	0	4	4	4	4
City of London	2	0	3	4	4	4
Kensington and Chelsea	2	0	3	4	4	4
Kingston upon Thames	1	1	2	3	3	4
Lewisham	1	0	3	3	3	4
Tower Hamlets	1	0	3	3	3	4

Corporate Priorities

- 27 The delivery of the council's priorities through the sustainable community strategy and the corporate strategy is a fundamental part of the comprehensive area assessment, both at a citywide level and at a more local level through the organisation assessment.

Implications

28

- (a) **Financial** - There are no implications
- (b) **Human Resources (HR)** - There are no implications
- (c) **Equalities** - There are no implications
- (d) **Legal** - There are no implications
- (e) **Crime and Disorder** - There are no implications
- (f) **Information Technology (IT)** - There are no implications
- (g) **Property** - There are no implications.

Risk Management

- 29 Comprehensive Area Assessment is a key strategic risk area for the council, which is being monitored by CMT and the Audit & Governance Committee.

Recommendations

- 30 Executive members are asked to consider the content of this report and its annexes in context of national comparisons, and in conjunction with next item on the agenda for this meeting entitled 'CAA Response'.

Reason

To ensure that members are aware of inspection and audit outcomes, recognise the achievements and also areas for improvement identified in the report.

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Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable

All

For further information please contact the author of the report

Background Papers

Comprehensive Area Assessment (Framework Document)
published by the Audit Commission

<http://www.audit-commission.gov.uk/localgov/audit/caa/pages/caaframework.aspx>

Annexes

- Annex A Green Flag Submission
- Annex B Area Assessment summary report
- Annex C Area Assessment detailed report
- Annex D Organisational Assessment summary report
- Annex E Organisational Assessment detailed report
- Annex F The Annual Audit Letter



York – Consideration of Green Flag Status for:

Integrated Services For Disabled Children

There are few more important challenges which face local government than ensuring the individualised needs of our most vulnerable citizens are fully met. The position of children with complex difficulties and disabilities has been the source of national concern and subsequent high profile programmes. York is significantly on the front foot of this agenda – driving real partnership improvement with genuine full parental engagement.

Ofsted judged our services for children with learning difficulties and/or disabilities to be “**outstanding**” in 2008, and the drive for still further improvement has continued relentlessly. Meeting the needs of disabled children, young people and their families is a strategic priority for the city. This is clearly articulated in the Corporate Strategy for an Inclusive City, the Local Area Agreement and the Children & Young People’s Plan 2009 – 2012. The needs of disabled children and young people are intrinsically woven through all our planning.

A well-embedded understanding of the universal responsibility for inclusion underpins the drive of all our colleagues to further improve services for disabled children, young people and their carers. There is a strong multi-agency commitment to provide personalised services across the whole range of services within health, education and the voluntary sector. For example Young People Services, specialist teaching and social care services, a voluntary agency and the parent forum are working in partnership to provide a pioneering service of personalised mentoring support and increased access to leisure opportunities.

“Excellent multi-agency working is undertaken within strong working relationships and demonstrates a keen sense of responsibility across the agencies with regard to inclusion.” (Ofsted 2008)

The recently published, unique **City of York Charter for Disabled Children 2009-2012** and the accompanying “**Our Promise**” booklet demonstrates to parents the progress made in the city to-date, plans for the future and the difference this will make for them.

This extension and expansion of the “Every Disabled Child Matters Local Authority Charter”, written in consultation with parent/carers, young people and partner agencies, has been welcomed wholeheartedly by parent/carers across the city.

In early 2009, York gained the highest score in the country in the NI54 survey, which asked parents with disabled children to rate health, education, social care provision and support based on the Aiming High for Disabled Children Core Offer. Ahead of

the national recommendation to improve information and feedback to families, we launched the booklet “**You Said, We Did**”. This booklet ensures that parents know they are listened to and, as a result, services have been shaped and changed in order to meet their needs. It has been highlighted and nationally acclaimed by Kate Sturdy, Assistant Director for DCSF, with responsibility for Aiming High for Disabled Children as an example of good practice.

The strength of these services lies in the underpinning consultation and engagement with disabled children, young people and their parents. “Children with LDD have a clear voice in the services and activities which support them.” (Ofsted 2008). For example, disabled young people have completed accessibility surveys of leisure services and supported schools in writing their Disability Equality Schemes. Services have been responsive to this and have implemented the changes recommended.

Our well established parent forum, CANDI, (Children and Inclusion) is a dynamic group that has co-written, and jointly leads, two levels of unique disability equality training for all staff and universal providers. Recently showcased by “Together for Disabled Children”, CANDI supports participation of parents and young people at every level and has helped to ensure parent / carer representation at all of the strategic planning for a in the City.

Exemplary work is undertaken in the city to ensure the early identification of children and families’ and that they are supported through outstanding Early Support services and close multi-agency working. In 2008 “The efficiency with which statutory assessments of children and young people with LDD are made” (Audit Commission Survey of Schools’ Views of the Local Authority) was ranked first in the country.

Pupils make good progress at school and there are excellent arrangements to support them through points of transition. The new co-located multi-agency Transitions Team supports young people aged 14-25 through a seamless service, improving outcomes for young people and their families. A successful, innovative bid means that the team will shortly be moving to purpose built premises on the site of the only secondary special school in York. This nationally recognised team (designated as being in “Offer One” by the National Transitions Support Team – one of 24 in the country) includes independent travel training, children and adults social care support, participation support and provision of shared and independent housing.

In 2009, partners developed an innovative response to the needs of young people and parents for further information, advice and guidance about the options available to them when they leave school. The ground breaking Opportunities Fair of 2009 was hailed as a great success by young people, families and providers. Participants received one to one advice, face to face contact with providers and workshop taster activities, designed to raise young people’s aspirations and support them in making decisions about their future.

“I think it was brilliant because it gave me a chance to show what I can do...made me feel very proud of people and MYSELF” (young person)

In summary, outcomes for disabled children and young people have been judged to be outstanding, are consistently ahead of comparator authorities and continue to further improve. The 2009 Audit Commission Survey of School's Views of the Local Authority placed the City in the top quartile of performance with seven questions relating to children and young people with LDD being ranked first amongst our statistical neighbours. With high performance and low levels of funding, it can be said that York provides outstanding value for money in this area.

The achievement of Green Flag Status for our Integrated Services for Disabled Children will recognise, celebrate and further strengthen a set of arrangements, which have already delivered significant improvement in the lives of disabled children, young people and their families in York.

And if still not convinced we attach a human perspective – a letter received just last week which describes the experience of just one parent but which so passionately endorses our success in providing inclusive education and integrated support services to our disabled children and their families. (*not attached for public view privacy reasons*).

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York

Area Assessment (Summary version)

Dated 9 December 2009




oneplace

for an independent overview
of local public services

York at a glance

This independent assessment by six inspectorates sets out how well local public services are tackling the major issues in York. It says how well they are delivering better results for local people and how likely these are to improve in future. If, and only if, our assessment shows that the following special circumstances are met in relation to a major issue, we use flags to highlight our judgements. We use a green flag to highlight where others can learn from outstanding achievements or improvements or an innovation that has very promising prospects of success. We use a red flag to highlight where we have significant concerns about results and future prospects that are not being tackled adequately. This means that local partners need to do something more or different to improve these prospects.

Green flags - exceptional performance or innovation that others can learn from

 Green flag: Working together for disabled children

Red flags - significant concerns, action needed

No red flags have been identified for York

The local area

York has been a centre of government, religion, education, commerce, entertainment and transport for 2000 years. The City and its surrounding area include the historic walled city, the suburbs and a large area of countryside. Four million visitors each year bring wealth into the area as well as disruption and congestion.

The total population is 195,400, 4.9 per cent of which come from black and minority ethnic (BME) communities. The proportion of people from BME communities doubled between 1991 and 2001 and is expected to grow further in the next few years.

York's population is growing and is projected to rise by 4.2 per cent between 2001 and 2011 and by a further 8.3 per cent up to 2021. The four institutions of further and higher education bring the total number of students in York to around 20,000 (or approximately one-tenth of the population). York's four million visitors each year boost the local economy but place significant demands on the transport system.

York's public services have agreed the following challenges that they need to

tackle:

The City of Culture

The Healthy City

The Inclusive City

The Learning City

The Safer City

The Sustainable City

The Thriving City

The next section tells you how York's public services are doing in each of their local priority areas.

How is York doing?

The City of Culture

Local partners want to inspire residents and visitors to free their creative talents and make York the most active city in the country. They plan to achieve this by providing high quality cultural and sporting activities for all. Public satisfaction with museums and art galleries and parks and open spaces is among the highest in the country.

Four million tourists visit the city each year, attracted by a number of the city's cultural attractions including York Minster, the National Railway Museum and the Yorvik Viking Centre. These facilities are well regarded by both visitors and residents of the city, and a City of Festivals programme provides year-round cultural activities for local people.

However, local people are less satisfied with the quality of local sports centres. York is home to a large variety of sporting organisations, with around 350 sports clubs based in local communities. Public sector partners are working with these sports clubs to provide activities for local people, particularly those in the poorer parts of the city, although there is a lack of public sports and recreation facilities to meet the needs of local people.

The Healthy City

Partners want York to be a place where residents enjoy long healthy and independent lives. The city's strategic partnership - Without Walls - plans to achieve this by supporting people to make healthy lifestyle choices. They also want to develop health and social care services quick to respond to those that need them.

York is a healthy city. Life expectancy is high and the number of early deaths from heart disease, strokes and cancer has reduced significantly in recent years. However, there are differences across the city with people in some

poorer parts of the city dying up to five years earlier than in more well-off areas.

Several other issues are becoming more significant. Adults are not as physically active as they should be and this is contributing to increasing obesity. Binge drinking is also increasing and has resulted in an increase in alcohol-related hospital admissions. The number of teenage pregnancies has increased. Drug misuse in York is above the national average and more needs to be done to tackle the problem.

The standard of general health care is good, although the quality of care for adults with mental health problems, whether in hospital or in their own homes, needs to be improved. Social care services perform well but there are plans to improve these further.

The Inclusive City

Local partners want York's citizens to feel included in the life of the area. They plan to achieve this by improving prospects for all, tackling poverty and exclusion and making services and facilities easy to access.

York's community is changing, with an increasing number of people from black and minority ethnic (BME) backgrounds coming to live in the city. Although most local people think York is a pleasant place to live people from BME communities are much less positive about the city. Public sector partners are taking action to develop their understanding of the issues facing BME communities and have recognised that more needs to be done to meet the needs of this group of people.

The needs of other groups, such as older people, children and young people, and people with disabilities, are more likely to be met. And much work is going on to ensure people from the less well-off parts of the city are not disadvantaged. Public sector agencies are working together to help people from these neighbourhoods into employment and make sure they get the benefits they are entitled to.

York is an expensive place to live and home ownership is beyond the reach of many local people. Increasing the supply of affordable housing remains a major issue for public sector partners. Some progress has been made but, because of the current economic downturn, it is unlikely that targets for the next two years will be met. Homelessness in the area is higher than elsewhere, particularly for young people.

The Learning City

The city's strategic partnership - Without Walls - wants to make sure that local people have access to world class education and training facilities and provision. Partners want people to develop the skills and aspirations they need to play an active part in society and contribute to the life of the city.

York's children and young people can take advantage of good quality education in the city. Most of the city's schools perform well and the city's

universities and further education colleges have a good reputation.

Ofsted has rated the City Council's services for children and young people as performing excellently. A review in 2008 by the Audit Commission and Ofsted rated the city's arrangements for keeping the city's children safe as outstanding. Exam results for York's schools are consistently among the highest in the country.

But children from the poorer parts of the city do not do as well as other children, and this gap is wider than in many other parts of the country. This also applies to a small number of pupils from black and minority ethnic (BME) backgrounds.

Fewer of York's young people from poorer backgrounds go on to higher education than in other parts of the country. However, most young people do go into education, employment or training when they leave school and opportunities for adult education are improving.

Skill levels in the city are high in comparison with local areas in Yorkshire and Humberside and among the highest nationally. But more needs to be done to enable all local people to gain the skills they need to take advantage of the new industries arriving in the city. Partners in the city know this and are working together to tackle the problem.

The Safer City

The Without Walls Partnership wants to make York a safer city with low crime rates and high public satisfaction with the city's safety record.

York is a safe place to live. Overall levels of crime have fallen consistently in recent years although the fear of crime, though reducing, remains an issue for local people. Youth offending rates are low when compared to other areas, although the number of young people who re-offend is relatively high.

Drug and alcohol misuse continues to be a significant contributory factor to crime in the city. One issue of particular concern in York is the level of cycle theft - particularly as the city is nationally recognised as a cycling city. There has been some success in improving road safety, particularly in more rural areas, which has resulted in a fewer road casualties.

The Sustainable City

York's partnership (the Without Walls Partnership) is aiming to reduce its impact on the environment while maintaining York's special qualities and enabling the city and its communities to grow and thrive.

Good work by local organisations is making York a greener more sustainable place to live, work and visit. Recycling rates have improved because of this strong partnership working and are now among the highest levels of performance nationally.

Investment in park and ride and developing cycling routes through the City is

reducing traffic and giving people healthier choices for travelling into the City. The City was recently awarded Cycling City Status in recognition of its progress.

There's a strong focus on reducing the CO2 people in York produce as they go about their lives. Partners are working well together to plan for the increasing risk of flooding that will go with climate change.

The Thriving City

Partners aim to support York's economy to make sure that employment rates remain high and that local people benefit from new job opportunities.

Despite job losses in recent years from the loss of traditional industries such as the railways and chocolate making, York's local economy remains strong. Levels of unemployment are below national and regional averages and weekly pay levels are high. The tourism industry remains buoyant despite the recent economic downturn and new jobs, many in science-related industries, are being created.

The main challenges facing the city are to help local people to weather the recession and to make sure that local people have the training and skills they need to get the newly created jobs. The number of people with formal qualifications is higher than many other cities nationally, but the challenge is to make sure those qualifications are relevant to the new jobs being created as the local economy changes. The need for new economic development in the city also has to be balanced against the need to preserve the historic nature of the city, which is one of the main attractions for tourists.

CAA looks at how well local public services, working together, are meeting the needs of the people they serve. It's a joint assessment made by a group of independent watchdogs about the performance of local public services, and how likely they are to meet local priorities. From 9 December you will find the results of Comprehensive Area Assessment on the Oneplace website - <http://oneplace.direct.gov.uk/>

Alternative formats - If you require a copy of PDF documents in this site in large print, in Braille, on tape, or in a language other than English, please call: 0844 798 7070

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for an independent overview
of local public services

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York

Area Assessment

Dated 9 December 2009



oneplace

for an independent overview
of local public services

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York at a glance

How is York doing?

About York

How well do priorities for York express community needs and aspirations?


Priorities for York

- The City of Culture
- The Healthy City
- The Inclusive City
- The Learning City
- The Safer City
- The Sustainable City
- The Thriving City

York at a glance

This independent assessment by six inspectorates sets out how well local public services are tackling the major issues in York. It says how well they are delivering better results for local people and how likely these are to improve in future. If, and only if, our assessment shows that the following special circumstances are met in relation to a major issue, we use flags to highlight our judgements. We use a green flag to highlight where others can learn from outstanding achievements or improvements or an innovation that has very promising prospects of success. We use a red flag to highlight where we have significant concerns about results and future prospects that are not being tackled adequately. This means that local partners need to do something more or different to improve these prospects.

Green flags - exceptional performance or innovation that others can learn from

 Green flag: Working together for disabled children

Red flags - significant concerns, action needed

No red flags have been identified for York

The local area

York has been a centre of government, religion, education, commerce, entertainment and transport for 2000 years. The City and its surrounding area include the historic walled city, the suburbs and a large area of countryside. Four million visitors each year bring wealth into the area as well as disruption and congestion.

The total population is 195,400, 4.9 per cent of which come from black and minority ethnic (BME) communities. The proportion of people from BME communities doubled between 1991 and 2001 and is expected to grow further in the next few years.

York's population is growing and is projected to rise by 4.2 per cent between 2001 and 2011 and by a further 8.3 per cent up to 2021. The four institutions of further and higher education bring the total number of students in York to around 20,000 (or approximately one-tenth of the population). York's four million visitors each year boost the local economy but place significant demands on the transport system.

The next section tells you how York's public services are doing in each of their local priority areas.

How is York doing?

The City of Culture

Local partners want to inspire residents and visitors to free their creative talents and make York the most active city in the country. They plan to achieve this by providing high quality cultural and sporting activities for all. Public satisfaction with museums and art galleries and parks and open spaces is among the highest in the country.

Four million tourists visit the city each year, attracted by a number of the city's cultural attractions including York Minster, the National Railway Museum and the Yorvik Viking Centre. These facilities are well regarded by both visitors and residents of the city, and a City of Festivals programme provides year-round cultural activities for local people.

However, local people are less satisfied with the quality of local sports centres. York is home to a large variety of sporting organisations, with around 350 sports clubs based in local communities. Public sector partners are working with these sports clubs to provide activities for local people, particularly those in the poorer parts of the city, although there is a lack of public sports and recreation facilities to meet the needs of local people.

The Healthy City

Partners want York to be a place where residents enjoy long healthy and independent lives. The city's strategic partnership - Without Walls - plans to achieve this by supporting people to make healthy lifestyle choices. They also want to develop health and social care services quick to respond to those that need them.

York is a healthy city. Life expectancy is high and the number of early deaths from heart disease, strokes and cancer has reduced significantly in recent years. However, there are differences across the city with people in some poorer parts of the city dying up to five years earlier than in more well-off areas.

Several other issues are becoming more significant. Adults are not as physically active as they should be and this is contributing to increasing obesity. Binge drinking is also increasing and has resulted in an increase in alcohol-related hospital admissions. The number of teenage pregnancies has increased. Drug misuse in York is above the national average and more needs to be done to tackle the problem.

The standard of general health care is good, although the quality of care for adults with mental health problems, whether in hospital or in their own homes, needs to be improved. Social care services perform well but there are plans to improve these further.

The Inclusive City

Local partners want York's citizens to feel included in the life of the area. They plan to achieve this by improving prospects for all, tackling poverty and exclusion and making services and facilities easy to access.

York's community is changing, with an increasing number of people from black and minority ethnic (BME) backgrounds coming to live in the city. Although most local people think York is a pleasant place to live people from BME communities are much less positive about the city. Public sector partners are taking action to develop their understanding of the issues facing BME communities and have recognised that more needs to be done to meet the needs of this group of people.

The needs of other groups, such as older people, children and young people, and people with disabilities, are more likely to be met. And much work is going on to ensure people from the less well-off parts of the city are not disadvantaged. Public sector agencies are working together to help people from these neighbourhoods into employment and make sure they get the benefits they are entitled to.

York is an expensive place to live and home ownership is beyond the reach of many local people. Increasing the supply of affordable housing remains a major issue for public sector partners. Some progress has been made but, because of the current economic downturn, it is unlikely that targets for the next two years will be met. Homelessness in the area is higher than elsewhere, particularly for young people.

The Learning City

The city's strategic partnership - Without Walls - wants to make sure that local people have access to world class education and training facilities and provision. Partners want people to develop the skills and aspirations they need to play an active part in society and contribute to the life of the city.

York's children and young people can take advantage of good quality education in the city. Most of the city's schools perform well and the city's universities and further education colleges have a good reputation.

Ofsted has rated the City Council's services for children and young people as performing excellently. A review in 2008 by the Audit Commission and Ofsted rated the city's arrangements for keeping the city's children safe as outstanding. Exam results for York's schools are consistently among the highest in the country.

But children from the poorer parts of the city do not do as well as other children, and this gap is wider than in many other parts of the country. This also applies to a small number of pupils from black and minority ethnic (BME) backgrounds.

Fewer of York's young people from poorer backgrounds go on to higher education than in other parts of the country. However, most young people do go into education, employment or training when they leave school and opportunities for adult education are improving.

Skill levels in the city are high in comparison with local areas in Yorkshire and Humberside and among the highest nationally. But more needs to be done to enable all local people to gain the skills they need to take advantage of the new industries arriving in the city. Partners in the city know this and are working together to tackle the problem.

The Safer City

The Without Walls Partnership wants to make York a safer city with low crime rates and high public satisfaction with the city's safety record.

York is a safe place to live. Overall levels of crime have fallen consistently in recent years although the fear of crime, though reducing, remains an issue for local people. Youth offending rates are low when compared to other areas, although the number of young people who re-offend is relatively high.

Drug and alcohol misuse continues to be a significant contributory factor to crime in the city. One issue of particular concern in York is the level of cycle theft - particularly as the city is nationally recognised as a cycling city. There has been some success in improving road safety, particularly in more rural areas, which has resulted in a fewer road casualties.

The Sustainable City

York's partnership (the Without Walls Partnership) is aiming to reduce its impact on the environment while maintaining York's special qualities and enabling the city and its communities to grow and thrive.

Good work by local organisations is making York a greener more sustainable place to live, work and visit. Recycling rates have improved because of this strong partnership working and are now among the highest levels of performance nationally.

Investment in park and ride and developing cycling routes through the City is reducing traffic and giving people healthier choices for travelling into the City. The City was recently awarded Cycling City Status in recognition of its progress.

There's a strong focus on reducing the CO2 people in York produce as they go about their lives. Partners are working well together to plan for the increasing risk of flooding that will go with climate change.

The Thriving City

Partners aim to support York's economy to make sure that employment rates remain high and that local people benefit from new job opportunities.

Despite job losses in recent years from the loss of traditional industries such as the railways and chocolate making, York's local economy remains strong. Levels of unemployment are below national and regional averages and weekly pay levels are high. The tourism industry remains buoyant despite the

recent economic downturn and new jobs, many in science-related industries, are being created.

The main challenges facing the city are to help local people to weather the recession and to make sure that local people have the training and skills they need to get the newly created jobs. The number of people with formal qualifications is higher than many other cities nationally, but the challenge is to make sure those qualifications are relevant to the new jobs being created as the local economy changes. The need for new economic development in the city also has to be balanced against the need to preserve the historic nature of the city, which is one of the main attractions for tourists.

About York

A recent survey shows that in York 87 per cent of people are satisfied with their immediate local area as a place to live. This is higher than the average for similar areas and higher than the national average of 81 per cent.

Covering an area of 105 square miles, the district of York comprises an urban area centred on the historic city surrounded by many small rural and semi rural settlements. For many it provides a great standard of living. Schools are good as is healthcare. The City is popular with students and both its universities are growing. Until recently the economy has been strong with well-paid jobs in financial services as well as many other opportunities in tourism. Despite the recession for most York residents unemployment is a risk that seems remote.

But some people are still not sharing the benefits that living in York brings. Owning their own home is out of reach of many residents on average incomes. Residents are dissatisfied with the choices for recreation available to them. Some in York do not have the skills and qualifications that will help them get good jobs in the new businesses coming into the City. A fifth of York's people live in poverty. This poses a major challenge to its hope of being an even more inclusive city.

Population growth and a decrease in the average number of people in a household is placing pressure on housing. 'Affordable' housing is in particularly short supply and house prices are well above the regional average. Given the historic nature of the city's built environment, planning and development are highly sensitive issues.

York is a relatively affluent city but this masks pockets of deprivation. There are low levels of unemployment in the city, but high levels of relatively poorly paid jobs, most associated with the tourist sector. Over the last few years, the city has responded to the relative decline in employment in traditional local industries (such as chocolate manufacturing and railways). Traditional industries have been replaced by a high-tech and science based industrial sector linked to the universities. The Council and partners see Science City York as playing an increasingly important part in the development of the city.

Educational attainment in York is high, with achievements that are significantly higher than both the Yorkshire and Humber and England averages. Adults in York have better skills levels than adults in most other areas but a minority, often from poorer areas, do not. Partners in the City

know this and are working on the problem.

Health is generally good and life expectancy is greater than the national average. However, there are pockets of poor health in more deprived areas of the city. Levels of crime are below regional and national averages. Congestion is a significant issue in the area as York remains a major tourist destination in the UK.

The Without Walls - WoW - partnership brings together local private, public and voluntary organisations to work on the most significant issues facing the city.

How well do priorities for York express community needs and aspirations?

The needs and aspirations of York's people are reflected to a great extent in the priorities the Without Walls Partnership (WoW) is working on. The partnership has a clear shared set of ambitions for the City for the next 20 years or so. The local area agreement and Sustainable Community Strategy are based on a good understanding of local needs. The local area agreement has 35 national and 13 local indicators within the priority themes for the City.

The City's priorities are based on a clear vision and challenging ambitions, underpinned by priorities which have been influenced by the views of local people. The preparation of the sustainable community strategy involved an extensive consultation exercise, a robust assessment of current performance and analysis of the issues facing the city. Partners are ambitious for the City and all its people.

It was informed by a wide ranging consultation such as the 'Festival of Ideas' which used approaches such as radio debates, conferences and neighbourhood consultations and targeted communities of interest, such as older people, people with disabilities, representatives from BME communities and Lesbian, Gay, Bisexual and Transgender (LGBT) residents.

Local communities are getting increasingly involved in decision making through neighbourhood management with local action plans setting out the ambitions and actions for local areas. A more comprehensive approach to engagement with local communities has recently been adopted. The impact of this is not yet clear. Before its introduction the results of consultation were not being shared in a systematic way. Partners did not know whether all groups in local communities have had a chance to contribute.

The City of Culture

The City's cultural heritage is a key element of its attraction to tourists and makes a significant contribution to the local economy. Four million tourists visit the city each year generating around 11,000 jobs for local people and bring some £350 million into York. Partners in the City focus strongly on preserving and improving the city's built environment and Visit York, the local tourism

partnership, has made good progress in raising the profile of the city's attractions since its inception in April 2008.

The city is the home to notable national and regional attractions, such as York Minster, the National Railway Museum, Yorvik Viking Centre and York Racecourse. These are well used and regarded by visitors and residents alike. The city's Museums Trust, which manages a number of museums and galleries across the city, runs many events designed to involve visitors and local people in cultural activities and is increasingly using museums for educational purposes for local schools. The city's racecourse is the venue of major race meetings which provide an additional attraction for people within the city and across the region.

The level of public satisfaction with these facilities is understandably high - significantly higher than in most other parts of the country - and many local people participate in cultural activities. York's residents participate in the arts more than those in any other city in the region. At 53.5 per cent, participation is also well ahead of the national average. The proportion of local people who visit museums is also much higher than the national average, and York schools have the highest level of achievement of "Culture Mark" of any authority in the country.

Another important feature of the cultural life of the city is the City of Festivals programme. This year-round programme includes a range of events dealing with different cultural activities such as dance, drama, food and drink, literature and sport. Local people are heavily involved in the festivals and they are highly valued by residents and visitors alike.

However, the situation regarding facilities designed specifically to meet the needs of local people is less positive. Although the number of visits to public libraries is relatively high, public satisfaction with them is low. The City Council has recognised this and is part way through a programme to make them more attractive to local people and place them at the centre of local communities.

There is a lack of public sports and recreation facilities that meet the needs of local people. Only about one in three local people are satisfied with the quality of sport and leisure facilities. This places York in the bottom 20 per cent of cities in the country. The gap between what people need and want and what is available now is great. This applies to indoor activities such as swimming and badminton, and external facilities such as football and rugby pitches. Some facilities are seeing more use though, for example, the redeveloped Oaklands Sports Centre. York's people's dissatisfaction with these gaps may also be contributing to falling numbers of people taking part in exercise.

Action is being taken to tackle these problems. For example, the 'Fit as a Fiddle' programme for older people is increasing the numbers of people taking exercise. York is home too to a large variety of sporting organisations, with around 350 sports clubs based in local communities. Public sector partners are working with these sports clubs to provide activities for local people, particularly those in the poorer parts of the city.

We want to look more deeply at how partners in the City are working together to ensure that all York's people get to benefit from the City's status as an important visitor destination.

We will also want to know more about how the city is going to close the gaps in what sport and leisure facilities are on offer. We will be following this up in our work ahead and report what we find next year.

The Healthy City

There is a lack of public sports and recreation facilities to meet the needs of local people. The gap between what people need and want and what is available now is great. This applies to indoor activities such as swimming and badminton, and external facilities such as football and rugby pitches. York's people are dissatisfied with these gaps which may also be contributing to falling numbers of people taking part in exercise. Some facilities are seeing more use though, for example, the redeveloped Oaklands Sports Centre.

Action is being taken to tackle these problems. For example, the 'Fit as a Fiddle' programme for older people is increasing the numbers of people taking exercise. York is home, too, to a large variety of sporting organisations, with around 350 sports clubs based in local communities. Public sector partners are working with these sports clubs to provide activities for local people, particularly those in the poorer parts of the city.

We want to know more about how the city is going to close the gaps in what is on offer. We will be following this up in our work ahead and report what we find next year.

York is a healthy city. Average life expectancy at birth is increasing and, at 83 for women and 78 for men, is higher than both regional and national averages. Early deaths from heart disease and strokes and from cancer have reduced significantly in recent years and are below the national average. Deaths from smoking are also below the national average, as is the number of smokers. York's babies and young children are more likely to live than in other areas. Babies born in the City are also more likely to be the right weight than is the case across the country as a whole. Expectant mothers are smoking less and breastfeeding rates are improving.

More needs to be done to deal with health inequalities and encourage local people to develop healthy lifestyles. Life expectancy varies across the city, with people in more deprived parts of the city dying five years earlier than in more well-off areas. Local GP surgeries provide a way to promote better health with other projects to encourage more healthy lifestyles.

The number of people taking part in physical activity is low and falling. Latest data shows that only one in five adults exercise three times a week compared with one in four in 2007/08. This is contributing to an increase in the number of obese adults. Partners across the city have recognised the problem. They are working together to improve access to more sport and leisure facilities. They have also developed programmes aimed at specific groups, such as the over 55s and people with a disability, to increase participation.

The number of children and young people participating in physical activity is high, with almost all school children taking part in at least 2 hours PE and school sport a week. This is well above the national average. However, childhood obesity is becoming more of an issue. Although not high when

compared with other parts of the country, 8.4 per cent of children at age 5 are obese and this figure increases to 15.6 per cent when they reach eleven years of age.

Alcohol and drug misuse in the city is a concern. Estimated levels of binge drinking are high, affecting almost one in four adults compared with one in five nationally. As a result, the number of alcohol-related hospital admissions is increasing. Although still below the national average, the number is expected to rise further. Drug misuse in York is also above the national average, and actions to reduce drug and alcohol related harm have also been inadequate, resulting in intervention from the National Treatment Agency. Good evidence about the scale of drug misuse among the adult population is not available.

The number of teenage pregnancies has increased by a quarter since 1998. However, the rate of teenage pregnancy remains one of the lowest rates in the Yorkshire and Humberside region and is lower than the national average, although partners recognise the need to do more to address the issue which provides an additional health risk to both mother and child.

Most patients feel the quality of health care is good, although there are some issues about the quality of care for people with mental health problems. The Healthcare Commission has assessed the quality of hospital services for people with acute mental health problems to be weak - in other words, not meeting minimum requirements and the reasonable expectations of patients and the public. The proportion of adults with learning difficulties and mental health problems who are helped to live at home is low and declining, as is the number of households receiving intensive homecare.

Dental health in the city is good, with the average number of decayed, extracted or filled teeth in young children being significantly lower than the national average. However, access to NHS dentists is a major issue and local health organisations have recognised the need to make it easier for local people to get dental treatment, particularly those in less well-off areas.

We will continue to monitor the impact of actions taken to improve the health of local people, particularly about reducing inequalities in health and in encouraging people to develop healthy lifestyles.

The Inclusive City

Green flag: Working together for disabled children

Strong partnership working, including the involvement of parents, is having a significant and positive impact on the lives of children with disabilities in York. In early 2009, parents of disabled children in York gave the city's quality of health, education, social care and support for their children the highest score in the country. Meeting the needs of disabled children, young people and their families is a strategic priority for the city. Strong partnership working in the city is giving children and families personalised services across health, education and the voluntary sector.

An inspection in 2008 by Ofsted and the Audit Commission judged the City Council's services for children with learning difficulties and/or disabilities as

outstanding. These services are making real differences to the lives of children. For example, Council services, a voluntary agency and the parent forum are working together to provide a pioneering service of personalised mentoring. This is giving children support that matches their needs tailored to their problems. Another outcome from joint working is increased access to and take-up of leisure opportunities by children with disabilities. Families value these opportunities for the difference they are making to their children's lives.

Innovation is strengthening the joining up of services. For example, 'end to end' care and support is now provided. Children and young people are supported through the significant challenges that they face in their lives when they move from school into further education, employment or independent living. A new multi-agency Transitions Team supports young people aged 14-25. This nationally recognised team provides independent travel training, children and adults social care support, participation support and provision of shared and independent housing. Support is seamless - its focus is on the child or young person not on the particular organisation providing the support. It successfully puts the customer at the heart of what partners are doing.

Other actions are having a positive impact on the quality of life of children with disabilities. They include the City of York Charter for Disabled Children which sets out what children and their parents can expect from partners. This provides a way to hold partners to account to ensure they provide joined-up services to meet their specific needs. It is based around nine promises covering a range of issues. These include: involvement in planning and decision making, access to more places and activities, a wider range of short breaks, and better support in the transition into adulthood. All children have a single named contact to make sure that all service providers work together to deliver seamless services.

In early 2009, York gained the highest score in the country in a national survey that asked parents with disabled children to rate the quality of health, education, social care provision and support. The survey gives a way of finding out whether partners really are delivering on the ambitions set out in the national strategy - Aiming High for Disabled Children. Feedback to parents is done through a You Said, We Did booklet. This shows how services have been shaped and changed to meet children's and families' needs. This booklet has been recognised by government as an example of good practice.

The views of disabled children and their parents are at the heart of the way services are delivered. Disabled young people have completed accessibility surveys of leisure services and helped schools write their Disability Equality Schemes. The issues they raised have resulted in changes to the way services are provided. The long-standing parent forum, CANDI, (Children and Inclusion) is a dynamic group that has co-written, and jointly leads, two levels of unique disability equality training for all staff and universal providers. CANDI supports participation of parents and young people at every level and has helped to ensure parent and carer representation in strategic planning for services in the city.

Successful action is being taken to raise children's aspirations. In 2009, a ground breaking Opportunities Fair provided young people and parents with information, advice and guidance about the options available to them when they leave school. Participants received one to one advice, face to face contact with providers and workshop taster activities, designed to raise young

people's aspirations and support them in making decisions about their future. Young people, families and providers gave the Fair excellent feedback.

Partners in the City know that children with special educational needs do less well than their peers when they take their GCSEs. This is because York tries, whenever possible to avoid labelling children as having these needs. So York's pupils with special educational needs are those for whom an academic qualification will be unattainable. Nevertheless the work on inspiring children through mentoring and the other initiatives going on in the City give these children a real chance of making their own positive contribution to the City.

The Inclusive City

York's population is changing. It is getting older and the over 50s will make up an increasing proportion of York's people. At the same time people from a black and minority ethnic (BME) background are coming into the city in greater numbers. York experienced the second highest percentage growth rate in ethnic minorities of any city in the country in the period 1991-2001.

People from these communities believe that York is a less welcoming and tolerant place than people from other communities think is the case. Although more than half the population of the city feel they belong to their local neighbourhood, fewer than one in five people from BME communities feel the same way. Some of the needs of these communities are being met but organisations in the city know they don't yet fully understand the needs of the growing BME community. Public sector partners know they will need to alter the way they work to address these differences.

Partners in the city are working together to address inequality with many groups such as people with disabilities, children and young people and older people. Young people with learning difficulties or physical disabilities get good support in their transition to adult life. Such support includes encouraging independent travel and by providing shared and independent housing. Many programmes and activities provide support targeted at the most vulnerable children and their families. New arrivals from Eastern Europe and the Traveller community receive prompt and suitable support to help them settle into the life of the area. Changes have been made at some sports centres to make them more accessible to people with disabilities and a local library runs a computer club designed for older people and those with disabilities.

York is rightly seen as a well-off city (In 2007, York was ranked as the 242nd least deprived of 354 areas nationally, having improved its position from 219th least deprived in 2004). But there are pockets of significant deprivation in some parts of the city. One neighbourhood is in the 10 per cent most deprived in the country. Around a third of households are living on low annual incomes and around 1 in 8 of the city's children live in poverty. About 4,600 homes suffer from fuel poverty - their inhabitants are spending more and more of their money on keeping warm. This is better than in other areas regionally and nationally but it's still a real problem for the people involved. Some of the older houses in York are hard to heat and keep warm too.

The poorest area of the city is now the focus of joined-up working to tackle its long-standing problems. This is improving the lives of many people in this community. Some local people have been helped into work and others, many

of whom are elderly, have also been helped to claim the benefits to which they are entitled. Benefit payments to people in this neighbourhood have increased by £22,000. This project is now being rolled out into neighbouring communities.

Living in York is becoming more expensive, with house prices increasing by 38 per cent between 2002 and 2005, while earnings only increased by 16 per cent over the same period. York's average wage is around £19,000 while an average house costs a little under £200,000. Home ownership is out of reach of many York residents. There has been a drive to provide more "affordable" housing in the city through agreements with developers, and 151 such homes were built in 2008/09. However, the current economic downturn means that this is unlikely to be repeated in 2009/10 which places increased pressure on the social housing stock and housing waiting lists.

The quality of housing in York is improving. The number of houses failing to meet national decency standards has fallen significantly. Almost all council housing now meets basic decency standards, compared with almost 84 per cent four years ago. The quality of private sector housing is also improving, with less than one-fifth of private sector homes failing to meet decency standards compared with a national average of around two-fifths.

More housing is also being provided to meet the specific needs of older people. Recently 100 bungalows that could not be brought up to decent homes standards were demolished and are to be replaced by a 40-bed extra care facility for older people, with 60 new bungalows and 100 affordable general needs houses.

The number of homeless people, particularly young people, is high compared with many other parts of the country. In 2007/08, half the people accepted as homeless in York were 16 to 24 years old. A fifth of this group were 16 to 17 year olds - twice the national rate for this age group. However, partners have recognised the issue and have had some success in dealing with it. At the end of 2008/9, there were 167 households in temporary accommodation, which is a 20 per cent improvement on the 209 households in 2007/8. Specific action has been taken to help homeless young people. This includes joint action between the city council, Arc Light, the Salvation Army and the Peasholme Charity. Their work has reduced the number of rough sleepers in the city. Partners won external funding of £350,000 which has been used to deliver a Teenage Parent Housing Support Project.

There are some examples of how local people have been involved in issues affecting them, but this has not happened in a consistent way with different communities in the city. Partners have now agreed a comprehensive community engagement strategy. Turning this into action is an important priority for the City.

We will review the success of the Without Wall Partnership in putting its plans into action over the next year.

The Learning City

York is well known for the standard of education received by its young

people. This year, Ofsted has rated the City Council's children's services as performing excellently.

Most schools, children's homes, pupil referral units, nurseries and childminders are good or better. This means that almost all children and young people get good help and support. Ofsted's inspections of York's schools found most of them to be good or better - more in similar areas or nationally. No school in York is inadequate. Almost two-thirds of the city's primary and secondary schools perform above the average for England.

York Council's adoption and fostering agencies are outstanding and children's homes are good or outstanding. Most childcare is good or better. Nursery and primary schools in York perform better than in similar areas or nationally.

Ofsted and the Audit Commission looked in December 2008 at how York's children are kept safe. They said these arrangements were outstanding. The review also looked at the services children in the Council's care receive. These too, were outstanding. One serious case review has taken place since December 2008. (These happen to ensure that lessons are learned after instances of potential abuse emerge.) The review was judged by Ofsted as adequate.

Some of York's most vulnerable children and young people do not do as well as their peers. Most young people get services that are good or better but one of the City's special schools and one of its units for pupils with challenging behaviour are not so good and are rated as adequate. Also, children aged 11 who have free school meals do less well than the rest of their age group in the City. This gap is wider in York than elsewhere in the country.

A similar gap exists for young people at 16 who have special educational needs. A small number of young people from a minority ethnic background do not do as well as their peers at 16. More of York's teenage girls get pregnant than is the case nationally or in similar areas. Partners in the City know about these problems and are working together to tackle them.

The difference in achievement between the City's poorest and wealthiest continues into higher education. Fewer of York's young people from low-income backgrounds go into higher education than in most other parts of the country.

In November 2008, the QS-Times Higher Educational Supplement ranked the University of York 81st out of the world's top 200 universities - a rise of 43 places from 2006. York St John's University plays an important regional role and is particularly popular with mature students. Both universities continue to grow with significant building programmes. They are playing a significant role in developing science-based and high-tech industries which are replacing more traditional industries in the city and are a key element of the city's future economy.

Almost all adults in York have some form of qualification. But, although not high in comparison with most other parts of the country, there are a significant number of adults with no formal qualifications, and many people experience literacy and numeracy problems. Developing higher level, more diverse skills across the working age population is key for partners in the city.

York's people will need these skills to succeed in the knowledge-based industries replacing the traditional manufacturing industries on which the city was built. Good work is underway on this but partners in the city know more needs to be done.

The Safer City

York is a safe city. Overall, crime has fallen consistently between 2003/04 and 2007/08 and is below regional and national averages. Serious acquisitive crime has continued to fall and local targets have been achieved. Targeted action has resulted in significant decreases in crime and anti-social behaviour in some areas of the city. For example, an alley-gating campaign resulted in a 68 per cent fall in reported crime levels in the Clifton area in August and September 2008, compared with figures for the same period in 2006.

There has been an increase in the percentage of people who feel York is a safe place. But partners in the City are not complacent about this. Of 18 Neighbourhood Action Plans developed by local communities, 17 contain ambitions around the theme of community safety. However, a high proportion of local people feel that their views are considered in dealing with crime and anti-social behaviour and many feel these issues are being dealt with successfully.

A high number of offences in the city are carried out by a few persistent offenders. Although reoffending rates of young offenders supervised by the Youth Offending Team fell by 32 per cent in 2008, they remain at a level significantly above those for similar cities. The percentage of young offenders engaging in education and work is low compared with other similar areas. The number of first-time entrants into the youth justice system has fallen and young people in care who offend are well supported and few are involved in reoffending.

Preventive programmes such as the Youth Inclusion Support Programme (YISP) and targeted youth work are contributing well to continuing these low numbers. The Youth Offending Team has become the strongest performing team in the region, although the dependency on short-term funding presents a risk to keeping the current performance.

Partners have worked well together to improve road safety with a particular focus on the specific concerns of rural communities. This has had a significant impact, most notably in reducing accidents involving children, where a 50 per cent cut was achieved in six months in 2007/08.

However, some issues remain to be addressed. Despite overall decreases in crime, one issue of concern is the high level of cycle theft - particularly for a city recognised nationally as a cycling city. This issue has been recognised by partners and a programme of education and prevention is being carried out by the Safer York Partnership in parallel with the Cycling City programme.

Drug and alcohol abuse continues to be a significant contributory factor to offending within the city. Estimated levels of binge drinking are significantly higher than the national average, as is the drug abuse in the city. Local public sector bodies recognise the need to address these issues, but actions so far

have not been successful. This is strangely at odds with the views of local people. Few people feel that anti-social behaviour is a problem in the city, or that drunk and rowdy behaviour or drug misuse is a significant problem.

We have not had the chance to look in detail at the issues around alcohol and drug abuse this year. We will include these issues in next year's assessment.

The Sustainable City

York has been recognised for the actions partners have taken to protect the environment. In a national survey, the City was ranked 18th out of 324 towns and cities for the number of recycling centres, conservation groups and eco-friendly businesses. Partners have made good progress in balancing the needs of a vibrant city against protecting the environment.

The volume of household waste is falling, while the proportion of waste recycled and composted has more than tripled from a low base a few years ago. Almost half of York's waste is either recycled or composted - one of the highest rates in the country. Three out of four local people are satisfied with recycling facilities. This is also higher than most other parts of the country.

A major reason for this success has been involving local people and action from local environmental groups such as York Rotters who champion composting. Young people in particular are recycling more, with schools recycling 76,600 kg of paper and cardboard which has saved more than 101 tonnes of CO₂ emissions going into the atmosphere. There are high levels of public satisfaction with street cleanliness standards, which have continued to increase in recent years, although levelled out in 2008/09.

The standard of parks, play areas and public spaces is good. Three parks have been awarded Green Flag status and public satisfaction is high. Despite an increase in visitors to the city, overall traffic volumes have remained stable. More people are using the city's park and ride system and there are plans to develop it further. The first Car Free Day took place in the city in September. It was supported by the City Council and around 30 local businesses who encouraged their employees to leave their cars at home and use alternatives to get to work. Early signs are that it was successful in reducing the volume of traffic in the city centre.

An increasing number of people in the city walk or cycle, and York has been awarded national Cycling City status. This means government funding will be available over the next three years to improve opportunities for cycling and to build on the one-in-five residents who currently cycle to work. Work is already underway to make the city's roads safer and easier to use by cyclists and to expand the existing cycle network.

Many events have also taken place to encourage more people to cycle. A Biking Viking event involved 70 school children from 4 schools in York dressed as Vikings riding into the town centre for a Viking show and various competitions. The city also hosted its first Festival of Cycling in August which attracted around 10,000 visitors and was successful in encouraging local people to take up cycling. The city also hosted a stage of the Tour of Britain raising the city's profile as a cycling city.

Some early progress has been made in reducing carbon emissions across the city. City of York Council introduced a carbon management programme in April 2008, which is helping to reduce its carbon footprint, and other organisations and businesses across the city are looking to follow suit. Progress has been made to improve local biodiversity, although not as quickly as expected. This is because of lack of resources (money and people), the need to negotiate with private landowners and altered management practices.

In a city where the built heritage is so important it obviously has an important effect on where development can happen. Despite this, the area of previously developed land that has been vacant or derelict for more than 5 years is high and increasing. However, developments are well planned to make best use of the space available and most are found near to other services which reduces the need to travel.

Another challenge facing the city is the growing risk of flooding, which has had a major impact on the city many times in recent years. Work is underway to improve flood defences in and around the city. Action is also being taken to manage the flow of the river upstream of the city in North Yorkshire.

We will track progress on the city's plans over the coming year. Our work will include a look at two main areas. Firstly, what are organisations in the city are doing to reduce their carbon footprint. Secondly, the progress on working with others on managing flood risk.

The Thriving City

Local organisations are working well to give York's people the help and support they need to cope with the effects of the recession. Events have been held to provide advice and guidance both to small businesses and to individuals hit by the recession. For example, York Enterprise Week included a range of events to help local residents and businesses through the credit crunch. It included an event called Thrive and Survive at the city's racecourse. The event covered many issues including skills and training, business support and doing business with the Council. Free workshops were also provided aiming at giving businesses and individuals practical help. The event was popular and attendees' feedback has shaped other work.

People who have lost their jobs have been targeted for extra help and support to give them the best possible chance of getting back into work. Targeted programmes in the most deprived areas of the city have been successful, with 367 people from such areas helped into employment or training over the last year. People with money troubles have also had services developed to help with their particular needs and a benefits take-up campaign has resulted in people claiming £22,000 more benefits that they were not claiming. A mortgage rescue scheme has also helped some families facing repossession.

There was a significant fall in the number of new business start-ups in 2008/09, although the percentage of established small businesses showing year-on-year employment growth has improved and remains among the highest in the country. An Enterprise Fund is now in place to help with business start-ups. So far six new local businesses are now up and running

after support from the Fund. Other support for new businesses has been provided through initiatives like the Phoenix Centre and Eco Business Centre. This provides accommodation tailored to the needs of new small businesses and is popular - almost all of its 60 units have tenants. The City Council is paying suppliers quicker to help their cash flow.

Support is also available to longer-standing businesses. This is being done within a clear vision of how partners think York's economy should develop. Partners in the City have commissioned research from the Centre for Cities that has helped shape the vision. Partners understand the strong base the City's universities, colleges and the Science City development give them in developing an economy that can take the City forward while making it less dependent on tourism. Joint work on the York Business Forum and the VisitYork brand supports the wider plans for other areas of the City's economy.

Traditional local jobs in the railways, sugar processing and chocolate manufacturing industries have reduced significantly in recent years and are being replaced by jobs which need different skills.

The city's status as a national Science City means that many new jobs are being created in science-related industries and in more high-tech, knowledge based industries. This will make it more difficult for some local people to find employment unless they are able to develop the new skills needed.

Training more people to technician level (NVQ 3 and above) will support the development of a knowledge-led economy. The number of local people with formal qualifications is relatively high in comparison with many other similar cities. But more needs to be done to make sure they have the qualifications and skills they need for the new kinds of jobs being created.

In a survey carried out in 2006/07, almost one-in-five employers reported skills gaps in their current workforce, which is higher than the national average. More recent figures suggest this situation is improving. In 2003 around 25,000 people (one in five of the working age population) had numeracy and literacy problems. In 2008 more than 7,000 people (6.8 per cent of the working age population) had no formal qualifications.

Progress is being made but more needs to be done. A 'Spotlight on Skills' Campaign involving a month long programme of events has been successful in encouraging local employers to invest in developing the skills of their workforce and in encouraging working age adults to participate in skills training. The programme involved 110 employers, 290 individuals and 33 local agencies, and has improved working relationships.

Other longstanding programmes have had a positive impact on peoples' lives. Future Prospects provides help and support to people looking to develop their skills, get back into work or deal with being laid off. The service offered by this organisation includes skills training as well as helping people work through what getting work will mean for their household income when their benefits change. Finding a way through the benefits system was identified as a barrier to getting into work in a survey of Future Prospect's clients.

There has been an increase in the number of adults achieving basic literacy,

numeracy and IT qualifications, and young people gaining vocational qualifications. People in the less well-off parts of the city are not as well qualified, although partners are targeting actions in these areas and the gap with the rest of the city is narrowing. Partners are focusing on helping young people into work as they are being hit hard by the recession. However, after a continued fall, the percentage of young people not in education, employment or training (NEETs) increased to 4.2 per cent in 2008/09. The increase has continued into the first quarter of 2009/10, although it remains lower than most other places in the country.

We will follow up the City's progress in achieving its priorities for the City's economy in the next phase of our assessment. We want to know how the advantages the City has are being used to help the more disadvantaged in the area.

CAA looks at how well local public services, working together, are meeting the needs of the people they serve. It's a joint assessment made by a group of independent watchdogs about the performance of local public services, and how likely they are to meet local priorities. From 9 December you will find the results of Comprehensive Area Assessment on the Oneplace website - <http://oneplace.direct.gov.uk/>

Alternative formats - If you require a copy of PDF documents in this site in large print, in Braille, on tape, or in a language other than English, please call: 0844 798 7070

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for an independent overview
of local public services

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City of York Council

Organisational Assessment (Summary version)

Pre-publication version dated 03 December 2009

Provided under embargo



oneplace

for an independent overview
of local public services

City of York Council

Overall, City of York Council performs adequately

Managing performance	3 out of 4
Use of resources	2 out of 4
Managing finances	2 out of 4
Governing the business	2 out of 4
Managing resources	2 out of 4

Description of scores:

1. An organisation that does not meet minimum requirements, Performs Poorly
2. An organisation that meets only minimum requirements, Performs Adequately
3. An organisation that exceeds minimum requirements, Performs Well
4. An organisation that significantly exceeds minimum requirements, Performs Excellently

Summary

City of York Council performs adequately overall. It is improving in many of the priorities for the city it identified with partners. These priorities are to make the city thrive, sustainable, safer, a learning place, inclusive, healthy and a city of culture.

In assessing the Council's overall performance we have given particular weight to its use of resources. The Council's systems for managing its resources meet minimum requirements. They do the things they are designed to achieve. But the evidence of outcomes from this aspect of the Council's work was not consistent enough to score a 3. Areas of lower performance include financial planning, asset management and ensuring diversity and equality are dealt with consistently. Achieving its priorities will put greater demands on its use of resources as public spending comes under increasing pressure. Budget constraints held back some priority services in the past. This remains a risk now.

York scores three out of four for managing its performance. The Council's priorities reflect the City's needs. Many community groups were consulted as local priorities were identified. Groups included travellers, the homeless, single parents with young children, students, housebound elderly, and people with a physical or learning disability. Their views have led to priorities being amended giving a stronger focus on housing and homelessness, and children and young people.

Services key to the Council's priorities are doing well.

Ofsted rate services for children and young people as performing excellently. The Care Quality Commission rate services for adults as performing well. But vulnerable peoples' needs and wishes want further attention though to

ensure they are met. The Council knows this and its plans reflect its ambitions for all of York's people.

The Council has worked well with partners to support the local economy and help local people through the economic downturn. Initiatives include providing advice and support to local businesses and individuals.

The Council has also worked well with partners to improve the environment. It has updated the way it manages waste and has increased recycling - a service now well regarded by local people. Progress on managing traffic congestion is being made. The Council is reducing its carbon footprint.

Successful joint action with the police is dealing with anti-social behaviour and reducing youth offending. York is a safe city although there has been an increase in some types of crime.

Quality and choice in housing is improving. Homelessness is reducing, but remains high for young adults when compared with similar areas. Plans are in place to tackle this. Satisfaction with local recreational facilities is poor, and the lack of good quality leisure facilities may be limiting progress in increasing adult participation in sport.

The Council scores two out of four for managing its resources. Its work meets minimum requirements. The quality of many services has improved while the Council's costs remain low in comparison with similar councils. But several issues held the Council's rating down in this area of its performance.

For example, the Council's arrangements for asset management lack consistency and are not helping it achieve better value for money. It does not have all the information it needs on the assets it has available to it in every area of the city. Coupled with a lack of robustness in its asset management plans all this means the Council cannot be certain that it has the assets it needs to deliver its priorities. Enforced delays in rationalising its offices have held up savings and other improvements in how the Council works.

The Council is improving its understanding of its impact on natural resources and has taken early steps to reduce its greenhouse gas emissions. Plans are being developed to improve the way the Council uses its buildings to make it easier for the public to get its services and to provide better value for money.

The Council has recently developed a Fairness and Inclusion Strategy satisfying its statutory duties as an employer and service provider. But equality and diversity are not yet consistently dealt with in all Council services. The Council has listened to local people to make it more likely that their needs are met. The Easy@York project has made access to services easier. It has also improved the way it responds to local people.

The Council's financial and corporate planning processes are only partially integrated. Links between the Council's medium term financial strategy and capital, IT and workforce planning are not strong enough. Financial planning has focused on savings that do not undermine priorities rather than starting from what funding is needed to achieve those priorities.

This will need to change - the Council's costs are already low and greater

financial constraints now face the public sector. Different ways of providing services are being explored that should improve efficiency. But the medium term financial strategy is not clear about the risks that may prevent the delivery of corporate and service priorities.

The Council provides good community leadership in bringing local partners together and gives good support to joint working. More work is needed though to ensure that all councillors and officers work together consistently to achieve the Council's overall purpose and vision. Managerial leadership has been strong which has strengthened joint working across services. However, the Council is in transition following the recent departure of the Chief Executive and the arrival of his replacement.

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City of York Council

Organisational Assessment

Pre-publication version dated 03 December 2009

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About City of York Council

York is a historic city with an international reputation. The City and its surrounding area include the historic walled city, the suburbs and a large area of countryside. 4 million visitors each year bring wealth into the area as well as disruption and congestion. Covering an area of 105 square miles, the district of York comprises an urban area centred on the historic city surrounded by many small rural and semi rural settlements. The area has a total population of 195,400. The black and minority ethnic (BME) population is 4.9 per cent of the total. The proportion of people from BME communities doubled between 1991 and 2001 and is expected to grow further in the next few years.

The population of the district of York is increasing and is projected to increase by 4.2 per cent between 2001 and 2011 and by a further 8.3 per cent up to 2021. The four institutions of further and higher education bring the total number of students in York to around 20,000 (or about one-tenth of the population).

Population growth and an increase in smaller household is placing pressure on housing. 'Affordable' housing is scarce and house prices are well above the regional average. An average house in York costs around £200,000. The average annual wage in the city is about £19,000. Given the historic nature of the city's built environment, planning and development are sensitive issues.

For many the area provides a great standard of living. Schools are good as is healthcare. The City is popular with students and both its universities are growing. Until recently the economy has been strong with well-paid jobs in financial services as well as many other lower paid opportunities in tourism. The City has responded well to the relative decline in employment in traditional local industries (such as chocolate manufacturing and railways). These jobs have been replaced by a high-tech and science based industrial sector linked to the universities. Science City York is playing an increasingly important part in developing the city.

But some people are still not sharing the benefits that go with living in York. Owning their own home is out of reach of many residents on average incomes. Residents are dissatisfied with the choices for recreation available to them. A fifth of York's people live in poverty. This poses a major challenge to its hope of being an even more inclusive city. The Council's plans reflect the

depth of this challenge.

Organisational assessment

Thriving City

The Council and partners have worked well to soften the impact of the economic downturn on the city. Despite recent job losses, businesses still feel York is a good place to be. Initiatives involving the Council include York Enterprise Week. During the event businesses and individuals got advice and support. An enterprise fund to support new business start-ups is now in place. The Council, with its partners, has set up a mortgage rescue scheme to help people who are at risk of losing their homes. But, for all this increased support, York like other places saw significantly fewer new small businesses in 2008/09.

The city's economy is strong compared with neighbouring areas. The unemployment rate remains below those for the region and the UK. The number of people claiming job seekers allowance rose in line with national and regional trends. Interestingly - and in contrast with other trends - the number of working age people on out of work benefits fell slightly in 2008/09. The number of people of working age with qualifications has increased. Almost two-fifths have NVQ Level 4 qualification or above. This is higher than in most other parts of the country.

Housing and council tax benefits claimants are getting a better service. The average time taken to process new benefit claims fell to 15 days in 2008/09. But this is still longer than the national average. Benefit take up campaigns have been successful in helping people to claim what they are entitled to. The Council is working successfully with partners to help the poorer parts of the city. Residents are being helped into training and employment. Other people are being given advice on how to keep their homes warmer while saving money.

Sustainable City

Council action to reduce household waste has led to a 5 per cent fall in the amount collected in 2008/09. Almost half of the waste collected is now recycled. Significantly less waste was disposed of through landfill. That's good for the environment and saves taxpayers money. Soon more waste will be recycled through a new kerbside collection scheme. Alternate weekly collection of waste and recycling across the city will help achieve its target of recycling half of the city's waste by December 2010. Public satisfaction is improving and is now around the national average.

After four years of improvement standards of street cleanliness were static in 2008/09. York's standards are just below the national average but satisfaction with the standard of street cleanliness is high. The Council improved the way it manages sites of nature conservation value in 2008/09, with more of these sites now being well managed. However, the Council carried out fewer conservation area appraisals than planned.

The Council has helped manage traffic congestion. While this remains a major local issue peak period journey times in the city have stopped increasing. Plans to extend the Park and Ride network are being rolled out. People are happier with their bus services than is the case in other areas. Over the last two years the number of bus journeys in the City increased putting the City amongst the best performers nationally. Almost half a million more bus journeys were made in 2008/09 than in the previous year. But this was 1.7 million short of the target of 17 million journeys the Council had set itself.

After a successful Council bid for national Cycling City status, external funding is available to enable it to improve facilities for cyclists over the next three years. Early progress has been made in resurfacing existing cycle lanes, improving cycle access and encouraging children to cycle through events such as the Biking Viking event involving children from four schools cycling into the city centre.

The Council has made some early progress in reducing its carbon footprint. Completed projects on the Eco Depot, Yearsley Pool, school waste recycling and the use of renewable energy has reduced carbon emissions. Other projects are in progress to make schools, sport centres, street lighting and Council housing more energy efficient as the Council works towards reducing its CO2 emissions by a quarter by 2013.

Safer City

The Council's work is helping to make York an even safer city. Crime and anti-social behaviour are being tackled successfully. A high proportion of people feel that their views are considered and that issues are being dealt with effectively. Few people see anti-social or drunk and rowdy behaviour as being a problem. Serious acquisitive crime increased slightly in 2008/09 but it remains below the 2006/07 level. The increase is due mainly to a 14 per cent increase in domestic burglaries.

The Council's Youth Offending Team has worked well with young offenders, contributing to the number of first time entrants to the youth justice system falling by a third. Reoffending by young people in York is also going down but is higher than in similar areas. The percentage of young offenders engaging in education and work is also low compared with other areas.

The Council has good arrangements for ensuring children and young people are safeguarded. Children's needs are assessed quickly and families are given the support they need to help them cope. This has resulted in fewer children coming back on to the child protection register than in most other parts of the country.

The Council and its partners have also had some success in improving road safety, with a slight fall in the number of people killed or seriously injured in road traffic accidents in 2008/09.

Learning City

Children's services in York perform excellently. York's schools provide a high standard of education for most local children. Most schools, children's homes,

pupil referral units, nurseries and childminders are good or better. This means that almost all children and young people get good help and support. Ofsted's inspections of York's schools found most of them to be good or better more than is found in similar areas or nationally. No school in York is inadequate. York Council's adoption and fostering agencies are outstanding and children's homes are good or outstanding. Most childcare is good or better. Nursery and primary schools in York perform better than in similar areas or nationally.

Ofsted and the Audit Commission looked in December 2008 at how York's children are kept safe. They said these arrangements were outstanding. The review also looked at the services children in the Council's care receive. These too were outstanding. There has been one serious case review since December 2008 which was judged adequate.

York's performance against almost all national performance indicators for education matches or exceeds that of similar areas. The number of children achieving 5 or more A*-C grades at GCSE including English and Maths is among the highest in the country, despite falling slightly in 2008/09.

Children from communities at risk of disadvantage do not necessarily do as well though. York's vulnerable children and young people do not do as well as their peers. Most young people get services that are good or better but one of the City's special schools and one of its units for pupils with challenging behaviour are adequate. This is in the context of good or better provision for the majority of young people.

Also, children aged 11 who have free school meals do less well than the rest of their age group. This gap is wider in York than elsewhere in the country. A similar gap exists for young people at 16 who have special educational needs. Some young people from a minority ethnic background do not do as well as their peers at 16.

The skills of the working age population are improving. About three out of every four people in the city now have at least an NVQ Level 2 qualification. This is below the target the Council and its partners set for themselves. They know more needs to be done to ensure local people are able to take advantage of new job opportunities as the economic recession ends.

As the economic downturn developed, the number of 16 to 18 year olds not in education, training or employment increased in 2008/09 to 4.2 per cent. But this is still much lower than in most parts of the country.

A smaller proportion of young people from poorer homes in York go on to higher education than is the case for those from better off families. This gap is wider than in many other parts of the country.

Inclusive City

The Council and its partners have made some improvements to the quality of services to those with specific needs. The Care Quality Commission has rated the City Council's adult social care as performing well and improvement from last year.

The Council has improved the quality of services to vulnerable older people,

but more needs to be done. Significant improvements were made in 2008/09 for older people with care needs, and the number of people being supported to live independently in their own homes increased by over a tenth.

More carers now get support. A high proportion of older people are satisfied with their homes and the local neighbourhood although many feel more needs to be done to help them live independently. In comparison with services in other similar areas, performance remains below average and the Council recognises the need to take further action to continue the improvement so far.

The Council has also reduced the time taken to carry out assessments of children with care needs. Children in its care are being moved around less which is better for them. A high proportion of parents are satisfied with the services provided to disabled children, with York coming out top of 30 authorities who took part in a survey in 2008/09.

Good progress has been made in meeting the city's housing needs. The number of homes not meeting the Government's decency standards fell by almost half to 5.7 per cent in 2008/09. There are 151 new affordable homes in the City because of the work of the Council and its partners. Although less than the Council's target it represents good progress in the current economic climate.

Work has recently started on replacing 100 prefabricated bungalows with 196 new homes across three sites in the city. These include 95 houses and apartments for affordable rent, discounted sale and sale on the open market. There will be new housing too designed to meet the needs of older people.

The Council has also been successful in dealing with homelessness, with the number of families living in temporary accommodation decreasing by a fifth, although homelessness of young adults remains relatively high.

City of Culture

The Council, with partners, has continued to provide the City of Festivals programme. This includes events dealing with different cultural activities such as dance, food and drink, literature and sport. As well as a residents' festival, some events are targeted at different groups, such as older people. Local people are closely involved in the festival programme. The festivals uphold and promote the strong sense of community for many in the city.

Cultural facilities are a key part of the attraction for visitors to the city and satisfaction with subregional cultural attractions, such as museums and art galleries, is high.

The Council has taken some actions to encourage local people to take advantage of local facilities. For examples the Council is developing the "Changing Places" project. This is opening up the city and cultural and leisure opportunities to people with more complex health and care needs.

Satisfaction with facilities provided for the use of local people, such as libraries and sport and leisure facilities, is poor despite recent improvements. There have been delays with plans to redevelop the Barbican Centre and, although

progress has been made in improving the quality of some swimming pools and sports centres, rates of adult participation in active sport and recreation are low. Targets for increasing participation in physical activity have not been met.

The Council has taken action to develop and improve play areas and the level of satisfaction with parks and open spaces is above average.

Healthy City

The Council has taken actions to improve the health of local people, although results have been mixed. The Council is joining in a local 'Altogether Better' programme focusing on healthy eating, physical activity and mental well-being and has targeted those with greater health and social care needs.

Healthy eating programmes have been introduced for older people in residential care, although these are not in place in all facilities provided by independent providers. Despite introducing a range of activities, the proportion of adults taking part in physical activity has fallen. A 'Fit as a Fiddle' programme has been introduced to encourage older people to take part in physical exercise. The numbers of people taking part are increasing and, as well as helping older people stay healthy, the programme provides older people who would otherwise have been isolated, a chance to socialise.

The Council has been successful in developing services to help older people live independently, although the number of older people being admitted to residential care remains relatively high. The Council has strengthened its arrangements for safeguarding vulnerable older people and treating them with dignity and respect. Carers now have greater choice to enable them to get personalised support that best meets their circumstances, although more needs to be done to support them.

The Council has been more successful in promoting healthy lifestyles with children and young people. Health promotion in York's schools has had a positive impact on most pupils. More children take part in PE and sport than in similar areas, although the take up of school lunches is lower. Obesity rates in primary schools remain lower than most parts of the country, although there was a slight increase in 2008/09.

Services for young people needing support for mental health issues are good and are better than most other parts of the country, although services for adults are not as effective.

Despite projects to reduce it, the rate of pregnancies in the under-18 age group has continued to increase. Unplanned and unwanted conceptions are a particular area of concern. Work is continuing on this and the Council is hopeful that the situation is now improving.

CAA looks at how well local public services, working together, are meeting the needs of the people they serve. It's a joint assessment made by a group of independent watchdogs about the performance of local public services, and how likely they are to meet local priorities. From 9 December you will find the results of Comprehensive Area Assessment on the Oneplace website - <http://oneplace.direct.gov.uk/>



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Annual Audit Letter

City of York Council

Audit 2008/09

November 2009



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Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/ members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
 - any third party.
-

Key messages

This report summarises the findings from our 2008/09 audit. It includes messages arising from the audit of your financial statements and the results of the work I have undertaken to assess your arrangements to secure value for money in your use of resources.

Audit Opinion

- 1 I gave an unqualified opinion on the Council's 2008/09 financial statements on 30 September 2009.

Financial Statements

- 2 The draft financial statements presented for audit contained a number of significant and material errors which the Council amended. The Council is designing and implementing quality assurance processes that will prevent and detect these errors before the 2009/10 draft financial statements are approved by members and submitted for audit.
- 3 Additional audit work required to give the unqualified opinion has resulted in me charging the Council an extra £2,000.

Value for money

- 4 I gave an unqualified opinion on the Council's value for money arrangements in 2008/09.
- 5 The Council's overall use of resources score for 2008/09 is level 2, meeting minimum standards and representing an adequate performance.
- 6 Within this score there are elements of stronger performance in some areas, in particular the Council's provision of value for money services, its risk management arrangements and elements of its commissioning of services.
- 7 The Council has embarked on a challenging programme to deliver £15m efficiency savings over a three year period. The successful delivery of this programme should have a positive impact on the Council's future use of resources.

Table 1 Audit fees

	Actual	Proposed	Variance
Financial statements and annual governance statement	134,701	132,701	2,000
Value for money	108,354	108,354	0
Total audit fees	243,055	241,055	2,000
Non-audit work	0	0	0
Total	243,055	241,055	2,000

Actions

- 8** Recommendations are shown within the body of this report and have been agreed with officers.

Independence

- 9** The audit has been carried out in accordance with the Audit Commission's policies on integrity, objectivity and independence.

Financial statements and annual governance statement

The Council's financial statements and annual governance statement are an important means by which it accounts for its stewardship of public funds.

Audit opinion

10 I gave an unqualified opinion on the Council's 2008/09 financial statements on 30 September 2009.

Significant issues arising from the audit

- 11** My audit of the 2008/09 financial statements identified a number of errors, and some were material.
- 12** A significant proportion of the errors related to the tangible fixed assets balance and the related capital accounting entries. In particular we identified a number of duplicate entries in the 'assets under construction' category of the balance sheet. In total the tangible fixed assets balance was reduced by £25.5m from the balance in the draft financial statements as a result of my audit.
- 13** The asset register has an important role in helping the Council manage and account for its tangible fixed assets. While the Council has improved the usefulness and quality of its asset register from 2007/08, further work is needed to ensure that it is fully effective. The Council is reviewing the register to ensure that it contains all, and only, the fixed assets that it needs to account for in 2009/10.
- 14** Other material errors included £15.3m of expenditure and £2.6m of income being mis-classified in the Income & Expenditure Account, and £19.5m mis-classified as a deferred asset and a deferred liability in the balance sheet, as a result of a change in the financial reporting requirements. In addition there were several smaller value errors.
- 15** Officers are establishing the reasons why these errors occurred, and are committed to implementing a thorough robust quality assurance process, to identify and correct the errors before the financial statements are approved in June 2010.

Recommendation

R1 Implement a thorough and robust quality assurance process that is designed to identify material errors in the financial statements before they are approved in June 2010.

- 16** Whilst my audit identified a greater number of errors than the previous year's audit, the Council had improved its project planning and project management for producing the 2008/09 financial statements. The financial statements were produced slightly earlier than in 2007/08, and the supporting working papers were generally produced to the required standard. I will continue to work with officers to enable them to deliver further improvements in 2009/10.

Material weaknesses in internal control

- 17** Other than the comments above relating to the quality assurance processes in the closedown of the accounts, I did not identify any significant weaknesses in your internal control arrangements.

Accounting Practice and financial reporting

- 18** The Council made a number of amendments to the presentation of the financial statements before we gave our opinion. These amendments improved the quality of the financial statements.
- 19** There are some outstanding matters that officers intend to resolve in the 2009/10 financial statements, and I will work closely with officers to continuously improve the quality of the financial statements. These matters were fully reported in my 2008/09 Annual Governance Reports issued in September 2009.

Value for money and use of resources

I considered how well the Council is managing and using its resources to deliver value for money and better and sustainable outcomes for local people, and gave a scored use of resources judgement.

I also assessed whether the Council put in place adequate corporate arrangements for securing economy, efficiency and effectiveness in its use of resources. This is known as the value for money (VFM) conclusion.

Use of resources judgements

- 20** In forming my scored use of resources judgements, I have used the methodology set out in the [use of resources framework](#). Judgements have been made for each key line of enquiry (KLOE) using the Audit Commission's current four point scale from 1 to 4, with 4 being the highest. Level 1 represents a failure to meet the minimum requirements at level 2.
- 21** I have also taken into account, where appropriate, findings from previous use of resources assessments (updating these for any changes or improvements) and any other relevant audit work. However, the 2008/09 assessment is very different from previous assessments. Judgements are now much more strategic and less detailed, with a focus on outcomes rather than processes. The standard required to achieve a level two assessment has been raised and is now much more demanding.
- 22** The Council's use of resources theme scores are shown in Table 2 below. The key findings and conclusions for the three themes, and the underlying KLOE, are summarised in Appendix 1.

Table 2 Use of resources theme scores

Use of resources theme	Scored judgement
Managing finances	2
Governing the business	2
Managing resources	2

- 23** The Audit Commission's overall score for the Council's use of resources is level 2 (performing adequately). This takes into account
- the Audit Commission's scoring criteria in the new Use of Resources approach this year; and
 - the Council's planned and actual progress, and the positive impact this should have on the Council's arrangements.
- 24** The Council has embarked on a three year efficiency programme to realise £15m of savings and improve service delivery. While it is too early to assess the impact of this programme on the outcomes delivered by the Council, it is clear that the successful delivery of the programme is critical for the Council to achieve its priorities with the strict financial climate facing all public service bodies.

Financial planning and monitoring

- 25** The Council has an established and well understood financial planning and monitoring system. The design of the system is geared towards identifying and monitoring efficiencies and savings in a detailed and methodical way on a service by service level, rather than focusing on more corporate wide and cross directorate efficiencies.
- 26** The Council has recognised the difficulties in continuing with this approach and taken positive action by employing an efficiency partner to look for savings across the Council, as well as reviewing and revising the existing financial planning and monitoring arrangements.

Asset management

- 27** The Council has developed a strategic approach to asset management, which has had some positive impact, but is not consistently applied across the organisation. The approach is centred around a corporate Asset Management Plan (AMP) and a corporate Asset Management Group charged with the task of implementing the AMP. The group relies on influence rather than direct control of asset management across the Council, and structures are not in place across the Council to ensure the principles of good asset management are applied consistently. Implementation plans for asset management are not consistently robust. Corporate and service AMPs are not under-pinned by robust implementation plans although the existing area-based AMPs have action plans which are clearly focused on local needs and priorities.
- 28** The delivery of the Council's ambitions for asset management is constrained by limited financial resources and a lack of a full understanding of how assets contribute to the achievement of corporate priorities. This makes it difficult to ensure that financial resources are consistently prioritised to maximise their impact, although there are examples of how social and environmental outcomes have been improved.
- 29** The Council does not have systems in place to effectively demonstrate value for money in asset management. Steps are being taken to address the gaps in information regarding the Council's asset portfolio through the development of a new asset database.

Value for money and use of resources

- 30** Performance indicators are not routinely used to monitor progress against the corporate AMP. Annual benchmarking is carried out against a set of national asset management indicators, but there is no framework of local indicators and targets to monitor progress against the objectives and priorities contained in the corporate AMP.
- 31** The Council is not addressing the growing level of backlog maintenance. There is a repair and maintenance strategy which is managed by the corporate landlord, and aims to ensure the effective use of the Council's resources. It sets a number of objectives designed to ensure that all the Council's assets are fit for purpose by 2017. However, as repair and maintenance budgets are largely devolved to services, it is difficult to ensure that they are consistently prioritised in line with the corporate Asset Management Plan.
- 32** There are examples of how the Council is improving services through improvements to its asset base. However, there is no consistent approach to challenge whether assets are required, fit for purpose, and provide value for money in meeting current and future needs.
- 33** The Council has an established policy to work with community groups which is delivering community benefits. There are examples of assets being transferred to community groups which have had a positive impact and others are being considered, particularly in relation to those areas covered by an area Asset Management Plan. The Council is also developing its approach to working with partners to improve the effectiveness of the asset base. There are examples of shared use of buildings, but the Council recognises the need to adopt a more strategic approach.

Recommendation

- R2** Produce and implement action plans arising from the use of resources assessments and value for money work.

VFM conclusion

- 34** I assessed your arrangements to secure economy, efficiency and effectiveness in your use of resources against criteria specified by the Audit Commission. From 2008/09, the Audit Commission will specify each year, which of the use of resources KLOE are the relevant criteria for the VFM conclusion at each type of audited body. My conclusions on each of the areas are set out in Appendix 1.
- 35** I issued an unqualified conclusion stating that the Council had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources.

Closing remarks

- 36** I have agreed this letter with the Chief Executive and the Director of Finance. I will present this letter at the Audit & Governance Committee in December 2009 and it will be made available to all members.
- 37** Further detailed findings, conclusions and recommendations in the areas covered by our audit are included in the reports issued to the Council during the year.

Table 3 **Reports issued in 2008/09**

Report	Date issued
Audit & Inspection Plan	April 2008
Financial Planning & Monitoring Arrangements	March 2009
Data Quality Arrangements	April 2009
Supplementary Opinion Plan	April 2009
Use of Resources Report	September 2009
Annual Governance Report	September 2009
Supplementary Governance Report	September 2009
Asset Management Report	November 2009

- 38** The Council has taken a positive and constructive approach to our audit. I wish to thank officers for their support and co-operation during the audit.

Steve Nicklin
 District Auditor
 November 2009

Appendix 1 – Use of resources key findings and conclusions

- 1 The following tables summarise the key findings and conclusions for each of the three use of resources themes.

Managing finances

Theme score	2
Key findings and conclusions	
The Council has performed strongly on understanding its costs, and is making improvements to the financial planning and financial reporting areas. The Council's efficiency programme which seeks to achieve £15m of efficiency savings in three years, will impact on future years' use of resources assessments. The previous years' pre-audit financial statements have had numerous issues with them, but the Council has set in place improved closedown arrangements including good project management arrangements and as a result some of the problems of previous years have not been repeated. However we have identified material issues with the draft accounts this year.	

Appendix 1 – Use of resources key findings and conclusions

<p>KLOE 1.1 (financial planning)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p> <p>Financial and corporate planning processes are partially integrated. Savings proposals are considered in terms of their impact on priorities, and reports to Council include an analysis of resource utilisation compared with priorities. The focus of financial planning has largely been on making savings, albeit ones that don't jeopardise the achievement of service priorities, rather than focusing on the expenditure needed to fully fund the service priority improvements. The priorities for funding have been subject to significant debate in previous years, and the redirection of funding to the Easy@york project has contributed to efficiency savings. The Council's new efficiency programme should enable it to fully integrate and deliver service improvements and efficiencies across all services.</p> <p>Clearer links need to be made to the risks of not achieving corporate and service priorities in relation to the medium term financial strategy (MTFS), although upcoming developments are actively considered and contingencies built in. Income charging is integral to the annual savings identification process, but closer and more explicit links need to be made to the processes for capital, IT and human resources planning that are run in parallel to the medium term and annual financial planning processes.</p> <p>A comprehensive, balanced and realistic budget is set, supported by challenging but realistic savings plans scrutinised by Members. The Council has recently moved to make savings more corporate than directorate focused by appointing an efficiency partner that has helped to identify required levels of savings over the medium term, and therefore had a direct input to the budget planning process from 2009/10. The £15m savings required over the next three years are a direct result of the Council's awareness of its resource shortfalls over the medium term, and the need to maintain a sound financial standing.</p> <p>The medium term financial strategy itself is regularly updated and reflects the Council's key strategic priorities, and the efficiency review now implemented is intended to challenge resource use and explore alternative ways to deliver priorities.</p> <p>The Council has been assessing its policies and strategies in line with the equalities legislation since 2007/08 by undertaking equalities impact assessments. In terms of financial planning, the Council has developed an Engagement Strategy and an engagement calendar that includes local improvement scheme budget consultation in September and postal and on line surveys as well as workshops with stakeholders as part of its wider budget consultation in December. In 2008/09 the surveys were responded to by 8 per cent of residents, and the consultation led to specific budget decisions being made such as the increase in the cost of non resident parking permits, previously thought to be unpopular.</p> <p>The Council has reviewed its Treasury Management strategy in light of the collapse of the Icelandic banks, and has taken into account CIPFA guidance. The Council did have investments in Icelandic banks but had ended these investments prior to the credit ratings being downgraded. Consequently it was not exposed when the banks collapsed.</p> <p>The Council has a well understood financial governance structure with clear lines of reporting and development of the financial plans from directorate through to full Council. Individual responsibilities are clearly set out in the Constitution, and the Financial Regulations and Scheme of Delegation provide the framework around these responsibilities. Some targeted training has been provided to officers and members, and lengthy debates have been held by Council in relation to the budget proposals in recent years, although these would benefit from more constructive scrutiny and challenge.</p>	

Appendix 1 – Use of resources key findings and conclusions

<p>KLOE 1.2 (understanding costs and achieving efficiencies)</p> <p>Score</p> <p>VFM criterion met</p>	<p>3</p> <p>Yes</p>
<p>Key findings and conclusions</p> <p>The Council has a clear understanding of its costs, and the key drivers and pressures, both internally and externally. A strong focus on cost and performance has enabled the Council to deliver good quality services at the lowest spend per head and the third lowest Band D Council Tax rate of unitary councils nationally.</p> <p>The Council makes use of numerous benchmarking opportunities which it uses to identify areas of potential inefficiency. Despite the strong focus on managing costs, improvements have been made in a range of priority services in recent years, and high performance in children's services sustained. A review of adult care services included actions to reduce cost, but also delivered service improvements and took account of the growing demand for services.</p> <p>Successful action has also been taken to address corporate issues, such as reducing sickness absence costs across the Council. Whole life costing techniques are applied to major projects, such as the planned move to new office accommodation, which has also included an environmental assessment. Financial monitoring now reported to members with service performance management information but the links between these two areas need to be made more explicit to enable a more informed debate on how costs contribute to service delivery outcomes. This approach is being developed to cover partnership working.</p> <p>The Council is starting to make better use of the cost information at its disposal to inform decision making. This applies to routine operational decisions which have resulted in gradual improvements in the ratio of costs to outcomes in a number of areas. And it applies equally to major strategic decisions, such as those relating to the development of new office accommodation. This approach extends to partnership working where partners have made decisions on bids for allocation of the LAA delivery fund based on alignment with priorities and the scale of potential impact.</p> <p>There are a number of examples of how the Council has worked in partnership to improve efficiency whilst at the same time considering wider social and environmental impacts, with an increasing emphasis on narrowing the equalities gap which exists in some parts of the city. The Council's Sustainable Procurement Strategy takes account of environmental and social issues as well as the financial impact and some positive outcomes have been achieved.</p> <p>The tight financial constraints within which the Council operates requires the setting of challenging efficiency targets, and the Council has a track record of achieving them with efficiency targets for each of the three years to 2007/08 being exceeded and over £2m cash releasing savings measured by NI 179 being achieved in 2008/09. There is a clear focus on priorities, as evidenced by the easy@york programme. This programme is making innovative use of new technology and has incorporated a range of reviews over a number of years which has resulted in efficiency savings and improved access to services. The Council has worked with a private sector partner to develop an ambitious efficiency programme for the future which aims to make efficiency savings of £15m over the next three years through fundamental service redesign.</p>	

<p>KLOE 1.3 (financial reporting)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p>
<p>Key findings and conclusions</p> <p>Overall the Council has adequate financial monitoring systems in place, although in 2008/09 monitoring has been more frequent and effective at the directorate level than at the corporate level. Improvements have been made since 2007/08, particularly with regards to the directorate level monitoring and the level of corporate scrutiny on the monitoring information. This has contributed to the 2008/09 outturn being in line with the budget and the projected position through the year.</p> <p>The Council is developing a revised financial reporting framework, and had started to implement some of this before the end of 2008/09. Further improvements are being implemented in 2009/10 and we will assess the impact of these in next years' Use of Resources assessment. The continued improvements should help the Council cope with the anticipated pressures of faster accounts closure, the timetable adopted in 2008/09 and closure of the accounts meant that monitoring did not start until July 2008 in most directorates.</p> <p>Members did not receive budget monitoring information until September 2008, and reports were concentrated in the period to January 2009 before a final report was presented in June 2009.</p> <p>The financial reporting within directorates is primarily on a monthly basis, although only one directorate has a formal budget monitoring timetable and there are variations in approach. Above directorate level, monitoring is almost exclusively based on projections to the year end, and although there is no set methodology for producing these projections, most are based on prior year or prevailing trends and known upcoming developments. All variances over £50,000 are reported above the directorate level (where more minor variances might be looked at for performance management purposes), making these more formal reports lengthy, and potentially promoting more focus on minor issues. Our work in previous years has shown that information provided is sufficient for action to be taken to mitigate any potential impact on service delivery where overspends are identified. Due to the way in which projections are used in financial monitoring it is difficult to identify a clear trail between internally reported results and those reported externally in the financial statements, although the statements do contain a comparison of budget to outturn at a summary level in the foreword.</p> <p>Although financial and non financial information is reported together in a single report, and there are clear explanations in the reports to explain the two sets of data, the linkages between financial and non-financial data are currently not made in a clear and consistent way.</p> <p>The financial statements submitted for audit in 2008/09 have been produced using a more structured and project managed approach than last year, and the accounts were submitted to members on time. The working paper trail has improved from last year.</p> <p>The Council has made some progress in improving the accessibility of its publicly available documents, and has acknowledged that further work is needed to assess and meet the needs of the diverse local community. The Council's web site does contain information on different accessible versions of documents, including foreign language translation and recent improvements have been made to the ease of locating these.</p>	

Appendix 1 – Use of resources key findings and conclusions

Governing the business

	2
<p>Theme score</p> <p>Key findings and conclusions</p> <p>The Council has performed strongly on risk management, although there is scope to improve the extent to which the good practices are extended to the Council's partnerships. The Council has a strong approach to commissioning services for e.g. children and young people and older people, particularly those most vulnerable. Further improvements continue to be made to the Council's data quality, and these improvements are continuing in 2009/10 where the Council expects to be able to demonstrate clear improved outcomes.</p>	
<p>KLOE 2.1 (commissioning and procurement)</p> <p>Score 2</p> <p>VFM criterion met Yes</p>	
<p>Key findings and conclusions</p> <p>The Council has developed a clear understanding of the needs of local communities through extensive consultation and engagement in the development of the Sustainable Community Strategy. This is also informed by further analysis relating to economic development and the Joint Strategic Needs Assessment carried out in partnership with the Primary Care Trust (PCT). This is influencing the approach to commissioning services, particularly those most vulnerable, and takes account of future needs.</p> <p>There are examples of how users have been engaged in commissioning services and how their views have had an influence, particularly in respect of young people, people with disabilities and older people. User engagement linked to the Supporting People Programme has resulted in the commissioning of a handypersons service and a new advice and information service for older people. Communities are involved in agreeing local priorities for improvement through a network of effective Ward Committees which have developed neighbourhood action plans. Community engagement has also had an impact on the design of corporate projects such as the new office accommodation project and the easy@york project to ensure services are designed in a way to maximise access.</p> <p>The Council monitors service satisfaction and takes account of feedback from users and partners in identifying areas for improvement and prioritising services for review, and is making good use of technology to redesign services and improve efficiency. The easy@york programme has improved access to services and delivered £404,000 in cashable efficiency savings over the last three years through business process redesign and the use of technology.</p> <p>The Council is continuing to develop its web site as a means of direct access to services and is seeking to deliver further service improvements and efficiencies through initiatives such as extending mobile working. There are some examples of externally procured services, such as managed network services, fleet management and elements of home care, and some shared services. The easy@york programme is being integrated with a major Efficiency Review programme which aims to deliver £15m savings over the next three years through a fundamental redesign of a number of key services. This is driving the Council towards a more mixed economy of service delivery.</p>	

Appendix 1 – Use of resources key findings and conclusions

<p>KLOE 2.1 (commissioning and procurement) (continued)</p> <p>The Council has a good understanding of local supply markets and is working with partners to develop them. It is supporting adult care providers in the move towards more personalised services and in developing the capacity to meet an increasing demand for services. In addition to general support and advice to suppliers on how to tender for Council business, the Council has provided specific support to local businesses linked to the economic downturn. This has helped to protect local jobs as well as minimising the risk to Council services due to the potential failure of local suppliers.</p> <p>The Council procures over £14m of services each year from the voluntary sector and has recently reviewed commissioning to ensure a sustained focus on priorities and value for money. It is also working with the voluntary sector and others to plan for changes in demand for services, such as the anticipated increase in demand for elderly care services. The Council has well established processes for tender evaluation. Major tenders are evaluated using a CIPFA model which balances cost and quality, with evaluation criteria published in advance. The process includes a clear focus on environmental sustainability and the equalities agenda. The effectiveness of existing framework contracts is undermined by limited information on the extent of 'off-contract spend', although this is to be addressed through the introduction of new financial systems. The Sustainable Procurement Strategy is delivering environmental and social benefits as well as financial savings, although the Council is unable to fully quantify the impact.</p>	<p>Score VFM criterion met</p> <p style="text-align: center;">2 Yes</p>
<p>KLOE 2.2 (data quality and use of information)</p> <p>Key findings and conclusions</p> <p>There is a robust corporate framework to oversee data quality (DQ). The profile of DQ issues has been raised through the nomination of a Chief Officer as DQ champion and the inclusion of DQ as a key project within the Council's Improvement Plan. A policy has been adopted which sets out standards for accuracy, validity, timeliness and accessibility of data. It includes a matrix to allow a scored assessment of each indicator against the standards and identify actions to mitigate the risks of data being flawed. This assessment is in progress, starting with those priority indicators included in the Local Area Agreement (LAA), and is informing a risk-based approach to internal audit checks of DQ.</p> <p>The policy provides guidance and toolkits to support improvements in data collection and is translated into action through a Council-wide Performance Officer Group (POG) which champions DQ within services and provides an ongoing challenge to the accuracy of data. The Audit & Governance Committee receives reports on the effectiveness of arrangements, including progress in responding to issues raised in last year's audit. The Council has a good track record of producing and using relevant and reliable data, and systems for validating data collected from partners are adequate, being done mainly through a shared area within the Council's intranet. Work is progressing to address weaknesses in some partnership data, as well as dealing with issues in respect of some of the new National Indicator set. Good quality information is provided to support decision makers. Reports include a combination of financial and operational performance information which is tailored to the needs of the audience. Their format has recently been reviewed to make them easier to understand.</p> <p>In addition to regular monitoring reports, joint performance monitoring sessions involving Corporate Management Team and the Council's Executive consider in-depth reports and presentations on current performance issues. Information provided includes relevant comparisons with other organisations.</p>	

Appendix 1 – Use of resources key findings and conclusions

<p>KLOE 2.2 (data quality and use of information) (continued)</p> <p>Reporting arrangements take account of elements of diversity and the Council is developing its information systems to enable greater geographical analysis of data. The Council has integrated within its performance management system the local and national indicators included in the LAA and provides regular performance reports to the Local Strategic Partnership (LSP).</p> <p>The POG provides a mechanism for gathering feedback from decision makers to ensure reports remain relevant. Data management systems are effectively managed and controlled to minimise the risk of data loss or corruption. A disaster recovery plan is in place which is updated annually and regularly tested. Testing of the plan has not identified any problems which could impact on the reliability of data. An IT security policy is in place which covers key business areas, is compliant with national standards and is supported by appropriate practices and procedures, and the Council is working towards compliance with the Government Connect standard.</p> <p>The range of indicators used to manage performance has been reviewed to ensure alignment with the Local Area Agreement and the corporate priorities of the Council. Performance reports are structured around priorities for both the Council and the LSP and include summaries of performance at a strategic level. Information includes financial and efficiency measures as well as user satisfaction, quality of life indicators and elements of diversity. There are clear links between the performance management process and business planning and the Council has a track record of using performance information to target under-performance, improve value for money and identify actions to improve.</p>	<p>KLOE 2.3 (good governance)</p> <p>Score</p> <p>VFM criterion met</p>	<p>2</p> <p>Yes</p> <p>Key findings and conclusions</p> <p>The Council Constitution is comprehensive, clearly sets out the roles and responsibilities of Members and Officers. It follows the DETR model and is regularly reviewed so it remains up to date. There are predominantly good working relationships between members and officers. Improvements have been made in recent years, though there are still some tensions and further improvements can be made. The Council has responded positively to the outcomes from our ethical governance audit, and is considering how to measure and track progress against improvements.</p> <p>The Council provides training to ensure that members are properly equipped and developed. A Member Development Committee has been established, so members can assess their own training needs and decide what training is required. Members have signed up to the Idea Member Development Charter, and member development appraisals have been introduced, although only 17 members have currently signed up to a formal personal development plan.</p> <p>There is still some work to do to ensure that all members and officers work together to achieve the Council's overall purpose and vision, and the level of this cooperation differs across the organisation. The Leader and Chief Executive have worked together to achieve corporate priorities in a structured way, and there are four joint monitor sessions held each year between CMT and Executive Members to review progress against key performance areas that support council priorities.</p>
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Appendix 1 – Use of resources key findings and conclusions

KLOE 2.3 (good governance) (continued)

The Standards Committee operates in accordance with the requirements, publicises its role both internally and externally, and helps members follow their code of conduct. Consideration needs to be given to how high standards of behaviour are maintained when working in partnership with other organisations. The Council is actively trying to raise the profile of the Standards Committee, and has an independent co-opted member as chair. The Council hasn't fully assessed the training needs of members in relation to standards of conduct, but has provided some training in specific areas during 2008/09. The Standards Committee and chair do not routinely meet with the Chief Executive, Leader or other party leaders to discuss ethical issues, although an initial meeting with the Chief Executive was held in June 2009.

The member complaints process is widely available via the Council's website, and although the outcomes of all investigations are published on the website, feedback is not currently sought from those involved in the complaint. Member and officer codes of conduct are in place and there is a formal member/ officer protocol within the constitution. Registers of interests and registers of gifts and hospitality are in place for members and senior officers, and reminders are sent annually to members on the requirements of the code of conduct.

The Council maintains a database of its partnerships, has set criteria for determining its significant partnerships, training is provided to officers, there is a 30 point checklist in corporate guidelines to help officers determine whether a partnership should be formed, and resources are available to support officers in setting up and monitoring partnership activity. All the main partnerships have action plans and performance indicators to measure whether they are achieving their aims, and significant partnerships complete an annual self assessment, with the results fed back to the LSP. The Council has a locality wide agreement with the third sector, ie voluntary and community organisations that is being linked into their efficiency agenda. The Council have put in place the Third Sector Compact, a national framework for working with voluntary and community organisations that they have adapted to their local circumstances.

Appendix 1 – Use of resources key findings and conclusions

<p>KLOE 2.4 (risk management and internal control)</p> <p>Score</p> <p>VFM criterion met</p>	<p>3</p> <p>Yes</p>
<p>Key findings and conclusions</p> <p>The Council has good risk management arrangements, risk is embedded within working practices, and continues to be more embedded within the day to day activities of the Council, being included in all major and minor project management, and linked to all policy, decision making and procurement processes. Risk is understood as an enabler for more successful project delivery, and as a way of seeking opportunity and improving efficiency. Risks are owned, managed and delivered within departments rather than by the risk management officer. The Admin Accom Project and the waste PFI have both used risk to help make project decisions and consider the potential barriers to successful project completion. In the current economic climate, the Council has actively sought to identify and manage the economic downturn risks, aligning the risks to the achievement of specific corporate priorities. Partnership risk is considered on a project basis and also in an annual questionnaire to key partnerships.</p> <p>The Council provides risk management training to members and officers through the year, and the training was well received by Members who attended. Members are more involved in the risk management process, with updates being presented on key corporate risks to the Audit Committee for them to consider and comment upon as necessary. The final monitoring report of 2008/09 shows that the member review resulted in out of date risk actions being dealt with and the risks updated, and although some reference is made to corporate priorities in the report individual risks have not been explicitly linked to individual priorities.</p> <p>The programme of counter fraud and corruption work is resourced, risk based and proportionate. There is an annual counter fraud activity plan agreed by the Audit Committee. This includes budgets for both reactive and preventative work and time for staff training and general fraud awareness. The counter fraud and corruption policy was revised and approved in March 2008, prepared in accordance with CIPFA good practice principles, and it sets out the overall approach of the Council.</p> <p>The Council has a strong counter fraud culture and reviews the success of its arrangements. Fraud awareness training was provided to certain groups of staff, the council publicises successful investigations, and continued to work closely with the DWP and other organisations. The fraud team work with key departments such as housing to raise awareness and identify potential frauds, and internal and external publicity of the fraud team and successful prosecutions is used frequently. Several high profile cases with successful prosecutions, either working with the police or bringing their own prosecution, have served to embed a strong counter fraud culture within the council and a public awareness that fraud is not tolerated.</p> <p>The Council's Audit and Governance Committee has a balanced membership, is independent, receives and approves reports on the control framework, and training is provided to members of the Committee. The Committee is starting to actively challenge internal control arrangements, though there is little evidence of liaison with other committees to identify potential internal control issues. The Council has an effective internal audit service that completed over 90 per cent of the 2008/09 audit plan, but there have been vacancies in 2008/09 that have impacted on delivery. In addition in 2008/09 the Council has delivered the project to establish a separate Internal Audit shared service provider, which commenced on 1 April 2009. We will assess the operation and impact of the new arrangements in next years' Use of Resources assessment. The Internal Audit plan provides sufficient assurance over financial controls. The Constitution underpins all the internal control arrangements in place, and there is a framework in place for assessing and completing the AGS. An Officer Governance Group meets regularly to discuss governance arrangements, and coordinates preparation of the AGS. The s151 and Monitoring Officer, as well as the Constitution, effectively provide control over the legality of expenditure and compliance with law and regulations. Emergency and business continuity plans are in place and are regularly reviewed and tested.</p>	

Appendix 1 – Use of resources key findings and conclusions

Managing resources

Theme score	2
Key findings and conclusions	
The Council has embarked on a number of projects to reduce its consumption of natural resources and its environmental impact. Further work is continuing in 2009/10 to demonstrate the impact of the projects and to accurately measure the improvements they have delivered. The Council's approach to asset management needs to be developed to ensure that it delivers positive impacts and outcomes across the organisation.	
KLOE 3.1 (use of natural resources)	
Score	2
VFM criterion met	Yes
Key findings and conclusions	
The Council has an understanding of the natural resources it consumes and has developed a strategic approach to reduce its environmental impact. It has developed an internally-focused Environmental Sustainability Strategy and has embarked on a Carbon Management Programme, although the Council cannot fully demonstrate its impact.	
The Council calculated a baseline figure of its CO2 emissions based on 2006/07 information which it has used to set targets and measure progress. This estimated the Council's annual CO2 emissions as 57,800 tonnes, arising mainly from its housing stock (59 per cent), other buildings (28 per cent), transport (5 per cent) and street lighting (6 per cent). However, the Council has continued to verify the accuracy of the baseline data, and the original baseline included some estimates relating to buildings where accurate readings were not available.	
The Council has set a target to reduce its carbon emissions by 25 per cent by 2013 excluding housing. It aims to reduce emissions from its housing stock by 25 per cent by 2020, reflecting longer term funding issues in respect of housing. Early progress has been made on implementing projects to reduce emissions, but the Council cannot fully demonstrate their impact.	
The Council estimates that 400 tonnes of carbon were saved during 2008 through the opening of a purpose built Eco Depot, the installation of biomass boilers in a number of buildings and improved insulation, but is unable to accurately assess the impact of each project. Other projects are in progress which the Council anticipates will increase the saving to more than 2,400 tonnes by the end of 2010. Further savings are being delivered through improvements to heating systems and insulation of the housing stock linked to the Decent Homes Standard. Other projects relating to street lighting, transport and continued improvements to the Council's buildings are being developed to meet longer-term targets.	

Appendix 1 – Use of resources key findings and conclusions

<p>KLOE 3.1 (use of natural resources) (continued)</p> <p>All water usage is monitored and new council buildings have water conservation devices. There are also examples of water being re-used, for example at the Eco Depot to wash vehicles. A recent review of the Corporate Plan made climate change a priority for the Council, resulting in the redirection of £250,000 in 2008/09 to fund carbon reduction projects. Resulting financial savings are to be reinvested in further projects, and bids for external funding are being submitted for building and street lighting projects. Two new posts have been created along with a Carbon Board comprising senior officers and councillors to oversee delivery of the carbon reduction plan.</p> <p>Bids for capital investment in buildings must consider carbon reduction and information on carbon emissions is considered as part of the process to prioritise bids capital funding. The Council is also participating in a virtual trading scheme through Carbon Action Yorkshire to prepare for the introduction of the Carbon Reduction Commitment which will impose an annual carbon budget. The monitoring of elements of environmental performance is built into established performance management processes.</p> <p>The Council is working towards an organisation-wide approach to managing environmental risks through the introduction of an Environmental Management system. This is not yet complete, although the process is well advanced in some areas such as Neighbourhood Services and Environmental Protection. The Council has carried out sustainability impact assessments on the Corporate Strategy and the draft Economic Strategy and plans to introduce this approach across all directorates in 2009. The Council has a sustainable procurement strategy and promotes the use of products that have a low environmental impact. Tender evaluation arrangements are being reviewed to emphasise the importance of reducing the Council's carbon footprint through the services it procures.</p>	<p>KLOE 3.2 (strategic asset management)</p> <p>Score 2</p> <p>VFM criterion met Yes</p>
<p>Key findings and conclusions</p> <p>The Council has developed a strategic approach to asset management, which has had some positive impact, but is not consistently applied across the organisation. There is a corporate Asset Management Plan (AMP) and a corporate group of officers charged with the task of implementing it. The Plan is well structured and based on good practice principles. The officer group comprises a range of appropriate, experienced officers from across the Council, recently supplemented by representatives from partner organisations. It provides a useful forum for sharing information and identifying opportunities to improve asset management, and has a role in prioritising bids for capital funding. However, the group relies on influence rather than direct control of asset management and structures are not in place to ensure principles are applied consistently.</p> <p>There are some service AMPs in place which provide links with service planning, although these are not used effectively to manage progress towards strategic priorities. Area AMPs have been developed for some parts of the city to ensure the needs of local people are taken into account in managing assets in the locality. However, these are few, and are being developed in a piecemeal way. There are also examples of asset management taking place at a service level outside the Council's corporate approach. Implementation plans for asset management are not consistently robust. Corporate and service AMPs are not under-pinned by robust implementation plans although area AMPs have action plans which are clearly focused on local needs and priorities.</p>	

Appendix 1 – Use of resources key findings and conclusions

KLOE 3.2 (strategic asset management) (continued)

The delivery of ambitions for asset management is constrained by limited financial resources and a lack of a full understanding of how assets contribute to the achievement of corporate priorities. This undermines the Council's ability to demonstrate value for money in asset management. Steps are being taken to address the gaps in information regarding the Council's asset portfolio through the development of a new asset data base, but this is not yet complete.

Annual benchmarking is carried out against a set of national asset management indicators which is used to identify good practice, but there is no framework of local indicators and targets to routinely monitor progress against the objectives and priorities contained in the corporate AMP. Although a range of relevant indicators exist, they are seen as service-related indicators and are not brought together to provide a rounded view of the performance of the asset base.

The Council has a repair and maintenance strategy which aims to ensure its assets remain fit for purpose and there are examples of how the Council is improving services through improvements to its asset base. However, as repair and maintenance budgets are largely devolved to services, it is impossible to ensure that they are consistently prioritised and there is no consistent approach to challenge whether assets provide value for money in meeting current and future needs. The Council is failing to address the growing level of backlog maintenance. The planned move to new office accommodation is expected to reduce the backlog by £5m, but delays in the move mean that these savings are yet to materialise. There is an established policy to work with community groups which is delivering community benefits.

There are examples of Council assets being transferred to community groups which have had a positive impact and others are being considered, as part of area asset management planning. Through the corporate officer group, the Council is engaging partners in identifying opportunities for sharing assets for the benefit of the local community. There are some examples of shared use of buildings with partners, but the Council and partners are working to develop a more strategic approach.

Appendix 2 – Action plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	Annual Audit Letter 2008/09 Recommendations					
5	R1 Implement a thorough and robust quality assurance process that is designed to identify material errors in the financial statements before they are approved in June 2010.	3				
9	R2 Produce and implement action plans arising from the use of resources assessments and value for money work.	3				

The Audit Commission

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Executive

15 December 2009

Report of the Director of Resources

Response to Comprehensive Area Assessment 2009 (including Improvement Plan 2009/10 Update)

Summary

1. To provide an initial response to the findings highlighted in the 2009 Comprehensive Area Assessment reports. The response includes the delivery of the 2009/10 milestones contained within the council's Improvement Plan as approved by Executive on 21 July 2009.

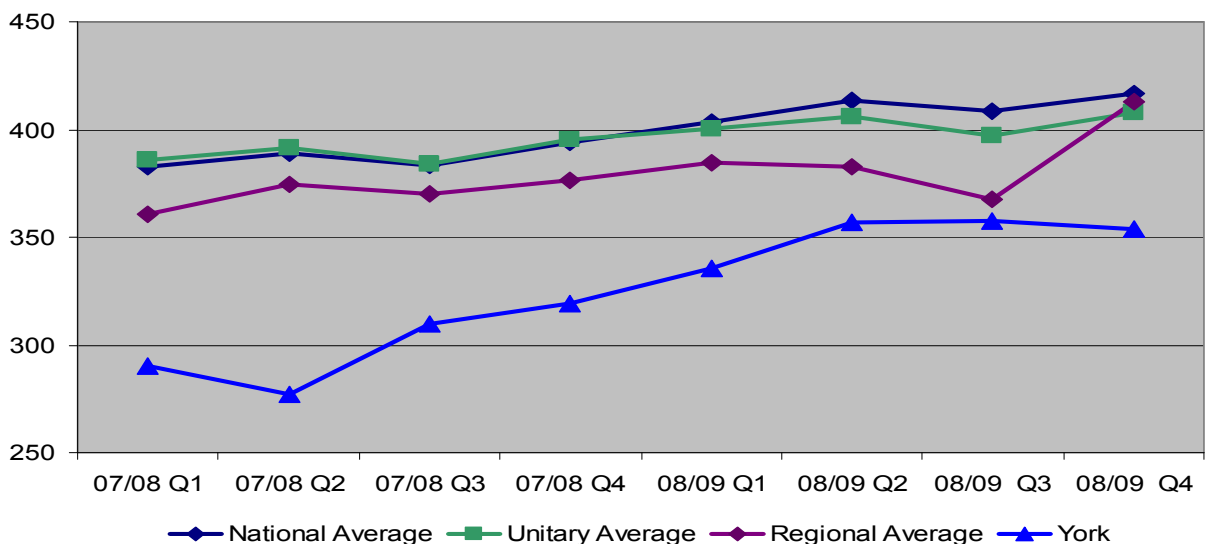
Background

Response to the Area Assessment Report

2. The council is delighted with the findings of the Comprehensive Area Assessment reports which have highlighted a number of areas of high and excellent performance which has contributed to the award of a green flag and no red flags and places the city of York in a strong position nationally (see agenda item 10). The council and its partners have been recognised as working well in delivering the priorities set down by the citizens of York.
3. In addition to excellent partnership performance, the council itself has also achieved a 'performing well' status in managing the performance of services, a clear audit opinion on the council's financial statements and a clear value for money opinion.
4. Whilst the majority of the Audit Commission's reports are accurate and have been discussed and agreed with the council and its partners, the following matters have been raised with the Area Assessment Lead, which present an inaccurate picture of the performance within the city. These have been challenged previously and are of significant public interest. They appear on page 4 of Annex B (summary report) and Page 4 and 11 of Annex C (detailed report):

- *'Adults are not as physically active as they should be and this is contributing to increased obesity'*. The council had previously provided conclusive evidence previously that this analysis is inaccurate. The Audit Commission have confirmed that the Area Assessment reports need amending to reflect the error, but this may not take place until a week after publication.
- *'Binge drinking is also increasing and has resulted in an increase Alcohol related hospital admissions'* and *' the number of alcohol related hospital admissions is increasing.....the number is expected to rise further'* .This is a priority area for York (NPI 39). Whilst it is accepted that overall rates increased on the previous year, at the end of 2008/09 York was still well below the unitary, regional and national average and is currently moving against the regional trend, with the last three quarters flattening out / reducing.

Graph: York's rate of alcohol-related admissions per 100,000 population



- The report also contains negative statements regarding the city's mental health services, when the national in-patient survey puts the city in the top 20 per cent of mental health trusts nationally for quality of patient care.
5. The Audit Commission's response on the above two points is that Oneplace is an on-going assessment, and it makes sense for them to look at the issues early in their programme, so they can update the Oneplace content as soon as is possible if it is appropriate to do so (the content will be updated quarterly). The lack of an early response on this will mean that an inaccurate view may be formed of the city until the reports are amended

6. Despite this the process is recognised to have identified areas for further review, such as the need for improved sports facilities, and is a judgement made of the city, not just the council. The detailed findings of the assessment have been fed back to the city's Local Strategic Partnership (Without Walls or WoW) Partnership Board, via the WoW Executive Delivery Board. The Board is being asked to take overall responsibility for ensuring improvements are made across the city. WoW fully respects the importance of this approach to delivering the improvements complementing current arrangements within the partnership and the council and a report will be brought back to Executive in the New Year.
7. The response to CAA will fit within the wider WoW improvement agenda that includes:
 - The outcomes of the successful WoW annual conference in September 2009, where a wide selection of partners identified future actions regarding challenges facing the city;
 - Monitoring progress against the strategic aims and actions under each of the seven themes within the Sustainable Community Strategy;
 - Ensuring the WoW partnership is fit for purpose to deliver the SCS, LAA and respond to the challenges of CAA.
8. These activities will identify improvements for WoW and its partnerships and partners to work on. A coordinated approach to identifying and agreeing these improvements will be developed to ensure that no improvements 'fall between the cracks', and repetition of effort is avoided. These improvements will incorporate issues identified in the Area Assessment and are likely to include:
 - Sustaining the proactive response to the recession (e.g. Improving Adult Skills, Working age people claiming out of work benefits);
 - Embedding the Fairness and Inclusion Strategy across the City;
 - Tackling Climate Change;
 - Developing a new Transport Strategy for the City;
 - Sharing the learning from the successful Kingsway West project and rolling the pilot out to other areas in the city;
 - Increasing Adult participation in physical activity;
 - Implementing the strategy to make York a 'Volunteering City'.
 - Encouraging a more collaborative approach to the Commissioning of services between partners.

Response to the Organisational Assessment Report

9. The council welcomes the exceptional service performance and improvements highlighted in the 'Managing Performance' aspect of the report, particularly relating to children's and adults' services. The Audit Commission has highlighted areas for improvement in the Use of Resources Assessment, which was reported in detail to the Audit & Governance Committee on 21 September 2009. The assessment primarily covered the period from 1 April 2008 to 31 March 2009 – the response to this is partially covered in paragraphs 11 to 20 below through the reported delivery of Improvement Plan actions, with a further plan for new areas developed as outlined in paragraph 21 below.
10. In response to governance and Use of Resources self assessments in July 2009, the Executive agreed the milestones and activity contained within the 2009/10 Improvement Plan, which covered nine major areas for corporate improvement arising from those assessments. Members requested that future updates on progress be reported back to the Executive; these are outlined below and progress against milestones summarised in Annex A.

Improvement Plan Progress To Date

11. Progress is summarised under each theme of the Improvement Plan and overall progress monitored by Executive against targets set within the Corporate Strategy.
12. **HR:** This area for improvement followed up on work done in 2008/09, and the key areas of progress for this year include:
 - a. **the launch of e-recruitment**, the ability both for applicants to apply for jobs online, and for managers to manage the recruitment process online. The e-recruitment project went live for three directorates, Chief Executives, Resources and City Strategy in November 2009, and will be rolled out to the other three in due course.
 - b. **Pay and Grading** has reached the stage of notifying all appeal outcomes to staff, after which there will be further follow-up actions but the full process is expected to be complete by the end of the financial year.
 - c. **Workforce Planning** is concentrating on the development of a Workforce Planning Strategy, and consultation on a preliminary draft is currently being carried out with Directorate Management Teams and the Joint Consultative Committee.
13. **Fairness & Inclusion (formerly Equalities):** The new national Equality Framework has introduced a new standard of equalities that CYC is currently working towards. This is a far more exacting standard, and there

is considerable work under way to secure the initial level of “Developing” within the framework, with plans to progress quickly onto the next level of “Achieving” by 2011. Further work has commenced across the council to be discussed with partners, to strengthen arrangements for social inclusion and equality of access to services. Finally, additional training on human rights is to be arranged.

14. **Health & Safety:** Work has been continuing from last year to promote a culture of safe working practices across the council, and a regular newsletter has been successfully launched. The analysis of training needs for all staff has been rolled into the replacement HR system, known as the Delphi Replacement Project, which will cover all training needs for staff. The Health & Safety (H&S) team are developing courses at present, which will be delivered through the training and development centre. Audits of Health and Safety practice are ongoing, and the H&S team are introducing a web-based risk assessment system to ensure that risks are reviewed and adequate control measures are put in place.
15. **Member Training:** Substantial progress has been made in working towards the IDeA Charter Status for Member Training and Development. A steering group was established in May 2009, and this year’s Member Development Programme has set out a wide variety of events in which members can participate. A Member handbook will be developed in the near future, and the initial external assessment of Member Development is expected to take place in Spring 2010.
16. **Project and Programme Management:** The aim of this workstream is to introduce a standardised project and programme management methodology across the council. York’s project management approach is currently being used to deliver the More for York programme, which is council-wide in its impact, however, the majority of milestones within this workstream, such as agreeing standard templates and a gateway review process, are still to be achieved. This, however, does not reflect that project management as an approach is fully embedded in the council; it is the future corporate framework for the council’s Business Model that is yet to be developed.
17. **Code of Conduct Awareness:** A fraud survey is currently being conducted amongst officers to gain further insight into code of conduct issues and levels of management awareness. Online fraud awareness training is being developed and will be available shortly. Training on the officer code of conduct is planned for later in the year. Current audit work is also looking at whistleblowing procedures, which picks up an item raised in the staff survey, and will inform future training programmes.
18. **Partnership Governance:** The current governance arrangement for partnerships and the Compact with the voluntary sector have been reviewed. The York Compact Group have agreed to adopt a set of dispute resolution procedures similar to those currently in use in Derby. Current governance arrangements for significant partnerships will be analysed

against the council's own best practice partnership guidelines, and training on partnership governance will be delivered by the end of the financial year.

19. **Internal Communications:** The new intranet, christened 'colin' (council on-line information network), is under development and due for a phased launch from January onwards. Once the launch is under way, there will be an audit of internal publications, and new publications likely from April onwards. A communications audit will also examine the role and practice of team briefings, to understand existing cascades and barriers to good communication, which is to be completed by the end of the financial year.
20. **Risk Management:** Risk reporting has been successfully integrated into the new performance management framework, and the key corporate risks examined and the risk register refreshed. The Risk Management Policy and Strategy have both been revised and the council is on target to deliver the revised Corporate Risk Monitor, reporting on risk management activity, by the end of December this year.

Further Developments

21. An analysis has been undertaken to identify new areas to be built into a supplementary action plan which are necessary, as a result of the Use of Resources Assessment and with a view to moving the council to 'Performing Well' in Use of Resources - lead officers have been identified to implement those actions. This plan is being monitored by the CAA Steering Group chaired by the Director of Resources and progress will be monitored by the Audit & Governance Committee.
22. The Audit Commission are already reviewing improvements since the last Organisational Assessment, and must have a draft opinion on Use of Resources 2009/10 by the end of March 2010, much earlier than in previous years.
23. Corporate and partnership planning processes are under way to develop the actions and milestones necessary to deliver outcomes for York's residents in 2010/11 onwards, and full cognisance will be taken of those areas in the Area Assessment where the Audit Commission want to focus their attention in 2010.

Consultation

24. In November 2009 the Directors responsible for each improvement workstream were consulted, and they have provided the information that is summarised in this report.

Options

25. No other options are presented as this report is an update report as requested by Executive in July 2009.

Analysis

26. No analysis of options required.

Corporate Priorities

27. The successful delivery of the CAA improvements and Improvement Plan contributes to the achievement of all community and council priorities, and is a key aim of the “Effective Organisation” priority contained within the Corporate Strategy.

Implications

28.

- (a) **Financial** There are no financial implications
- (b) **Human Resources (HR)** There are HR implications relating to the HR workstream.
- (c) **Equalities** There will be Equalities implications if the Equalities milestones are not delivered.
- (d) **Legal** There are no immediate legal implications with this report but each area of key activity is likely to generate the need for detailed advice.
- (e) **Crime and Disorder** There are no implications for Crime and Disorder.
- (f) **Information Technology (IT)** There are IT implications contained within the Internal Communications workstream, relating to the new intranet.
- (g) **Property** There are no property implications.
- (h) **Other** No other known implications.

Risk Management

29. Failure to achieve improvement could affect the next Comprehensive Area Assessment outcomes, which is a key corporate risk on the corporate risk register.

Recommendations

30. Executive are asked to comment upon the response to the CAA reports, note progress and planned improvements to date and agree related monitoring and reporting arrangements.

Reason

To ensure that members are aware of the council's response to inspection and audit outcomes, recognise the achievements and also action taken or planned for areas for improvement identified in the report.

Contact Details

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Pauline Stuchfield Assistant Director of Resources (Customer service & Governance)	Report Approved	<input checked="" type="checkbox"/>	Date 7 December 2009
	Chief Officer's name Title		
	Report Approved	<input type="checkbox"/>	Date Insert Date
Specialist Implications Officer(s) <i>List information for all</i> <i>Implication ie Financial</i> <i>Implication ie Legal</i> Name Alison Lowton Title Interim Head of Legal Services Tel No. 01904 551004			
Wards Affected: <i>List wards or tick box to indicate all</i>			All <i>tick</i>
			<input checked="" type="checkbox"/>
For further information please contact the author of the report			

Annexes

Annex A – Progress against Improvement Plan Milestones.

Background Papers:

Executive Report 21 July 2009 on the 2009/10 Improvement Plan

Improvement Plan Update 2009/10			Annex A	
			KEY	Symbol
			Completed	√
			On track to complete by end of year	↑↑
			Started but not on track	⇒
			Not started, milestone dates missed	X
			Not started, milestone dates not reached yet	NS
	Key actions towards improvement	Key 2009/10 milestones	Lead	Status
HR	Develop and implement a Workforce Development Plan	Plan completed by 30 September 2009 - C33Plan implemented by 31 March 2010	Ian Floyd/ Angela Wilkinson	√
	Pay and Grading Implementation	Completed by 31 March 2010	Ian Floyd/ Angela Wilkinson	√
	HR Transformation Programme Phase 1 to be delivered: this includes e-recruitment, Delphi replacement and the creation of an HR Business Centre	Phase 1 completed by 31 March 2010	Ian Floyd/ Angela Wilkinson	⇒

	Key actions towards improvement	Key 2009/10 milestones	Lead	Status
Equalities	Meet all requirements of the Developing level of the Equality Framework	Completed by 31 March 2010	Bill Hodson/ Evie Chandler	↑
	Facilitate the development of a joint approach to equality in access to services amongst LSP partners	Completed by 31 March 2010	Bill Hodson/ Evie Chandler	√
	Review the procurement strategy in the light of equalities duties	Completed by 31 March 2010	Bill Hodson/ Evie Chandler	√
	Deliver training on Equalities and human rights, particularly to members	Completed by 31 December 2009	Bill Hodson/ Evie Chandler	⇒
Health & Safety	Carry out a H&S training needs assessment within each directorate	Completed by 30 September 2009	Sally Burns/ Angela Wilkinson/ Jon Grainger	X
	Deliver the H&S Training Plan to key managers	Completed by 31 March 2010	Sally Burns/ Angela Wilkinson/ Jon Grainger	↑
	Achieve 2009/10 workplan goals for assessing levels of legal compliance for Health & Safety within each service area in line with key performance indicators set out in the CYC Safety Management System	Completed by 31 March 2010	Sally Burns/ Angela Wilkinson/ Jon Grainger	↑
	Ensure all new H&S risks entered onto the corporate risk system have been reviewed by the H&S team to ensure appropriate control measures are in place	Ongoing from June 2009	Sally Burns/ Angela Wilkinson/ Jon Grainger	√
	Launch Health & Safety newsletter	Completed by 30 September 2009	Sally Burns/ Angela Wilkinson/ Jon Grainger	√

	Key actions towards improvement	Key 2009/10 milestones	Lead	Status
Member Training	Develop and agree Member Development Policy	Completed by 30 September 2009	Bill McCarthy/ Quentin Baker	√
	Agree annual programme 2009/10	Completed by 30 September 2009	Bill McCarthy/ Quentin Baker	√
	Agree implementation plan re achieving charter status	Completed by 30 September 2009	Bill McCarthy/ Quentin Baker	⇒
Project and Programme Management	Agree corporate adoption of common principles of project and programme management (via report to CMT and Executive)	Completed by 30 September 2009	Bill Woolley/ Tracey Carter	⇒
	Develop a range of Project Management templates and an assessment matrix to identify the appropriate level of Project Management control	Completed by 30 September 2009	Bill Woolley/ Tracey Carter	X
	Develop agreed gateway process for project review	Completed by 30 September 2009	Bill Woolley/ Tracey Carter	X
	Analyse training requirements for project/programme management	Completed by 30 September 2009	Bill Woolley/ Tracey Carter	X
	Develop training programme	Completed by 31 December 2009	Bill Woolley/ Tracey Carter	NS
Code of Conduct Awareness	Review whistle-blowing and other conduct procedures	Completed by 30 September 2009	Ian Floyd/ Pauline Stuchfield	↑
	Deliver training programme on the Officer Code of Conduct	Completed by 31 March 2010	Ian Floyd/ Pauline Stuchfield	⇒

	Key actions towards improvement	Key 2009/10 milestones	Lead	Status
Partnership Governance	Review current governance arrangements for partnerships and the current framework for the Compact	Completed by 30 September 2009	Ian Floyd/ Pauline Stuchfield	√
	Develop gap analysis between current compliance levels and the partnership guidelines	Completed by 31 March 2010	Ian Floyd/ Pauline Stuchfield	↑↑
	Deliver training and awareness on good partnership governance, including member training	Completed by 31 March 2010	Ian Floyd/ Pauline Stuchfield	↑↑
Internal Communications	Launch of the new intranet	Completed by 30 September 2009	Pete Dwyer/ Matt Beer	⇒
	Relaunch of News&Jobs and News in Depth	Completed by 31 December 2009	Pete Dwyer/ Matt Beer	NS
	Develop a cascade system for team briefings	Completed by 31 March 2010	Pete Dwyer/ Matt Beer	NS
Risk Management	Integrate risk reporting into the new Performance Management Framework	Completed by 30 June 2009	Ian Floyd/ Pauline Stuchfield	√
	Fundamental refresh of strategic risk register in line with the new Corporate Strategy	Completed by 30 September 2009	Ian Floyd/ Pauline Stuchfield	√
	Work with lead officers to address risks highlighted from partnership risk survey of significant partnerships	Completed by 30 September 2009	Ian Floyd/ Pauline Stuchfield	√



Executive**15th December 2009****Report of the Director of Resources****2010/11 Budget Strategy and Medium Term Financial Planning
2011/12 to 2013/14****Summary**

1. This report seeks to update Members on the strategy being adopted for the development of the 2010/11 Revenue Budget, which will require approval from Council on 25 February 2010. The report also outlines longer term issues linked to public sector funding and the implications these may have on the council's medium term financial planning.
2. The current funding assumptions underpinning the development of the 2010/11 Revenue Budget are:
 - a) A Council Tax increase of 2.9%.
 - b) A Formula Grant increase of 2.5%, which is 0.5% below the average increase for unitary authorities and follows a 'damping' reduction of £1.155m. The settlement also sees the council as the 9th lowest out of all 55 unitary authorities in per capita funding, equating to £153.99 below the national average for each person in the city.

Background

3. The 2009/10 Budget Report approved by Council in February 2009 contained a Medium Term Financial Forecast (MTFF) which broadly outlined the council's financial strategy through to 2012/13. The MTFF set out the main financial risks faced by the council, indicated a balanced position for 2010/11 and was based on a number of key assumptions, i.e.
 - a) A Council Tax increase of 4%.
 - b) Efficiency savings delivered through a transformation programme which would remove the need for unstructured 'salami slicing' of budgets.
 - c) Resulting in additional financial capacity to allow investment in key corporate priority areas.
4. Since the MTFF was produced, the economic climate has deteriorated significantly resulting in pressures on income generating services and additional demand for services from residents who have been worst hit by the recession. In addition, demand for social care across the city has risen dramatically, resulting in ongoing financial pressures in 2009/10 which will need to be addressed as part of the development of the 2010/11 Budget.

5. At the same time, the council's corporate strategy has been refreshed which was approved by Council in April 2009. Any financial planning decisions that are made should therefore work towards meeting the revised aims and objectives outlined in the strategy.
6. A report on the arrangements for the development of the 2010/11 Budget was approved by Executive on 23rd June 2009, and this report seeks to provide further information to Members.

2010/11 Revenue Budget – Latest position

7. As part of the development of the 2010/11 Revenue Budget, a review of the MTFF has taken place and updates have been made in respect of key assumptions, which have been extended following a review of the council's reserves and an assessment of the areas where corporate growth is seen as essential for financial pressures deemed unavoidable.
8. The key assumptions underpinning the development of the 2010/11 budget are set out below:
 - a) A Council Tax rise of 2.9%.
 - b) A Formula Grant rise of 2.5%.
 - c) The cash limiting of budgets for directorates, with the need to self fund all non-exceptional budget pressures within this cash limit, including:
 - i) pay increases, i.e. operating on a cash standstill basis.
 - ii) inflationary increases, as above.
 - iii) any cost of appeals and increments arising from the Pay and Grading review.
 - iv) one-off growth items to reduce pressure on the council's reserves.
 - d) An assumed level of savings gained through the More for York programme.
 - e) The reinvestment of any such savings into priority areas identified as part of ongoing budget monitoring and from the corporate strategy.
9. The provisional Formula Grant settlement was confirmed on 26 November 2009 and it showed that York would be receiving a 2.5% increase in the grant for 2010/11, giving total funding of £44.570m. This is low overall as York does not have a high deprivation level in comparison to other councils, which is one of the key drivers for allocating the grant. In addition, York's annual increase is top sliced under the 'damping' system to guarantee other councils a minimum level of grant, meaning a loss of £1.155m in 2010/11. Annex 1, summarised in the table below, outlines the percentage increase in Formula Grant for all unitary authorities and shows that the average increase is 3.0% which is 0.5% more than York.

Unitary Authority	Rank	% Increase in Formula Grant - 2010/11
Rutland (Highest)	1	6.2
York	34	2.5
Wokingham (Lowest)	55	1.5
Average		3.0

10. The table below shows how much Formula Grant funding per person that York will be receiving in 2010/11 and compares this to other unitary authorities, the full results of which can be seen in Annex 2. It can be seen that York is ranked 47th out of the 55 unitary authorities (9th lowest) and receives £153.99 per person less in funding than the average.

Unitary Authority	Rank	Formula Grant Per Capita - 2010/11 (£'s)
Leicester (Highest)	1	639.56
York	47	224.19
Wokingham (Lowest)	55	126.69
Average		378.18

11. The self funding of non-exceptional budget pressures by directorates, along with the work being carried out through the More for York programme, is designed to promote efficient delivery of services whilst at the same time ensuring funding is available for investment in key priority areas across the council.
12. The 2009/10 budget monitoring process has identified areas of activity that currently have insufficient financial capacity to deal with the increased demands placed on those services. It is essential that priority is given to directing investment into these areas so that the planning and monitoring for service delivery can take place against an adequate resourcing platform.
13. As a result of this it is apparent that the following three areas need to be at the forefront of discussions for additional investment:-
- a) Children's Social Care – York's Looked After Children (LAC) population has risen by 32% since March 2008 and investment is required to ensure that this area is adequately funded. A new government requirement for 16/17yr olds to be classed as LAC will add pressures to this area anticipated to total approximately £2.1m.
 - b) Adult Social Care – throughout 2009/10, the council has faced dramatic increases in learning disabilities cases, home care contracts and care for the elderly which is expected to continue to rise due to the ageing population. This rise in demand equates to approximately £1.8m in investment.
 - c) Waste Management – includes the requirement to fund rising Government levies on Landfill Tax, the £8 per tonne increase of this costing the council a further £0.44m in 2009/10, as well as meeting household recycling targets.
14. As part of the 2009/10 Budget, the council made a specific budgetary provision of £400k to deal with the effects of the economic downturn, which has affected services such as car parking, planning and leisure and the prolonged effects of this suggests that it would be prudent to consider

increasing this provision as part of the 2010/11 Budget, with anticipated pressures next year totalling £1.3m.

15. Additionally, consideration must be given to Treasury Management where an eventual upturn in the economy would ease current financial pressures, currently predicted to be £3.1m in 2010/11, as well as providing revenue support that will assist the council in meeting its long term objectives through the capital programme.
16. In summary, the council is facing spending pressures that, due to demands placed on services, greatly exceeds inflation. The council is committed to investing only in priority areas outlined in the corporate strategy which is exemplified by the fact that directorates will be expected to contain all pay and inflation costs within existing budgets.

Linking Financial Planning and Corporate Priorities

17. It is essential that the budget preparation process facilitates adequate resourcing of the council's priorities as expressed in the corporate strategy. Some of the priorities will be addressed through specific growth bids, however many will result from internal re-alignment of existing budgets within directorates. Officers in corporate performance are working closely with directorates to ensure that sufficient resources are in place to deliver against the milestones contained in the corporate strategy.
18. It is important that the process is transparent, and that there is seen to be a robust process of realignment of priorities, certainty over the way Directorates propose to meet the cost of pay and grading, and that it is demonstrated that funding has been allocated priority areas.
19. As a result each directorate will need to have demonstrated, and where relevant submitted, on the following:
 - a) Requests for priority growth areas.
 - b) Clearly set out any budget realignment that they are proposing – i.e. proposed internal savings that will fund any new priority areas or inflationary pressures.
 - c) Clearly set out how they will be dealing with the effects of Pay and Grading.

Timeline

20. A first round of budget meetings took place during November where each directorate was required to present the current pressures being faced, how they would fund these as well as explaining bids for corporate growth as outlined in paragraphs 12 to 15. For directorates where further work is required to reach a balanced position, a second round of budget meetings will be taking place in the middle of December.
21. Following this, each directorate will be taking a report to an Executive Member Decision Session during January where their plans will be

considered in depth. Information made available will help form the basis of the 2010/11 Budget Report presented to Members in February.

Medium Term Financial Planning Implications

22. The 2010/11 budget will be the last to be prepared under the current three year Comprehensive Spending Review (CSR) financial settlement, which as outlined in paragraph 8 will be providing the council with a 2.5% increase in government funding compared to 2009/10.
23. Since the previous settlement was agreed, the UK's economic landscape has changed dramatically which has placed great strain on public finances. It is because of this that the council has to be prepared to accept that it will be subjected to cuts in the funding it receives from central government, with similar authorities predicting real term cuts of upto 5% year on year.
24. A revised three year MTFF upto 2013/14 will be included as part of the 2010/11 Budget Report which will have to display prudent assumptions on any future government funding. As a result, there is a need for significant debate over the coming months in terms of the council's readiness to deal with these potentially large funding reductions. This will require the council to change the way it delivers its services in ways that go beyond the work being carried out by the More for York programme.

Consultation

25. The budget strategy has been discussed and supported at Corporate Management Team level which has resulted in each directorate, via their Departmental Management Team's submitting budget proposals.

Corporate Priorities

26. The information and issues included in this report is designed to demonstrate that the council's financial planning is focussed on achieving the priorities set out in the council's corporate strategy (2009-12).

Implications

27. The implications are:
 - Financial - the financial implications are dealt with in the body of the report.
 - Human Resources - there are no human resource implications to this report.
 - Equalities - there are no equality implications to this report.
 - Legal - there are no legal implications to this report.
 - Crime and Disorder - there are no crime and disorder implications to this report.
 - 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.

Risk Management

28. It is clear that the current economic climate and the longer term implications this may have on central government funding represents a significant risk in terms of preventing the council from delivering quality services and meeting its corporate priorities. All financial planning decisions that are made need to be assessed for their sustainability in view of reduced funding and set against expectations that significant efficiencies are derived from the way in which the council delivers its services.

Recommendations

29. It is recommended that Members:

- a) Note the principles being adopted for the preparation of the 2010/11 budget, in particular the fact that any additional resources will be used to invest in key priority areas across the council.
- b) Note that work is continuing to review the impact of future public spending reductions as part of the ongoing development of the Council's Medium Term Financial Strategy.

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Report Approved **Date** December 2009

Keith Best, AD Resources (Finance)

Report Approved **Date** December 2009

Specialist Implications Officer(s):

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

All

For further information please contact the author of the report

Annexes:

- Annex 1 – Unitary Authority Formula Grant – Increases in Funding 2010/11
- Annex 2 – Unitary Authority Formula Grant – Per Capita Funding 2010/11

Unitary Authority Formula Grant - Increases in Funding 2010/11

	Increase in Grant (£ million)	Increase in Grant (%)	Rank (Highest)	Rank (Lowest)
Rutland	0.452	6.2%	1	55
Torbay	2.868	5.1%	2	54
Blackburn with Darwen	3.848	4.9%	3	53
Telford and the Wrekin	3.141	4.7%	4	52
East Riding of Yorkshire	4.504	4.7%	5	51
Cornwall	9.278	4.5%	6	50
North Lincolnshire	2.462	4.1%	7	49
Blackpool	3.175	4.0%	8	48
Herefordshire	2.232	4.0%	9	47
Bath & North East Somerset	1.583	4.0%	10	46
Isle of Wight Council	2.284	3.9%	11	45
North East Lincolnshire	2.680	3.8%	12	44
Shropshire	3.383	3.8%	13	43
Luton	3.145	3.6%	14	42
South Gloucestershire	2.124	3.6%	15	41
Medway	2.937	3.6%	16	40
Peterborough	2.630	3.5%	17	39
Milton Keynes	2.954	3.5%	18	38
North Somerset	1.747	3.5%	19	37
Stoke-on-Trent	4.257	3.5%	20	36
Kingston upon Hull	5.028	3.4%	21	35
Hartlepool	1.700	3.4%	22	34
Derby	3.487	3.3%	23	33
Durham	7.238	3.2%	24	32
Nottingham	5.223	3.1%	25	31
Redcar and Cleveland	2.061	3.1%	26	30
Thurrock	1.758	3.0%	27	29
Northumberland	3.695	2.9%	28	28
Cheshire East	1.775	2.9%	29	27
Leicester	5.035	2.8%	30	26
Darlington	1.060	2.8%	31	25
Stockton-on-Tees	2.081	2.7%	32	24
Central Bedfordshire	1.333	2.7%	33	23
York	1.108	2.5%	34	22
Bristol	4.087	2.5%	35	21
Plymouth	2.567	2.5%	36	20
Bedford	1.299	2.5%	37	19
Halton	1.525	2.4%	38	18
Middlesbrough	1.916	2.3%	39	17
Cheshire West & Chester	1.923	2.1%	40	16
Southend-on-Sea	1.214	2.0%	41	15
Southampton	1.879	1.9%	42	14
Wiltshire	1.728	1.7%	43	13
Portsmouth	1.396	1.6%	44	12
Bournemouth	0.813	1.5%	45	11
Bracknell Forest	0.386	1.5%	46	10
Brighton & Hove	1.614	1.5%	47	9
Poole	0.398	1.5%	48	8
Reading	0.818	1.5%	49	7
Slough	0.839	1.5%	50	6
Swindon	0.748	1.5%	51	5
Warrington	0.799	1.5%	52	4
West Berkshire	0.432	1.5%	53	3
Windsor and Maidenhead	0.278	1.5%	54	2
Wokingham	0.289	1.5%	55	1
Average % Increase	3.0%			

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Annex 2

Unitary Authority Formula Grant - Funding Per Capita 2010/11

	Funding per Head of Population £'s	2010/11 Formula Grant £000's	Population Millions	Rank (Highest)	Rank (Lowest)
Leicester	639.56	285,148	182.370	1	55
Middlesbrough	625.85	133,628	83.632	2	54
Nottingham	602.52	286,458	172.595	3	53
Kingston upon Hull	599.58	253,450	151.964	4	52
Blackburn with Darwen	568.29	143,647	81.633	5	51
Blackpool	555.29	147,305	81.797	6	50
Hartlepool	554.39	92,935	51.522	7	49
Stoke-on-Trent	540.11	235,678	127.293	8	48
Halton	537.44	119,024	63.969	9	47
Redcar and Cleveland	492.64	139,474	68.711	10	46
Slough	485.22	116,970	56.756	11	45
Luton	484.58	185,510	89.894	12	44
Durham	465.50	496,978	231.341	13	43
Derby	459.29	238,736	109.649	14	42
Peterborough	458.21	168,078	77.014	15	41
North East Lincolnshire	455.08	159,913	72.772	16	40
Portsmouth	438.27	199,694	87.519	17	39
Southampton	432.36	231,597	100.133	18	38
Brighton & Hove	429.13	254,430	109.185	19	37
Plymouth	428.24	247,574	106.022	20	36
Isle of Wight Council	425.01	144,461	61.397	21	35
Telford and the Wrekin	418.80	168,426	70.537	22	34
Torbay	418.43	140,985	58.992	23	33
Northumberland	416.67	312,572	130.239	24	32
Stockton-on-Tees	404.07	193,521	78.196	25	31
Bristol	401.82	415,359	166.901	26	30
Reading	393.96	140,561	55.375	27	29
Thurrock	393.07	152,046	59.765	28	28
Cornwall	390.69	546,860	213.650	29	27
Darlington	388.46	99,962	38.831	30	26
Southend-on-Sea	383.42	160,397	61.499	31	25
North Lincolnshire	378.78	164,359	62.256	32	24
Milton Keynes	373.98	233,417	87.294	33	23
Bournemouth	338.63	162,492	55.025	34	22
Bedford	330.59	163,644	54.099	35	21
Medway	328.95	258,795	85.130	36	20
Herefordshire	316.59	181,888	57.584	37	19
Shropshire	316.22	295,640	93.488	38	18
East Riding of Yorkshire	290.38	348,967	101.334	39	17
Cheshire West & Chester	281.39	332,213	93.482	40	16
Warrington	277.52	194,723	54.040	41	15
Swindon	269.75	187,756	50.647	42	14
North Somerset	247.95	209,620	51.975	43	13
Bracknell Forest	233.50	111,841	26.115	44	12
Bath & North East Somerset	230.02	180,673	41.559	45	11
South Gloucestershire	229.48	264,913	60.792	46	10
York	224.19	198,805	44.571	47	9
Wiltshire	219.86	465,945	102.442	48	8
West Berkshire	199.25	146,717	29.234	49	7
Rutland	198.89	38,797	7.716	50	6
Poole	198.75	135,397	26.910	51	5
Central Bedfordshire	194.61	260,597	50.714	52	4
Cheshire East	173.86	365,167	63.487	53	3
Windsor and Maidenhead	134.00	140,291	18.799	54	2
Wokingham	126.69	154,372	19.557	55	1
Average Funding Per Capita	378.18				

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Council Executive15th December 2009

Report of the Director of Learning, Culture and Children's Services

14-19 Reforms – the York response to national changes**Summary**

1. This report summarises the Local Authority's 14-19 Plan (a statutory appendix of the Children and Young People's Plan) which sets out priorities for developments to 2015 and takes account of the transfer of 16-19 funding and associated commissioning role to the LA in April 2010. In support of a major strand of the 14-19 plan it recommends that the Executive agree that the Council should play a leading role in the development of an enlarged Apprenticeship programme for 16-19 year olds in the City.
2. Paragraphs 4 to 15 briefly set out the national policy relating to the curriculum for 14-19 year olds, explain the York response to this change agenda and the priorities set out in the 14-19 Plan.
3. Paragraphs 16 to 20 deal with the 16-19 funding transfer, explaining how the LA will develop the capacity to manage the funding allocations and setting out the statutory frameworks governing this activity.

Background**14-19 Plan**

4. The 14–19 Curriculum Reforms have been the subject of a series of Green and White Papers since 2005. They set out an ambitious agenda of curriculum change which aims to better prepare young people to succeed in the fast changing economic environment of the 21st century. In addition to the established qualifications (GCSEs and A Levels), we have to ensure that young people can access new Diplomas, undertake an apprenticeship as part of a strong national drive to expand their numbers or, in the case of lower attaining young people (at Level 1 or Entry Level which is equivalent to low grade GCSEs or below), follow a Foundation Learning programme.
5. Alongside the curriculum changes there is a requirement for all young people to remain in education or training to age 17 (from 2013), and ultimately age 18 (from 2015), known as Raising the Participation Age (RPA).

6. National policy is for these reforms to be progressed by 14-19 Partnerships comprising all relevant stakeholders (providers of education and training including schools and colleges, agencies providing Information, Advice and Guidance to young people, employers and voluntary sector organisations). Local Authorities are required to be the Lead Strategic Partner in these partnerships. Progress is monitored through an annual progress check by Children's Services Advisers at Government Offices in the regions in addition to the Ofsted Inspection regime.
7. In York, good progress has been made on this agenda and the work of the Learning City York 14-19 Partnership is held up as an example of good practice. The Department for Children, Schools and Families has used York in case studies in both guidance ("14-19 Partnerships and Planning", January 2009) and the latest White Paper ("Your child, your schools, our future: building a 21st century schools system", June 2009). We contribute to the National Training Programme for other LAs and have been given funding to develop a national exemplar facility linked to the Diploma.
8. The introduction of the Diploma is one of the highest profile reforms. Diplomas mix academic study with application of knowledge and skills in practical and workplace situations. There are fourteen Diplomas linked to different economic sectors and three to traditional subject areas. A full list is given in Annex 1, along with a link to further information on the qualification. York is one of only six areas in the country to have been granted permission to deliver all fourteen of the Diplomas available in 2010 from September of that year. This places the city at the leading edge of developments and our Diploma programme involves a higher proportion of 14-19 year old learners than in any other LA in Yorkshire and the Humber.
9. The Learning City York Partnership, led by the LA and Learning and Skills Council (LSC), meets all the statutory requirements in terms of membership and organisational structures. It has undertaken a significant amount of work to scope the needs of young people and the potential contributions of providers in preparation for the curriculum changes and RPA. In the Autumn Term 2008, partners undertook an intensive strand of development work under the banner of "Vision York 2013". This resulted in agreement of a set of aspirations for learners in York and a set of key principles to underpin development work. There has been extensive consultation of stakeholders and an independent study of York's 14-19 options was commissioned earlier this year.
10. In September 2009, the LA produced its 14-19 Plan ("Achieving Excellence: York's 14-19 Plan 2009-15"). This is now the focus of development work. (Copies are available in the members' lounge). The plan has four key themes. Each is underpinned by a programme of activity and further development work set out in an accompanying action plan. Each plan contains short term actions to be taken (mostly statutory requirements or previously agreed decisions) and areas for further exploration. For each theme, partners have agreed the membership of task groups to produce implementation plans or options for consideration and subsequent adoption by the Partnership. The task groups are chaired by members of the 14-19 Strategy and Resources Group, providing for distributive leadership but maintaining accountability.

11. Theme 1: Information, Advice & Guidance (IAG), including Common Applications Process (CAP) and admissions issues. Our young people are being offered an increasing range of options and opportunities. In order to ensure that they take full advantage, Enjoy and Achieve and Achieve Economic Wellbeing they will need much more comprehensive, and impartial, information, advice and guidance. This theme focuses on developing guidance packages for delivery in schools and on the provision of additional support for learners and parents/carers. The LA has a statutory duty to ensure that young people are provided with appropriate IAG, so this will be quality assured against the relevant national standards. DCSF requires the implementation of a CAP for applications to enter post 16 learning from September 2012, meaning that it must be operational the previous September. This will mean that a single electronic application form will be used to apply to any provider in the city. With its introduction the possibility of standardised entry requirements will also be considered.
12. Theme 2: Provision. York has standards of attainment which are well above national and regional averages. However, some learners are significantly disadvantaged by a lack of appropriate provision, other young people will have to be brought into participation post 16 and the full range of opportunities provided. These issues will have to be addressed against a backdrop of demographic decline and restraint of public expenditure. The plan therefore calls for a shift in focus towards lower attaining learners (the progress of learners who do not achieve Level 2 (5+A* - C (or equivalent) at GCSE) when age 16 is subsequently poor), learners with learning difficulties and disabilities (LDD) and young people between the ages of 16 and 19 who are not in employment, education or training (NEET). It also identifies the need for review of provision for higher attaining Level 3 (A Level equivalent) learners. This is because the range of options will be greater with more opportunities (to take up Apprenticeships or Diplomas, for example) and the cohort is falling. Hence, in order to maintain the viability and further improve the high standards of provision, schools and colleges will have to work collaboratively, possibly within a system of "Centres of Excellence".
13. There is a national priority around increasing the numbers of Apprenticeships which commands broad support. Apprenticeships are a recognised and respected "brand" and, in their modern form, offer significant opportunities for young people to gain higher level qualifications and acquire skills in a work based environment. In York, even before the full effects of the economic downturn were felt, the number of apprenticeships was declining. We have set a challenging initial target to restore apprenticeships to their 2007 level.
14. Theme 3: Strengthening and Sustaining Partnership working. The Learning City York 14-19 Partnership is a "soft" partnership. Whilst it meets all requirements in terms of membership and group structure, it operates through consensus and has no legal status. Currently, much of its activity, and the resulting provision, is funded by national grants, especially those linked to Diplomas. These grants will end in the short term. In order to tackle the complex challenges ahead both a model of governance capable of dealing with contentious issues and a sustainable funding model need to be developed.

Additionally, in order to maintain a focus on all learners, the Partnership needs to develop a suite of Performance Indicators covering outcomes for all learners in the City so that it can measure progress and conduct rigorous self evaluation.

15. Theme 4: The Role of the LA. The 14-19 Reforms and post 16 funding transfer mean that the LA has range of new statutory duties relating to learner entitlements, provision of IAG and the funding of provision. The LA wants to work with providers, utilising their strengths and experience, to ensure that these duties are carried out, to quality assure their delivery and to establish fair and transparent processes to discharge its funding responsibilities.

Transfer of 16-19 Funding

16. In the summer of 2007, proposals were published for machinery of government (MOG) changes including the transfer of funding for post-16 education to local authorities from April 2010. In 2008/09, through funding for York College and post 16 provision in York schools, the sum involved would have been £21.5m.
17. Within the Yorkshire and Humber Region, an Interim Regional Strategic Planning Forum operating at Director of Children's Services level was established (July 2008) to progress the transfer. In line with the requirements of the transfer, the four authorities of York, North Yorkshire, East Riding and Hull submitted proposals to Government Office for Yorkshire and the Humber and DCSF (October 2008) outlining why they should form a sub regional grouping. These proposals have been assessed in a two stage process and the sub regional grouping is now working collaboratively towards the transfer. Within the Local Authority, a transition group with members from School Improvement, Young People's Services, Resource Management and Legal Services has been meeting on a regular basis since March 2009.
18. The sub regional grouping has agreed some key principles for sub regional working and conducting the funding allocations process currently undertaken by the LSC. These are the basis for the memorandum of understanding which underpins the work of the four LAs :
 - A focus on the learner first, not the provider first
 - A commitment to align with local and regional economic and skills needs
 - A commitment to integrate 16-19 commissioning with other strategic priorities for children, families and communities
 - A commitment to a mixed economy of providers in which all sectors are treated equitably
 - A commitment to operate in a transparent and inclusive way locally and sub-regionally
 - A commitment to co-operate well sub-regionally, particularly in meeting agreed timescales for the annual strategic commissioning cycle
 - A commitment to incorporate sub-regional needs and issues into planning at local level

19. Because its functions are transferring to LAs and other agencies from April 2010, the LSC will not exist thereafter. In order to provide the capacity within the LA to carry out the business cycle associated with planning, funding and quality improvement of 16-19 education a number of LSC staff, determined by national formula, will transfer to the LA. The matching process is now complete and of the York allocation of six full time staff at various levels, three full time and 2 part time postholders have been identified. The LA will receive additional financial resource equivalent to the difference between the planned and actual allocation. This can be used to fund posts matching the requirements of the staffing structure required and fill the gaps in expertise left after the matching process.
20. It is important to highlight that the allocation of funding to providers will be governed by a national commissioning framework and national funding formula driven by existing patterns of learner choice and offering little leeway for the LA in the early stages following the transfer. The framework and formula do incorporate enhanced local and sub regional planning which are part of the rationale for the transfer. Reports on progress throughout the annual cycle will be presented to key partnership forums such as the YorOK board, the Learning City York Board and 14-19 Partnership structures. Members will also receive reports on Key Performance Indicators included in the Local Area Agreement and Service Plan monitoring. It is envisaged that there will be three reporting points to the Executive member each year. These would be in the Autumn term (Sub Regional / Local Area Statements of Need), Spring term (Sub Regional Commissioning Plan) and late in the Summer term (annual review of local 14-19 Plan).
21. Reports on the 14-19 reforms have been presented to members on a regular basis, most recently to EMAP (March 2009, November 2008) and Scrutiny Committee (September 2008).

Consultation

22. The 14-19 Partnership has a defined structure of groups covering all areas of activity which enables comprehensive consultation of stakeholders. In addition, through the "Vision York" activity and independent study a large scale consultation over future 14-19 strategy has taken place this year. Consultation of learners through "Learner Voice" activity is building on school council activity, with the Edge Learner Forum carrying out a learner review of new Diploma provision.
23. The post 16 funding transfer is a significant and complex issue. In order to progress it:
 - Officers are working in close consultation with the LSC (York and North Yorkshire Office) and sub regional partner Local Authorities.
 - The Director (supported by the Principal Adviser 14-19) is a member of the Regional Planning Forum which is the primary body consulting on regional issues.

- Through 14-19 Partnership structures all post 16 providers and a wide range of other stakeholders are being kept fully informed, as are the Board of Learning City York (Lifelong Learning Partnership) and the YorOK Board (ultimately accountable for 14-19 Education).
- A wider York stakeholder consultation event was held in February 2009 and a sub regional provider briefing on 10th December 2009.

Options

24. Not applicable to the specific contents of this report.

Analysis

25. Work with Partners over the past year and the report of the independent study have reinforced the priorities previously identified by the LA and LSC for the development of 14-19 and, in particular, 16-19 provision in York. Broadly stated these are:
- Provision for NEETs, including learners with Special Educational Needs (SEN) and LDD
 - Developing more provision at Entry Level, Level 1 and Level 2 to raise participation and improve progression
 - Increasing the breadth of provision, including at Level 3
 - More effective (and impartial) Information, Advice & Guidance
26. As previously stated, this requires a shift in focus towards lower attaining learners who are less well served under current arrangements. Providers are already beginning to respond to these priorities. Examples include:
- New NEET provision at York College supported by Young People's Services.
 - Increasing collaboration between York College and Applefields School to support the progression of learners with higher level needs.
 - The development of provision for lower attainers as part of the new post 16 provision at Archbishop Holgate's.
 - The collaboration of all partners in an enhanced programme of IAG support including the provision of a comprehensive "After Year 11 in York" booklet and a city wide options and opportunities event.
27. There are, however, significant challenges ahead. Following recent declines in the number of Apprenticeships in York and the national priority attached to their development, we need to reinvigorate the Apprenticeship route.
28. The development of a city wide strategy and partnership approach has implications for providers. Schools and colleges are used to a high degree of autonomy and institutional independence in decisions around their development plans. This creates some tensions when their individual aspirations are not consistent with city wide priorities for all learners. In particular, demographic decline and the introduction of a greater range of qualifications have implications for the current pattern of A Level provision. There is clearly a sufficient supply of such provision and its quality is high. However, the amount on offer will have to reduce in the coming years.

Corporate Objectives

29. The 14–19 Strategy is central to success of the Children and Young People's Plan and the Council's strategies around economic development, and in particular to Corporate Priorities 7 (Skills and Knowledge) and 9 (Narrowing the Gap).

Implications

Financial

30. The MOG changes are expected to be achieved within the context of no overall budget growth beyond existing LA and LSC budgets. The only additional funding to support this process has been £15k from GOYH to the sub regional grouping, which was allocated to consultant support for the development of the Stage 2 submission. Other additional capacity during the transition phase has had to be found within existing budgets.
31. In the longer term, growth (ie the introduction of new provision to meet the needs of the raising of the participation age) has to be funded by savings resulting from smaller cohorts (demographic decline). The LA, in its commissioning role, will have to work within this constraint, as will providers when developing strategic plans at institutional level.
32. At the present time, no information regarding capital support for 16–19 education following the funding transfer has been provided. This means that there is currently no scope to plan for coherent development of facilities to support the introduction of provision which addresses identified priorities
33. The actual amount of additional financial resource associated with the gap between staff matched and staff allocated (Para 19) has yet to be confirmed, which is delaying reorganisation and recruitment options.
34. Whilst the provision of additional resource to support the transfer of LSC staff in to the LA has been mooted in various forums, there has been no official confirmation or publication of indicative amounts. Such funding would support, for example, accommodation, IT and telecommunications costs.
35. The LA will assume responsibility for over £22m of additional funding. This will require the development of appropriate audit methodology and provision of additional capacity within LCCS Finance, which would have to be funded from within the additional resource referred to in paragraph 33.

Human Resources (HR)

36. On 1 April 2010, following a period of shadowing, LSC staff will transfer to the local authority. The Transfer of Undertakings (Protection of Employment) Regulations (TUPE) and the Cabinet Office Protocol will apply. For some time the Local authority has been considering and discussing with the staff concerned, how those staff transferring from the LSC can best be integrated into the existing local authority structure.

37. HR advice has centred on preparing a clear understanding within the authority of what York's staffing establishment requirements are likely to be in order to carry out the new functions of commissioning and broader 14-19 activity. A staffing structure is at an advanced state of development and will be brought forward through the usual Directorate channels.
38. There are still a number of issues around conditions of employment, additional benefits, pensions etc that still have to be clarified at national level.

Equalities

39. An enhanced Equalities Impact Assessment of the 14-19 Strategy is being carried out during the Autumn Term 2009.

Legal

40. There are legal implications around the staffing transfer and the issuing of contracts to providers commissioned outside of the national commissioning framework under separate grant funding which has previously been administered by the LSC. Examples are the contract for Young Apprenticeship programmes with York College and the contract for Education Business Links with the North Yorkshire Business Education Partnership (NYBEP). Legal Services has been represented on an internal transition group and consulted on developments.
41. With sub regional partners we are working to clarify issues and arrangements around the sharing of a range data used to inform planning and commissioning.

Information Technology (IT)

42. It is not anticipated that any complex bespoke IT systems will be involved in the transfer, given that provision of data and management information will be the responsibility of the Young People's Learning Agency (YPLA). The IT Client Services manager within LCCS has been briefed on the requirements for transferring staff.
43. Five new user accounts will need to be set up on the CYC system. There will be a licence cost involved with this set up of around £100 per user.

Risk Management

14-19 Plan

44. As noted above, DCSF emphasises the role of the LA as Lead Strategic Partner in 14-19 developments. It also highlights the involvement of stakeholders through a 14-19 Partnership. In common with many such partnerships, Learning City York has no legal status and relies on City of York Council for support in a range of key areas such as HR and procurement. The 14-19 Plan highlights the need to strengthen the partnership and place it on a sustainable footing.

45. Additionally, the development of the new curriculum pathways and entitlements will require the displacement of existing provision. Within all mainstream providers there are, necessarily, implications for staffing structures and budgets.
46. The development of new provision is central to efforts to raise participation and achievement, improve progression, reduce NEETs and support economic development in York. Nonetheless it remains vulnerable in the early stages to unpredictable national press publicity and political influences.

Transfer of 16-19 Funding

47. Key LA staff are devoting significant time and energy to progressing the changes and managing the transition.
48. The staffing transfer has progressed well and Officers are confident that the staff matched to the LA will prove be valuable additions to our staff. However, there remain a number of significant unresolved issues around HR aspects of the transfer and associated financial resources.

Recommendations

49. The Executive is asked to note the good progress made on delivering the 14-19 Curriculum Reforms and the high regard in which the work of the York Partnership is held. It is also asked to endorse the strategic approach to continuing developments set out in the 14-19 Plan.
50. Further, Executive is asked to note the good progress made within the LA and with Sub Regional Partners on the 16-19 Funding Transfer and the opportunities and challenges it presents. It is also asked to endorse the LAs approach to the changes at sub regional and regional levels.
51. Finally, Executive is asked to agree that the Council, as the largest employer in the area, build on existing development work and play a leading role in developing an enlarged apprenticeship programme for young people in the city. In addition to the creation of new apprenticeship places across the council at a time when employment opportunities are restricted by the economic recession, this would also include encouraging partner organisations offer places themselves.

Reason: to ensure that progress towards the 2013 learner entitlements and the development of provision necessary to deliver RPA in York can be maintained, that the LA is in position to assume new statutory responsibilities associated with the post 16 funding transfer, and that the key apprenticeship pathway is made more widely available for young people in the city.

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

All ✓

For further information please contact the author of the report

Background Papers:

Achieving Excellence: York's 14-19 Plan 2009-15

Annexes

Annex 1: 14-19 Reforms: Diplomas

14-19 Reforms: Diplomas


Phase	Diploma	Introduction in York
1	Engineering	2008
1	Society, Health & Development	2008
1	Construction and Built Environment	2010
1	Creative & Media	2009
1	Information Technology	2009
2	Business, Admin & Finance	2009
2	Environment & Land Based	2009
2	Manufacture & Product Design	2009
2	Hair & Beauty	2009
2	Hospitality	2010
3	Sport & Active Leisure	2010
3	Retail	2010
3	Travel & Tourism	2010
3	Public Services	2010
4	Languages & International Communication	2011*
4	Humanities & Social Sciences	2011*
4	Science	2012*

(* Subject to DCSF approval)

The DirectGov website has an extensive and informative section on Diplomas which can be accessed using the following web address:

<http://yp.direct.gov.uk/diplomas/>

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Executive	15 th December 2009
Report of the Corporate Landlord	

Former Lowfields School, Dijon Avenue, Acomb

Summary

1. This report seeks to obtain approval from the Executive to the demolition of the former school buildings at the above site and to fund the work from the resultant capital receipt.

Background

2. On 31st December 2008 York High School vacated the buildings at the Lowfields site on completion of the new York High School at Cornlands Road.
3. Following vacation the buildings were secured, services disconnected and security patrols put in place.
4. It had been originally intended that the site would be marketed for disposal as soon as the High School moved. However, with the economic downturn the best capital receipt would not have been achieved and therefore, the property remains in the ownership of the Council.
5. A development brief is currently being prepared by the City Development Team, which will be completed by April 2010, with a view to possibly marketing the property later in 2010/early 2011, to be sold in the 2010/11 financial year This will depend on market conditions at the time. The cost of demolition will potentially be recouped by way of increased capital receipt to reflect the fact that the property is a cleared site, and will also speed up the sale process.
6. Inevitably the buildings have become a target for vandalism and the buildings have been broken into on several occasions. This has including arson on two occasions, with resultant costs and inconvenience to the fire service and local residents, despite the security measures in place.

7. Clearly the only way to stop the problems associated with the site is to demolish the buildings, which are not suitable for any form of re-use.
8. Work has been going on now for several months to carry out all the necessary surveys and health and safety assessments prior to obtaining formal quotations for the demolition work. The tenders have now been obtained. This is set out later in the report.
9. Should the Executive approve the recommendations, work will start on site in January 2010 and the work is expected to take 12 weeks to complete.

Consultation

10. This report has been prepared in consultation with the Corporate Asset Management Group.

Options

11. Approve or reject the recommendations.

Analysis

12. Approve the recommendations

Advantages:

- a. The buildings can be demolished leaving a cleared site, which is no longer a target for vandalism. The demolition work will result in an increased capital receipt being received.
- b. Vastly reduced costs of security and maintenance, which will result in a saving that can be transferred to support the surplus property budget.
- c. A more attractive site for developers on disposal.

Disadvantages:

- a. The cost of the demolition work will ultimately be funded from the increased capital receipt received from the sale of the cleared site. However, any financing costs incurred as a result of the timing differences between the costs of the demolition and the capital receipt being received will be funded from property services revenue budgets.
- b. If the site is not sold then the demolition costs will need to be written off to revenue and funded from property services revenue budget.

13. Reject the recommendations

Advantages

- a. No need for prudential borrowing.

- b. No requirement for the surplus property budget to fund the demolition costs if the site is not sold.

Disadvantages

- a. The buildings continue to be a target for vandalism and arson.
- b. Ongoing costs of security and maintenance to be picked up by the surplus property fund.
- c. Continuing inconvenience and disturbance to local residents, the fire service and police.

Corporate Priorities

- 14. The successful delivery of this scheme will help to achieve a number of the themes of the Corporate Strategy 2009/10 including:
 - (a) Sustainable City – improve the local environment
 - (b) Safer City – reduced vandalism and anti-social behaviour

Implications

- 15.
 - (a) **Financial** - the cost of demolition will be £250,000. This cost will be funded from the sale of the site and the resultant capital receipt. Any financing costs incurred as a result of the timing differences between the costs of the demolition and the capital receipt being received will be funded from property services revenue budget.
 - (b) If the site is not sold then the demolition costs incurred will be written off to revenue and the £250k will be charged to property services revenue budget.
 - (c) **Human Resources (HR)** – there are no HR implications
 - (d) **Equalities** – there are no equalities implications
 - (e) **Legal** – there are no legal implications
 - (f) **Crime and Disorder** - reduction in criminal activity and anti-social behaviour from the removal of the buildings, which are a target for vandalism and arson
 - (g) **Information Technology (IT)** - there are no IT implications
 - (h) **Property** - the implications are set out in this report
 - (i) **Other** - there are no other known implications

Risk Management

16. There are no known risks associated with the recommendations.

Recommendations

17. Members are asked to:
Approve the demolition of the buildings at the former Lowfields School site, and the funding of the work from the sale of the resultant capital receipt.
18. Approve the use of the property services revenue budget as required
- a. to fund the finance costs incurred as a result of the timing differences between the demolition costs incurred and the sale of the capital receipt or
 - b. to fund the demolition costs from the surplus property fund budget if the site is not sold.
19. Reason: to eliminate a target for vandalism, arson and anti-social behaviour. This will result in savings on security and maintenance costs, a reduction in nuisance to local neighbours, and a reduction in the drain on police and fire service resources.

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	Report Approved		Date	
	Report Approved	<i>tick</i>	Date	<i>Insert Date</i>
Specialist Implications Officer Financial Louise Branford-White Technical Finance Manager 551187				
Ward Affected: Westfield			All	<i>tick</i>
For further information please contact the author of the report				

Background Papers:

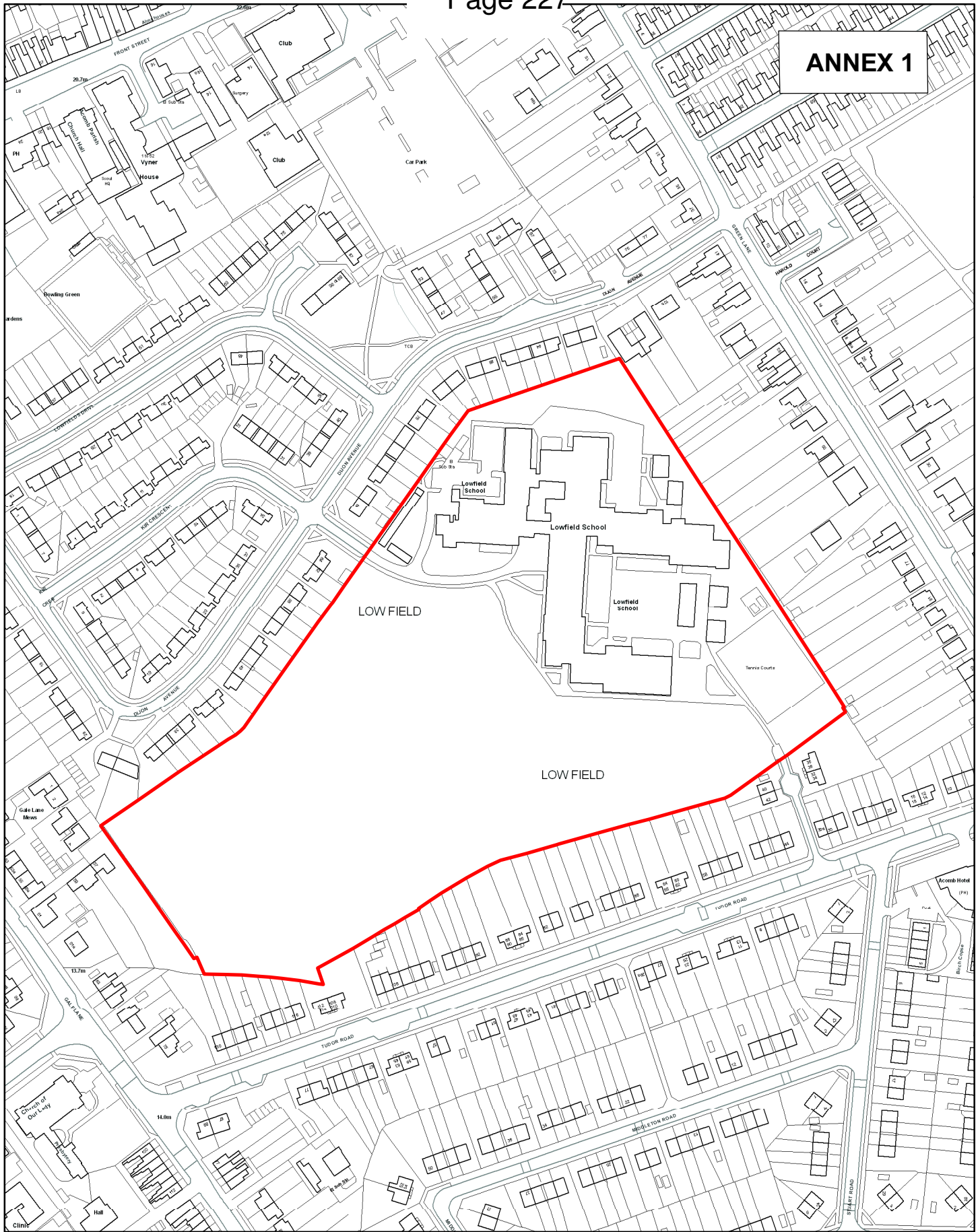
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Annexes

Annex 1 – Site plan

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ANNEX 1



Resources
Property Services

Former Lowfields School Site, Dijon Avenue, Acomb



SCALE 1:2,500

DRAWN BY: GR

DATE: 17/11/2009

Originating Group:

Property Services

Drawing No.

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