

**Report of the Chief Operating Officer
Portfolio of the Executive Member for Finance and Performance**

Finance and Performance Outturn 2020-21

Summary

- 1 This report provides a year end analysis of the overall finance and performance position. This is the final report of the financial year and assesses performance against budgets, including progress in delivering the Council’s savings programme. The financial analysis presented to Executive on 24th June 2021 is included at Annex 1. Any additional information, if required, will be provided to the relevant Scrutiny Committees.

Recommendations

- 2 The Committee is asked to:
 - 1) Note the report

Reason: to ensure significant financial issues can be appropriately dealt with.

Financial Summary

- 3 The council’s net General Fund budget for 2020/21 was £127m and the provisional outturn position is a net overspend of £1.2m funded from the use of contingency, earmarked reserves and the general reserve.
- 4 An overview of the outturn, on a directorate by directorate basis, is outlined in Table 1 below and the key variances are summarised in the paragraphs that follow.

2019/20 outturn		2020/21 budget	2020/21 Monitor 3	2020/21 Draft Outturn
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£'000		£'000	£'000	£'000
+1,560	Children, Education & Communities	24,664	+3,569	+3,801
-351	Economy & Place	18,932	0	-114
-672	Customer & Corporate Services	20,539	0	-397
+3,612	Health, Housing & Adult Social Care	49,755	+2,685	-1,218
-2,355	Central budgets	13,334	-900	-744
+1,794	Sub Total	127,224	+5,354	1,328
-500	Contingency		-128	-364
-1,422	Use of earmarked reserves		-1,500	-463
0	Use of General Reserve		0	-501
-128	Total	127,244	3,726	0

Table 1: Finance overview

Reserves and Contingency

- 5 The February 2020 budget report to Full Council stated that the minimum level for the General Fund reserve should be £6.4m (equating to 5% of the net budget). At the beginning of 2020/21 the reserve stood at £7.4m and, as part of the budget report, approval was given to maintain this level of reserve in 2020/21 thus giving some headroom above the minimum level to take account of the continued risks facing the council, in particular the scale of future reductions on top of those already made. In addition, the budget report outlined significant risks associated with major capital projects, reduction in New Homes Bonus and health budgets. The report also contained a strong recommendation that revenue reserves should be increased over the next couple of years, in recognition of the current risks the council faces.
- 6 However, this was prior to the pandemic and in light of the financial challenges due to COVID this report now proposes the use of £501k from the general reserve. This would still leave the general reserve at £6.9m with £0.5m headroom above the minimum recommended level. A further review of the reserves position will be undertaken as part of the 2022/23 budget planning.
- 7 On the general contingency, Executive was advised within the Monitor 3 report that there remained an unallocated balance of £128k, after

allocating £500k to support the York Financial Assistance Scheme (YFAS) and that it was being assumed this remaining balance may be needed to support some of the general pressures outlined in the Monitor 3 report. This has been necessary and therefore the contingency has been used to fund expenditure in 2020/21. In addition, the budget review reported to Executive in June 2020 identified where funds could be diverted to meet emerging pressures. This process left a balance of £236k available for any future pressures. This sum has also been used to offset the outturn position. A budget of £500k is again available in 2021/22.

- 8 A review of reserves has been completed in line with the CIPFA financial code. This review has identified £0.4m of available reserves as follows:
 - £152k housing general fund reserves
 - £45k community safety
 - £17k asset and property management
 - £248k SALIX carbon management loans
- 9 These reserves have been identified as having no specific future risks or liabilities held against them and therefore this report proposes that these reserves are released so that they can be used to support statutory services relating to Children and Adults, ensuring the Council maintains safe and improving services in these areas.
- 10 It is the view of the s151 officer that these reserves can be released without impacting on the financial sustainability of the council and that this is a prudent approach to managing the current financial pressures being faced.

Financial Analysis

- 11 Previous reports to have outlined the scale of the financial challenge as a result of the COVID-19 pandemic and the level of additional expenditure incurred. There has also been a substantial reduction in income from fees and charges throughout the year, and given the current national restrictions forecasts for the remainder of the year remain well below budgeted levels.

Customer & Corporate Services

- 12 The outturn position is an underspend of £397k.
- 13 The main variations include underspends on staffing due to vacancies in a number of services including business intelligence (£178k), finance & procurement (£59k), carbon reduction team (£124k) and democratic services (£110k). There has also been an underspend in the cost of West

Offices (£287k) and staff training (£130k). These underspends are offset by overspending in Registrars due to reduced income (£128k). A shortfall in income from schools has resulted in an overspend within legal services of £60k and the cost of professional fees within Information Governance has resulted in an overspend of £59k. A further overspend of £55k on External Audit fees is due to the increased charges made by the auditor following work on the accounts objection. A number of other minor variations make up the overall directorate position.

Corporate Budgets

- 14 These budgets include Treasury Management and other corporately held funds. An underspend of £759k has been achieved, predominantly as a result of reviewing capital financing assumptions.

Performance – Open and effective Council

- 15 In spite of the many challenges that the organisation and City has faced over the last year, performance across the wider organisation, not just the Council plan indicators, has continued to remain high and continues to compare favourably when benchmarked against other areas with similar characteristics to York. Whilst Covid and the actions taken to tackle the global pandemic have in places affected performance in the short-term, the general pattern for data and information monitored by the Council is that levels of resident and customer satisfaction, timeliness and responsiveness, as well as various directorate and service based indicators, have remained positive. Within the City, residents are reporting back that the Council are improving green spaces, are giving more assistance in their communities, are using more sustainable modes of transport, and are seeing the city as a safer space, which is all positive progress, and in a number of internal delivery areas where additional focus has been placed by Executive, areas such as levels of staff sickness, and responsiveness to complaints continue to improve.
- 16 The Executive for the Council Plan (2019-23) agreed a core set of strategic indicators to help monitor the council priorities and these provide the structure for performance updates in this report. The indicators have been grouped around the eight outcome areas included in the Council Plan. Some indicators are not measured on a quarterly basis. The DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly. It is likely that due to impacts of COVID, a number of the Council Plan indicators will see a significant change both in terms of their numbers and their direction of travel in future reporting periods. The majority of the performance measures within the Council Plan have a lag between the data being available, and the current reporting period and

therefore impacts will not be immediately seen, and may occur over several years as new data becomes available.

- 17 Performance items around the Council plan topic “Open and Effective Council” are reported below, as historically other topics in the Council plan are reported to the other various scrutiny setups. See background documents for links to where this data has also been published at Executive.

An open and effective Council						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Forecast Budget Outturn (£000s Overspent / -Underspent) - CYC	£1,794 (excluding contingency) (2019/20)	£1,328 (excluding contingency) (2020/21)	➡	Quarterly	Not available	Q1 2021/22 data available in August 2021
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	11.56 (2019/20)	8.81 (2020/21)	➡	Quarterly	CIPD Public Sector 2020/21 8	Q1 2021/22 data available in July 2021
Customer Services Waiting Times - Phone / Footfall / Webchat	00:00:21 (Phone) (2019/20)	00:00:16 (Phone) (2020/21)	➡	Quarterly	Not available	Q1 2021/22 data available in July 2021
	83.78% (Footfall) (2019/20)	90.60% (Footfall) (2020/21)	⬆ Good	Quarterly	Not available	Q1 2021/22 data available in July 2021
	91.20% (Webchat) (2019/20)	96.20% (Webchat) (2020/21)	➡	Quarterly	Not available	Q1 2021/22 data available in July 2021
Number of days taken to process Housing Benefit new claims and change events (DWP measure)	4.31 (Q1 2020/21)	4.3 (Q2 2020/21)	⬆ Bad	Quarterly	Not available	Q3 2020/21 data available in June 2021
% of complaints responded to within timescales (currently 5 days)	80.79% (Q3 2020/21)	94.00% (Q4 2020/21)	⬆ Good	Quarterly	Not available	Q1 2021/22 data available in July 2021
CYC Apprenticeships	17 (2019/20)	14 (2020/21)	➡	Quarterly	Not available	Q1 2021/22 data available in July 2021
FOI & EIR - % In time - (YTD)	83.60% (2019/20)	82.17% (2020/21)	➡	Quarterly	Not available	Q1 2021/22 data available in July 2021

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly.
All historic data is available via the Open Data Platform

Average Sickness Days per FTE - CYC (Excluding Schools)

- 18 Average Sickness Days per FTE - At the end of March 2021, the average number of sickness days per FTE (rolling 12 months) was 8.8 days compared to 11.6 at the end of March 2020. In September 2019, City of York Council, in response to comparatively high sickness rates and feedback from senior managers about existing sickness processes, introduced a new sickness process in conjunction with a company called Absentia which is known throughout the organisation as Medigold / DayOneAbsence.
- 19 This combined with a number of other factors due to Covid impact and changes to working practice, have meant that sickness levels across the authority have been consistency reducing since the start of 2020, and these reductions have been seen across the vast majority of teams and services. Although no official figures, through discussions with other Local authorities, York's reduction in sickness levels has been greater than other areas are seeing and whilst there is no new "public sector benchmark" for sickness levels, at current trajectory, CYC is likely to

reach the previously stated 8.5 day public sector average figure by around July 2021.

Customer Services Waiting Times (Phone / Footfall / Webchat etc)

20 Our customer centre is the main point of contact for residents and business visitors. During Q4 2020-21, the number of calls received increased to 44,615 (43,698 in Q3 2020-21), with 76.8% of calls answered within 20 seconds. In addition, approximately 1,232 people contacted Customer Service for support due to the impact of COVID-19.

21 During Q4, 2 customers required an appointment with Customer Service at West Offices (prior to the introduction of national restrictions) and a further 74 'dropped by' between 3 and 11 January and received support. This figure includes Probation Services, Registrars and Blue Badge assessments. The majority of people 'dropping in' can access services without having to come to West Offices. In addition to speaking to customers over the phone, the customer service team also responded to 12,876 e-mails (a decrease from 13,968 in the previous quarter). Customers are now opting to access services using alternative means:

- 1,925 customers made payments using the auto payments facility
- 16,079 people used the auto operator
- 63% of street lighting and street cleansing issues were reported by customers on-line
- There were around 2 million pages of the CYC website reviewed
- Web chat is now available for Council Tax customers, with 2,510 customers using the chat service during Q4, 96% of customers waited no more than 20 seconds for their chat to be answered and 87% said they were satisfied with the service.

Number of days to process Benefit claims (currently Housing Benefit)

22 Due to improvements in digital processes, performance in this area remains consistently strong in York, with the average number of days taken to process a new Housing Benefit claim, or a change in circumstance, being just over four days during Q2 2020-21 (the latest available data). York performance is higher than the national average of 6.9 days (Q1 2019-20). Performance has deteriorated since the end of Q4 2019-20 where HB claims took 1.7 days on average to process, but due to the global coronavirus pandemic, changes to ways of working have been implemented which have impacted on timescales. Compared to other Unitary Authorities, York performs in the top quartile and is ranked 2nd best out of 56 Unitary LAs.

% of complaints responded to within timescales

23 In Q4 2020-21, the council received 100 stage 1 complaints and responded to 94% of complaints within five days. This shows a significant and maintained improvement in the timeliness of responses to stage 1

complaints received during the reporting year (an increase from 69% in Q1 2020-21), especially given that there has been resources diverted due to contingency plans for responding to COVID-19. From April 2021, the team are working to new corporate procedures for complaints, concerns, comments and compliments – the 4Cs.

CYC Apprenticeships

- 24 The number of CYC apprenticeships has remained fairly stable over the past few years and the council has continued to actively recruit new apprentices into the organisation and has been more diverse with the types and levels of apprenticeships offered. This has included encouraging higher level apprenticeships and standards.

FOI & EIR - % In time

- 25 In Q4 2020-21, the council received 503 FOIs (Freedom of Information requests) and EIRs (Environmental Information Regulations requests) and 30 SARs (Subject Access to records requests). CYC achieved 83.5% in-time compliance for FOIs and EIRs and 90% for SARs. This shows a significant improvement in the timeliness of SAR responses from Q1 2020-21 which was 63%, and reflects the successful work done with service areas to improve compliance with response timescales.

Annexes

- 26 Annex 1 shows the quarterly financial summaries for each of the Council directorates.
- 27 All performance data (and approximately 1,000 further datasets) within this document is made available in machine-readable format through the Council's open data platform at www.yorkopendata.org under the "performance scorecards" section.

Consultation

- 28 Not applicable.

Options

- 29 Not applicable.

Council Plan

- 30 The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan.

Implications

31 The implications are:

- **Financial** are contained throughout the main body of the report.
- **Human Resources (HR)** There are no HR implications related to the recommendations
- **One Planet Council / Equalities** Whilst there are no specific implications within this report, services undertaken by the council make due consideration of these implications as a matter of course.
- **Legal** There are no legal implications related to the recommendations
- **Crime and Disorder** There are no crime and disorder implications related to the recommendations
- **Information Technology (IT)** There are no IT implications related to the recommendations
- **Property** There are no property implications related to the recommendations
- **Other** There are no other implications related to the recommendations

Risk Management

32 An assessment of risks is completed as part of the annual budget setting exercise. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

Annexes

Annex 1 - Directorate financial summaries as presented to Executive

Background Reports

24th June - Executive – Finance and Performance Monitor -

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12876&Ver=4>

20th May - Executive – Council Plan Action March 2021 - Item 132 Annex 2 -

<https://democracy.york.gov.uk/ieListDocuments.aspx?CId=733&MId=12511&Ver=4>

Contact Details

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Wards Affected: All			✓
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Glossary of Abbreviations used in the report:

CCG	Clinical Commissioning Group
CIPFA	Chartered Institute of Public Finance and Accountancy
CYC	City of York Council
DCMS	Department for Digital, Culture, Media and Sport
YFAS	York Financial Assistance Scheme
YMT	York Museums Trust