



Notice of a public meeting of

**Customer and Corporate Services Scrutiny Management
Committee**

- To:** Councillors Crawshaw (Chair), Fenton (Vice-Chair),
S Barnes, Hunter, Hollyer, Mason, Musson, Pearson,
and Rowley
- Date:** Monday, 5 October 2020
- Time:** 5.30 pm
- Venue:** Remote Meeting

AGENDA

1. Declarations of Interest

At this point, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

2. Minutes (Pages 1 - 4)

To approve and sign the Minutes of the meeting held on 7 September 2020 at 5:30pm.

3. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is **5:00pm 1 October 2020**.

To register to speak please visit www.york.gov.uk/AttendCouncilMeetings to fill out an online registration form. If you have any questions about the registration form or the meeting please contact the Democracy Officer for the meeting whose details can be found at the foot of the agenda.

Webcasting of Remote Public Meetings

Please note that, subject to available resources, this remote public meeting will be webcast including any registered public speakers who have given their permission. The remote public meeting can be viewed live and on demand at www.york.gov.uk/webcasts.

During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

4. Finance Update (Pages 5 - 18)

This report outlines the current financial position of the Council and the known pressures reported to Executive on the 1st October, along with an overview of the outlook for future years.

5. Public Scrutiny Arrangements and Decision Making (Pages 19 - 26)

This report sets the proposed arrangements for Scrutiny Committees between November 2020 - May 2021 and highlights ongoing arrangements for public decision making.

6. Scrutiny Work Planning (Pages 27 - 32)

This report sets out a range of potential business for Customer and Corporate Services Scrutiny Management Committee and its operational Sub-Committees. It also informs the Committee of arrangements discussed with Scrutiny Chairs for managing scrutiny work across all Committees.

7. Urgent Business

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

Democracy Officer:

Name: Robert Flintoft
Telephone: (01904) 555704
E-mail: robert.flintoft@york.gov.uk

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

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 **(01904) 551550**

City Of York Council

Committee Minutes

Meeting	Customer and Corporate Services Scrutiny Management Committee
Date	7 September 2020
Present	Councillors Crawshaw (Chair), Fenton (Vice-Chair), S Barnes, Hunter, Hollyer, Rowley, Musson, Pearson and Mason

26. DECLARATIONS OF INTEREST

Members were asked to declare, at this point in the meeting, any personal interests, not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests they may have in respect of business on the agenda. None were declared.

27. MINUTES

Resolved: That the minutes of the meeting held at 2:00pm on 10 August 2020 be approved as a correct record and be signed by the Chair at a later date.

Further to the minutes, however, where there was an apparent lack of reference to written reports being considered at meetings, he reminded Members of the importance of the statutory function of scrutiny committees and the need for such reports to enable Members to adequately fulfil their role. As a result, he proposed that he and Cllr Fenton (Vice Chair) seek a meeting with the Leader to discuss commitment to scrutiny. This was seconded by Cllr Rowley and following a unanimous vote in favour it was:

Resolved: That the Committee explicitly support Councillors Crawshaw and Fenton as Chair & Vice Chair in seeking a meeting with the Executive Leader, Cllr Aspden, such that they may convey Committee's frustration at the lack of reports in advance of meetings and request that sufficient resources be made available to ensure that the Scrutiny function

is appropriately supported to carry out its statutory role.

28. PUBLIC PARTICIPATION

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

29. KEY MAJOR PROJECTS UPDATE

The Head of Corporate Finance & Commercial Procurement gave an update on the review methodology for the 5 year approved capital programme from 2020/21 – 2024/25 totalling £600.615m, which had been reviewed and split into four categories: major projects, medium/smaller projects, routine maintenance/rolling programmes and projects nearing completion or substantially complete except for retention payments. It was noted that schemes in categories 1 and 2 with a value of over £1m were reviewed.

The evaluation methodology for major projects had been agreed in consultation with Executive Members in line with COVID Emergency decision making powers and each review considered the Strategic Business case, the financial Business Case, delivery and an assessment of future options when deciding whether to continue, pause, review or stop the projects.

Members were asked to consider the review process for Guildhall and York Central and their input was sought on the review of Castle Gateway to feed into Executive decision making at the Executive meeting on 1 October 2020.

Guildhall

The Assistant Director Regeneration & Asset Management outlined the strategic review, financial business case, status review, and progress review of the Guildhall project.

Following her update she was asked and confirmed that: Soft research on the office market had been undertaken with agents for restaurants and commercial contracts for office space. This indicated that a more agile and flexible approach to office space may need to be taken.

The information on the contracts for a third party managing the space were commercially sensitive and would be included in the report to Executive.

Officers were in the process of substantiating the risk associated with the restaurant space. There would be a revised financial protection if there was no interest in the restaurant.

York Central

The Assistant Director Regeneration & Asset Management outlined the strategic review, financial business case, status review, and progress review of the York Central project. During the update on the progress review, discussions took place regarding the for the council review project governance arrangements with the partnership and Members were advised by the Corporate Director Economy and Place that the Terms of Reference would be part of the oversight for the York Central Partnership.

Members discussed the funding arrangements for York Central and the Corporate Director Economy and Place confirmed that £77m had been awarded by government for York Central. Clarification was given on the repayment of costs incurred by the council for the project and it was suggested that oversight of this could be referred to the Audit and Governance Committee.

Members sought and were provided with an update on the housing mix and the Assistant Director Regeneration & Asset Management noted that there was a need for smaller units and that the housing mix had been set within the parameters of the outline planning application.

Castle Gateway

The Head of Regeneration Programmes gave an update on the Castle Gateway project. He provided an overview of the aims of the Masterplan and the aims aligned with COVID-19 priorities. He then outlined the business case review, current status (including project spend to date) and reviews of the individual components for Castle Mills, 17-21 Piccadilly and the Public Realm. In response to questions raised concerning Spark:York, it was confirmed that the basic rent covered the cost of utilities and although there was no profit share from the first year, it was predicted that there would be an increased profit share in the future. Discussion took place regarding car parking occupancy and an update on this was given.

Members were presented with six options on the review of Castle Gateway to feed into Executive decision making at the Executive meeting on 1 October 2020 and an analysis of each of the five options was provided. The five options were:

Option 1: Abandon Project

Option 2: Pause Whole Project

Option 3: Continue As Planned

Option 4: Joint Venture – No Replacement Car Park

Option 5: Build Castle Mills – Pause St George’s Field

Option 6: Pause Castle Mills & St George’s Field; Proceed With Public Realm Design

Members considered the options in detail and Cllr Pearson proposed Option 5. This was seconded by the Chair and following a unanimous vote was carried.

Overall, the Committee welcomed the opportunity to contribute to the pre-decision making processes for Executive decision. The Chair thanked officers for their input.

Resolved: That

- (i) In relation to the Castle Gateway project, the Committee recommend Option 5: Build Castle Mills and pause St George’s Field for the Castle Gateway to Executive for consideration;
- (ii) In relation to the York Central project, the Committee review the Terms of Reference for the partners and terms of the MCLG grant clarity on the repayment of the £5.4m costs and impact on this, as part of the next quarterly update;
- (iii) it be noted that Economy & Place Policy & Scrutiny Committee would be keeping a watching brief on the Guildhall.

Reason: In order to inform the Executive decision regarding the Castle Gateway project.

Councillor J Crawshaw, Chair

[The meeting started at 5.30 pm and finished at 7.38 pm].



Corporate Scrutiny Management Committee 5th October 2020**Report of the Head of Corporate Finance & Commercial Procurement
(interim s151 Officer)****Finance Update****Summary**

- 1 This report outlines the current financial position of the Council and the known pressures reported to Executive on the 1st October, along with an overview of the outlook for future years.
- 2 The COVID-19 pandemic has had a significant impact on the Council's financial position. Additional costs of some £10m will be incurred during the year along with a loss of income from fees and charges of £8m. Government grant of £11m has been awarded to date, with the recently announced Income Compensation Scheme potentially providing another £4m of funding. An ongoing impact in future years is expected due to a range of issues, including the additional costs of PPE needs and the longer term impacts on individual residents leading to an increase in the cost of care. In addition, a potential loss of both Council Tax and Business Rates income is to be expected in future years as some businesses struggle to recover, resulting in an increase in unemployment which in turn may leave some residents unable to pay Council Tax.
- 3 In addition to the direct financial consequences of the pandemic, in terms of additional expenditure and lost income, staff time and effort over recent months has clearly been dedicated to supporting residents and communities. This has resulted in attention being diverted away from more business as usual activity, including the actions needed to deliver savings and manage some of the underlying budget pressures being experienced in social care. We are also seeing an increase in social care costs directly as a result of the pandemic. These are national issues that are not unique to York and the combination of increased costs and delays in achieving savings is having a detrimental impact on the public sector.

- 4 Whilst the work being done to support recovery, particularly in relation to the local economy, has resulted in many visitors and residents returning to the city centre it is clear from news at the time of writing (late September) that we are experiencing a second wave of infections across the country and there remains a risk that more stringent lockdown restrictions could return at any time. This level of uncertainty means that it can be difficult to make an accurate forecast of the financial position over the short and medium term.

Recommendations

- 5 CSMC is asked to note the report.

Reason: to ensure members are kept up to date on current financial issues.

Spending Review

- 6 A 3 year spending review was initially expected to be announced in the autumn, covering the period 2021/22 to 2023/24. Unusually, no spending envelope has been set by the Chancellor in advance because of the “unprecedented uncertainty” caused by COVID-19. He has, however, confirmed that “departmental spending will grow in real terms” across the 3 year period. The process had begun with Government inviting comments on government policy or suggestions for new policy ideas for the Spending Review, with a deadline of the 24th September for any responses.
- 7 There had been speculation that the budget would be delayed as, in a written statement on the 11th September, the Chancellor took the unusual step of asking the Office for Budget Responsibility to prepare fiscal and economic forecasts for mid to late November without at the same time naming a date for the Autumn Budget at which they would usually be published. Therefore it was not particularly surprising when, on the 23rd September, it was announced that the Autumn Budget would not go ahead due to the continued Coronavirus uncertainty.
- 8 In a further statement on the 24th September the Chancellor announced the Jobs Support Scheme which will replace the furlough scheme and ensure employees get up to 77% of their normal salaries for six months. Employees will have to be working for at least a third of their normal hours to qualify for the new scheme, which begins on 1 November. Government

will cover a third of this sum, capped at £697.92 per month, while employers will cover a further third.

- 9 It was also announced that businesses that have borrowed money through the government's loan scheme will be given more time to repay the money and that the VAT cut for hospitality and tourism companies will also be extended until March 2021. The cut from 20% to 5% VAT, which came into force on the 15th July, had been due to expire on 12th January 2021.
- 10 Despite the current uncertainty, a multi-year spending review for local government is still expected before the end of the financial year. Given the recent announcements there is a distinct possibility that the review may cover just one year instead of the planned 3 year period as it is unlikely the national picture will be any clearer before then. It is very clear however that the current uncertainty around the national finances, and by default local authority finances, will continue for some months.
- 11 In the meantime, officers will continue to monitor the situation and develop plans for the 2021/22 budget process.

2020/21 forecast

- 12 The gross financial pressures facing the council are projected at £7.6m but after mitigation and further action it is considered that this can be brought down to a net position of £2.7m.
- 13 As outlined above, the Government has partly recognised the financial impact of the pandemic on local government and has, to date, provided £11m of general grant funding. Some additional support is also being provided for the loss of income from fees and charges. Councils will have to fund the first 5% of any loss and thereafter Government will fund 75% of the loss with the remaining balance to be council funded. It is estimated that this will provide another c£4m of funding. In a best case scenario this would leave a further £3m direct COVID costs unfunded in the current financial year over and above the existing budget pressures. There are also other indirect costs and implications on the achievement of savings as outlined in paragraph 3 that are contributing to the overall position.
- 14 It is also expected that there will be an impact on the collection of both council tax and business rates income. However, it is unlikely that the full impact of this will be known until the furloughing scheme ends. Due to the

way in which the Collection Fund operates, this will not impact until 2021/22 and therefore further consideration of this will be determined as part of the budget strategy as Government has already announced that Councils will be able to spread any deficit over 3 years.

- 15 This report highlights a number of known pressures that need to be carefully managed throughout the year, with mitigation strategies being in place and regularly monitored across all directorates. Through ongoing monitoring and identification of mitigation alongside a review of reserves, the Council will continue to make every effort to reduce this forecast position but it is possible that it will not be reduced to the point that the outturn will be within the approved budget. The Council has £7.4m of general reserves that would need to be called on if this were the case.
- 16 A number of measures are being introduced to ensure that there are additional expenditure controls in place, particularly around vacancy management and the use of temporary staff. In addition, measures are being introduced to reduce any non-essential expenditure.
- 17 The Council's net budget is £127m and forecasts indicate the Council is facing net financial pressures of £2,708k (after mitigation). An overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below. The main variations, including the financial impact of COVID-19, and any mitigating actions that are proposed are summarised in the paragraphs that follow.

2019/20 outturn		2020/21 Gross Forecast Variation	Mitigation	2020/21 Net Forecast Variation
£'000		£'000	£'000	£'000
1,560	Children, Education & Communities	3,506	-1,500	2,006
-351	Economy & Place	0	0	0
-672	Customer & Corporate Services	0	0	0
3,612	Health, Housing & Adult Social Care	5,130	-2,500	2,630
-2,355	Central budgets	-900	0	-900

1,794	Sub Total	7,736	4,000	3,736
-500	Contingency	-128		-128
-1422	Target for review of reserves	0	-900	-900
-128	Total including contingency	7,608	-4,900	2,708

Table 1: Finance overview

Reserves and Contingency

- 18 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.
- 19 Should the mitigation outlined in this report not deliver the required level of savings in the current financial year then this reserve is available to support the year end position. However, in light of the ongoing financial challenges being faced by all councils as a result of the pandemic it is now more important than ever to ensure the Council has sufficient reserves. Therefore, should it be the case that we need to draw down from this general reserve in 2020/21, growth will need to be included in the 2021/22 budget to ensure that reserves can be maintained at an appropriate level.
- 20 In addition to the general reserve of £7.4m there are a range of other earmarked reserves where funds are held for a specific purpose. These reserves are always subject to an annual review but during this year these funds will be reviewed on a quarterly basis and where appropriate to do so will be released to support the in year position. A target of £900k has been set for this review. Whilst this is a prudent approach that will ensure the financial resilience of the Council it is not a substitute for resolving the underlying overspends but instead allows time to develop future savings proposals in a planned way.

21 As in previous years a contingency budget of £500k is in place and at July Executive, it was agreed to transfer the 2019/20 underspend of £128k into contingency, resulting in a balance available of £628k. £500k has been allocated to the York Financial Assistance Scheme (YFAS) to ensure adequate support is in place for residents experiencing financial hardship leaving a balance of £128k available. The expenditure to date has not been as significant as expected and therefore whilst this amount has been allocated it has not yet been spent. However, as the financial impacts of COVID-19 are expected to continue for some time, the situation will be carefully monitored and any changes in this position reported to Executive.

Financial impact of COVID-19

22 Previous reports to Executive have outlined the scale of the financial challenge as a result of the COVID-19 pandemic and the level of additional expenditure incurred. There was also a substantial reduction in income from fees and charges during the first quarter of the year. Whilst the impact of the pandemic is being felt across all Council services the following paragraphs highlight the main issues.

23 The Waste Collection service continued to provide a grey bin and recycling service throughout the lockdown period and the green bin was reintroduced in May 2020 (a month behind original plans). There was a need to employ additional staff across the first quarter of the year as staff were unavailable due to quarantining, shielding and greater numbers were required in order to provide the service within social distancing guidelines. The service also required significantly higher levels of PPE in order to provide the service safely. In order to complete rounds in the first months it also proved necessary to collect more recycling as comingled which has a greater cost to process as well as impacting income levels. As well as the extra cost of providing suitable PPE for our own front line staff, the Council also incurred some costs on the provision of PPE for staff working in private care homes.

24 In addition to the Government grants we have distributed, the council has provided further funding totalling £1.2m to help micro businesses that were not eligible for the national scheme. A micro grants scheme has helped 1,122 local businesses with grants of up to £1,000 to enable them to adapt in light of the COVID-19 lockdown. In addition, the Federation of Small Businesses (FSB) has been funded to provide one year's membership for over 500 of York's micro businesses, enabling them to

access free support and advice, and to benefit from membership of the FSB network.

- 25 The closure of markets, attractions and visitor accommodation has had an impact on the financial position of Make It York as income levels are below those forecast. The Christmas Market, if it still goes ahead, will also be slightly smaller than usual to ensure social distancing is also likely to impact Make It York's financial position. The council is awaiting further information as to how these shortfalls can be contained within Make it York or whether the council will need to provide financial support through loans or more direct financial support.
- 26 Community Hubs were set up at the beginning of lockdown and have transitioned into a new method of working. The cost for 2021/21 is currently estimated to be in the region of £255k.
- 27 The number of people seeking help from adult social care, the number who go on to receive support and the amount of support they receive have all increased as a result of the pandemic. Social care services were also required to respond swiftly and effectively to the pandemic in order to both protect vulnerable citizens and NHS capacity. In effect this mean that staff were reallocated from business as usual work to undertake tasks such as ensuring people could be discharged safely and quickly from hospital, establishing short term intensive community and residential support services for COVID-19 positive people, supplying and delivering PPE, supporting care providers, those in receipt of direct payments and establishing new virtual and mobile ways of supporting citizens whose usual sources of support were interrupted.
- 28 The Council also experienced significant downturns in income as many income streams, particularly car parking, virtually shut down in the first quarter of the year.
- 29 To 31st July there has been a £1.9m shortfall in parking income. April and May saw virtually no income (down over 90%) as the city was in full lockdown. Income started to recover in June where income was 74% below budget and July where income was 40% below budget. Assuming income levels return to 66-75% of previous year's income levels over the remainder of the year this will result in a total shortfall of £3.4m. In addition there is a forecast shortfall on Penalty Charge Notice income of £380k. It should be noted that the increases in parking charges agreed at the budget in February were not implemented, following an urgent decision which has also impacted total income. There have also been a number of parking incentives to support local businesses including free

parking through RingGo app and reductions in Minster Badge charges agreed over the remainder of the year.

- 30 There is a forecast shortfall in income on commercial waste of £576k. During the lockdown a large number of the service's customers were not trading and therefore were not charged. The service is currently working with its customers to determine the level of service and charges going forward through the remainder of the year.
- 31 Whilst planning applications continued into the council in April there has been a reduction in schemes and value of c 50% since that date. It is anticipated that levels will increase as the economy rebounds however an estimate of c66% of budget to the end of the year is currently anticipated
- 32 The first quarter rents were due to be issued in late March 2020 but due to the lockdown announcement of the previous week it was agreed that these invoices would not be sent out. Since that time officers in the Asset and Property Management Team have been working with tenants to agree revised payment plans in order that the council can continue to collect its revenue and the tenants can be supported in difficult trading circumstances. To date these conversations have been very successful and the majority of rents are being paid and still assumed to be collected. There is a risk however that some businesses going forward could continue to struggle and an assessment of the shortfall totalling £0.5m is currently estimated.
- 33 The pandemic has not only resulted in shortfalls in income across those outlined above but also a large number of other income budgets including the Mansion House and registrars (due directly to the lockdown) licencing (where there was a fee holiday), bereavement services (where the charges were reduced) building control (when construction activity was on hold), land charges (when the housing market was on hold), green bin subscriptions (as the service was suspended). There are also shortfalls across public transport fees (Park and Ride) and network management. It is early in the year to have significant confidence in these estimates and they are being closely monitored and updated on a monthly basis.

Children, Education & Communities

- 34 A net overspend of £2m is forecast primarily due to children's social care.
- 35 The placements budgets are predicted to overspend by a total of £2,054k in 2020/21. This includes variances of £672k on Fostering (including Independent Fostering Agencies), £219k on adoption and other

allowances and £943k on Out of City Placements. The fostering projection is based on all local foster carer positions being filled, so where a child reaches 18 or a foster placement ends, then it is assumed that this is filled. The IFA and Out of City Placement projections have taken account of the placements expected to end in 2020/21, with a further reduction expected in 2021/22.

- 36 The number of Looked After Children in York has increased significantly in the past 12 months. The Looked After Children population had been stable for a number of years, in the range 190-210 at any one time however on appointment the new Directorate Management Team identified unsafe drift and delay for some children in the system. This was subsequently identified by Ofsted and corrective action has led to significant recalibration in the system. For example in October 2018 there were only 4 individual children in care proceedings. There are now 56 sets of proceedings on 94 individual children in place. Whilst the recalibration of the system has led to an increase of children in care, children are safer as a result and work now is being done to safely reduce numbers to acceptable levels.
- 37 At the time of this monitor the Children & Young People in Care (CYPIC) number is 282 and within the next 3 years 24.8% of these will leave local authority care. A Reducing Service Costs Board has been established in Specialist Services chaired by the Assistant Director which will review arrangements to reduce CYPIC numbers safely, the effectiveness and impact of the Edge of Care Service, current Family Group Conference activity and progress on foster care recruitment. In addition a Strategic Overview of Permanence Group has been established, chaired by the Assistant Director to monitor the new Permanence Strategy through tight oversight of children with a plan of permanence and ensuring rigorous use of trackers in order to prevent delay and manage demand in the system.
- 38 A Track and Challenge exercise is also being undertaken on all young people in high cost residential placements which will also ensure education and health costs contributions where applicable are met. A Pathway for funding will be set up to include Health and Continuing Care funding. Children in residential are also being reviewed and those who need to be assessed with a view to returning nearer to York or 52 week placements in residential school to reduce to 38 are assessed.
- 39 Safeguarding Interventions are predicted to overspend by approximately £560k, mainly due to increases in the Court and Child Protection Teams

who are dealing with the increase in cases. Legal fees are predicted to overspend by approximately £250k.

- 40 Staffing budgets with Children's Social Work Services are also predicted to overspend by approximately £250k. This is mainly due to temporary staffing across the service, which the directorate has worked hard to eliminate with permanent appointments. In the last 12 months the Directorate has moved from a position of up to 20 posts filled with agency staff, to only 2 at this time, and the expectation that no further agency staff will be appointed. Use of agency staff is at a last resort. This could be for example to back fill maternity leave however managers must evidence that they have attempted to backfill with fixed term contract in advance of any agency staff being agreed..
- 41 Home to School Transport budgets are currently projected to overspend, although, due to the complications and uncertainties created by the requirements for school transport and social distancing from September, it is extremely difficult to estimate the size of the overspend at this stage. Discussions are currently ongoing with schools and bus and taxi companies about potential arrangements and costs. This issue is common to all LAs with Home to School Transport responsibilities, and the Government has recognised this with the announcement of a grant to assist in funding these additional costs. City of York Councils allocation of this grant is £119k. It is not yet clear if further funding will be provided, and, if not, there is likely to be an impact on the budget, although the Directorate is currently working hard to contain additional expenditure to current spend levels plus the grant funding.
- 42 In addition to the effects of Covid-19, the Home to School Transport budget was already in a historic overspend position of approximately £200k. The savings targets for the SEN element of home to school transport have not been achieved because of a growth in the number of pupils/students requiring transport and the specialist requirements of that transport. The main increase in numbers have been at post 16/19 where because of the city now being able to provide more specialist education provision for this group of students more locally, subsequently we have had to provide more transport to the likes of York College, Askham Bryan, Choose 2 and Blueberry Academy. The changes in legislation to allow Education, Health and Care Plans (EHCPs) to ages 19-25, resulting in significantly more students accessing this option, has significantly increased our transport spend accordingly. At this stage an estimate of a £230k overspend has been included in the directorate projection, reflecting the effects of the historic overspend, although this is subject to change as guidelines alter.

- 43 A number of other more minor variations make up the overall directorate position.
- 44 The service is working on a detailed, costed mitigation plan that will include ways to improve controls over expenditure, identify efficiencies across the directorate and benchmarking with other Councils to ensure best value is being achieved across all areas. Work is also underway to manage and understand demand so that early support can be put in place along with improved commissioning to ensure all activity is needs led and evidence based.

Economy & Place

- 45 The Directorate is currently forecasting a small overspend that does not relate to additional costs or lost income relating to COVID-19. At this time in the year it is anticipated that these pressures are managed within the overall directorate budget. This can be achieved through a review of staff charged through to other programmes, review of the waste reserve and challenging service managers over ways to reduce expenditure.

Customer & Corporate Services

- 46 Overall the directorate is expected to outturn within budget. There are a number of minor variations being managed and work will continue to try and identify additional savings to help the overall position.

Health, Housing & Adult Social Care

- 47 A net over spend of £2,630k is forecast for the directorate, mainly due to pressures within Adult Social Care. The majority of the overspend relates to the continuation of existing 2019/20 pressures that have been previously reported.
- 48 Permanent residential care is forecast to overspend by £223k based on current customer numbers. This is mainly due to the average cost of working age Physical & Sensory Impairment placements being around £11k higher than was planned for in the budget. Older People residential care is currently projected to be on budget having overspent in 2019/20 due to a reduction in the number of residential customer care packages over the first quarter of 2020/21. Permanent nursing care is forecast by underspend by £340k based on current customer numbers.
- 49 However, in addition to the above there are a number of customers in residential and nursing placements which are currently being paid for by

Heath under the COVID-19 regulations. The current assumption is that responsibility for these customers will transfer to the Council from 1st October, which is projected to increase the net cost of residential and nursing placements by around £780k by the end of the year.

- 50 Home care is projected to overspend by £581k mainly due to the weekly number of hours for homecare contracts being more than was assumed when the budget was set.
- 51 Physical and Sensory Impairment Supported Living schemes are forecast to overspend by £671k due to there currently being eight more customers in schemes than assumed in the budget, and in addition the net cost is £8k per annum higher than budgeted for. This is offset by a projected underspend of £390k in direct payments.
- 52 Learning disability residential budgets are forecast to overspend by £996k. The numbers placed are in line with budget, however the net cost per placement is currently £16k more than budget. This is partially due to ongoing issues of customers no longer qualifying for 100% continuing health care (CHC) funding and responsibility passing across from Health to ASC. This appears to be an increasing trend which calls for a response from the Council, in terms of validating the decision where appropriate and redesigning the ongoing package of care if the person's needs have changed.
- 53 Supported Living for Learning Disability customers is forecast to overspend by £282k. This partially due to having 5 more customers than in the budget, and also the average amount of CHC funding per customer is £7k less than was assumed when the budget was set.
- 54 Direct Payments for LD customers is forecast to overspend by £446k as the average direct payment per customer is around £4k more than in the budget.
- 55 Mental Health budgets are forecast to overspend by £942k, predominantly due to an increase in the number of residential care placements needed.
- 56 Be Independent is currently projected to overspend by £130k. The financial position of the service has been recovered significantly since being transferred back to the Council, but there is still work to be done in order to balance the budget.
- 57 There is a projected overspend of £509k on Haxby Hall. Transfer of the service to an external provider has been delayed due to COVID-19 and there is a substantial overspend on staffing due to the use of Work with

York and external agency staff to cover staff vacancies pending the transfer going ahead. In addition income is down due to there being a reduced number of customers currently being placed in the home.

- 58 The service is working on a detailed, costed mitigation plan. This will include a continuation of the Home First principle to reduce the numbers of people needing long term residential care, continued implementation of the operating model for social care along with a review of the Better Care Fund commitments and use of health funding where appropriate.
- 59 Mitigation work is being focussed on reducing admissions to care, reducing the hospital length of stay and improving reablement potential. Further work is ongoing to improve business processes and upskilling frontline teams in strengths based conversations along with improving the efficiency of placements in Independent Living Schemes, improved access to information and advice, and maximising the uptake of community capacity to tackle isolation and improve resilience.

Housing Revenue Account

- 60 The Housing Revenue Account budget for 2020/21 is a net cost of £286k. Overall, the account continues to be financially strong and is forecasting a small overspend of £33k. The main variance is a forecast shortfall in rental income of £383k. This is caused by the delay in opening Lincoln Court due to the pandemic, a reduction in temporary accommodation income due to social distancing measures and an increase in void properties due to the lack of moves during the pandemic and the slower turnaround of properties again due to works being completed in line with social distancing measures. This is offset by a forecast underspend of £125k relating to a number of vacant posts, including the Assistant Director post and expected additional income from interest of £200k as a result of holding balances pending the large scale investment in to new council house building.
- 61 The HRA is facing many pressures in light of the pandemic and recovery plan. As reported in the Finance Outturn report at Executive on 23rd July 2020, the carry forward underspend from 2019/20 of £589k was set aside to fund these pressures.
- 62 In addition the 2020/21 rent increase for full rent payers, those who did not receive an increase in benefits to cover the cost, was adjusted for quarter 1 at a cost of £90k and a financial hardship fund has been proposed to assist tenants with their rent payments at an expected cost of £80k. Along with cost of PPE the COVID-19 pressures total £319k.

- 63 Executive agreed for the above to be funded from the 2019/20 underspend along with £47k void costs relating to COVID-19 and £59k for the additional running costs of the hostels due to social distancing measures, a total of £425k.
- 64 The working balance as at 31 March 2019 was £26.4m and this compares to the balance forecast within the latest business plan of £24m.
- 65 The working balance is increasing in order to start repaying the £121.5m debt that the HRA incurred as part of self-financing in 2012. The current business plan assumes that reserves are set aside to enable the debt to be repaid over the period 2023/24 to 2042/43.

Corporate Budgets

- 66 These budgets include Treasury Management and other corporately held funds. It is anticipated that overall a £900k underspend will be achieved, predominantly as a result of reviewing capital financing assumptions.

Risk Management

- 67 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.

Contact Details

Authors:	Chief Officer Responsible for the report:		
Debbie Mitchell Head of Corporate Finance & Commercial Procurement (interim s151 officer) Contact: debbie.mitchell@york.gov.uk	Ian Floyd Interim Head of Paid Service		
	Report Approved	✓	Date 24.09.20
Wards Affected: All			✓
For further information please contact the author of the report			



**Corporate and Scrutiny Management & Policy
Committee****5 October 2020**

Report of the Director of Governance

Public Scrutiny Arrangements and Decision Making**Summary**

1. This report sets the proposed arrangements for Scrutiny Committees between November 2020 and May 2021 following a period of reduced public meetings during the coronavirus pandemic and highlights ongoing arrangements for public decision making.

Background

2. Following the coronavirus outbreak, public decision making arrangements were reintroduced from May 2020 and have been operating with full Executive, quasi-judicial (Planning, Licensing) meetings and Executive Member Decision Sessions since May 2020. The next calendar cycle of meetings from November 2020 to May 2021 will include a full schedule of those decision making meetings, together with fully re-instated Executive Member Decision Sessions. However, the full suite of Scrutiny Committees had ceased to meet in public due to restrictions in meeting regulations and available support for those meetings, since March 2020.
3. Since July 2020, the Customer and Corporate Services Scrutiny Management Committee has been meeting remotely in public.
4. Government Statutory Scrutiny Guidance (2019) promotes the four core principles for effective scrutiny originally proposed by The Centre for Public Scrutiny and it is essential that Scrutiny returns to public meetings to ensure that the below principles are supported:
 - a. Provide constructive 'critical friend' challenge;
 - b. Amplify the voices and concerns of the public;

- c. Be led by independent people who take responsibility for their role;
- d. Drive improvement in public services.

Consultation

- 5. The Chair and Vice Chair of this Committee have been closely consulted on the timetabling arrangements for public scrutiny moving forward to May 2021.

Options

- 6. Members can accept the timetable as set out in Annex A and arrangements set out in paragraphs 7-11 or suggest alternatives to the proposal.

Proposed Arrangements for November 2020 to May 2021

- 7. As the statutory scrutiny committee, CSMC will continue as a monthly, public meeting (1730 only).
- 8. Each Committee within the existing structure will meet in public on a staggered, quarterly basis. These quarterly meetings will principally be focused on the 'overview' function, eg receiving performance & monitor type reports and identifying areas for further work.
- 9. Informal meetings will continue but will be re-designated as Forums rather than Committees and will take place quarterly between public Committee meetings.
- 10. There will be two additional slots every month for potential public Scrutiny meetings. One will be dedicated for a 'commissioned' policy development / pre-decision scrutiny and the second will be used for CSMC Call-ins or a second 'commissioned' meeting. Call-in will continue to function in the usual way. The additional public Scrutiny meetings will be commissioned through CSMC following discussion with Executive Members, Corporate Management Team (CMT) and Scrutiny Chairs.
- 11. Scrutiny Chairs' Forum will meet bi-monthly to discuss work-plans.

Analysis

- 12. It is envisaged that the Quarterly Public meetings will be where Members can perform the 'overview' and 'challenge' elements of Scrutiny but also

where areas for further work and monitoring are identified. It is hoped that the Forums will be a place in which the CMT and Executive Members can speak more freely about their plans longer term and identify potential areas for policy development and pre-decision Scrutiny. Forums will discuss and manage their Quarterly Committee's work plans and make recommendations for policy development and pre-decision input to CSMC.

13. Scrutiny Chairs, in liaison with CMT and Executive will identify the most appropriate timescales to recommend pre-decision and policy development meetings on particular topics and CSMC will then 'commission' a Scrutiny Committee to undertake a discreet piece of work which will either come back to CSMC or make a recommendation to a meeting of the Executive or Executive Member Decision Session.
14. Executive Members, CMT and appropriate Officers will attend Forums and Committee meetings as required.
15. Reports will be published in advance of meetings wherever possible. Where this is not possible (eg due to short notice) this will be with the agreement of the Chair / Vice Chair.
16. Reports and Information will be provided to Members in advance of Forum meetings wherever possible but this cannot be guaranteed.

Council Plan

17. Scrutiny Committees can potentially discuss all priorities within the Council's Plan covering the period 2019-23, as it seeks to provide critical challenge and drive improvement in the Council's services and policies.

Implications

18. There are no direct implications associated with this report or its recommendations across any of the following areas:
 - **Financial**
 - **Human Resources (HR)**
 - **Equalities**
 - **Legal**
 - **Crime and Disorder**

- **Information Technology (ICT and digital services)**
- **Property**

Any associated implications will be addressed in any subsequent undertaken by Scrutiny Committees.

Risk Management

19. There is a potential reputational risk to the council in not delivering public meetings of scrutiny and it fails to adhere to the core principles as set out by the Centre for Public Scrutiny. This proposal re-introduces public meetings to mitigate this risk.

Recommendations

Members are asked to consider this information provided and endorse the re-introduction of Scrutiny, as outlined, to our schedule of public meetings.

Reason: To ensure a timely and effective re-introduction of public Scrutiny.

Contact Details

Author:

Dawn Steel
Head of Civic, Democratic &
Scrutiny Services
dawn.steel@york.gov.uk

Chief Officer Responsible for the report:

Janie Berry
Director of Governance
Janie.berry@york.gov.uk

Report Approved **Date** 24/09/20

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the author of the report

Annexes:

Annex A - Proposed Scrutiny Meeting Schedule (Nov 20 to May 21)

Abbreviations

All abbreviations used throughout the report should be listed here in full e.g.

CSMC - Corporate & Scrutiny Management Committee.

CMT – Corporate Management Team

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Proposed Scrutiny Meeting Schedule (November 2020 to May 2021)

November

- 2 November 2020 – Provisional CSMC Call In (Public) 1730
- 3 November 2020 - Housing Scrutiny Forum (Informal) 1730
- 9 November 2020 - CSMC (Public) 1730
- 10 November 2020 – Health and Adult Social Care Scrutiny (Public) 1730
- 11 November 2020 – Children’s Scrutiny Forum (Informal) 1730
- 17 November 2020 – Scrutiny Chairs (Informal)
- 23 November 2020 – Provisional Commissioned Scrutiny Slot (Public)
- 24 November 2020 – Economy and Place Scrutiny (Public) 1730

December

- 1 December 2020 – Provisional CSMC Call In (Public) 1730
- 7 December 2020 - CSMC (Public) 1730
- 8 December 2020 – Climate Change Scrutiny (Public) 1730
- 18 December 2020 - Provisional Commissioned Scrutiny Slot (Public) 1730
- 21 December 2020 - Provisional CSMC Call In (Public) 1730
- 22 December 2020 – Housing and Community Safety Scrutiny (Public) 1730
- 23 December 2020 - E&P Scrutiny Forum (Informal) 1730

January

- 4 January 2021 - CSMC (Public) 1730
- 5 January 2021 - CEC Scrutiny (Public) 1730
- 12 January 2021 – HASC Scrutiny Forum (Informal) 1730
- 18 January 2021 - Provisional Commissioned Scrutiny Slot (Public) 1730
- 19 January 2021 - Scrutiny Chairs (Informal) 1730
- 25 January 2021 - Provisional CSMC Call In (Public) 1730

February

- 1 February 2021 - Provisional Commissioned Scrutiny Slot (Public) 1730
- 2 February 2021 – Climate Change Scrutiny Forum (Informal) 1730
- 8 February 2021 - CSMC (Public) 1730
- 9 February 2021 – HASC Scrutiny (Public) 1730
- 16 February 2021 – Housing Scrutiny Forum (Informal) 1730
- 19 February 2021 - Provisional CSMC Call In (Public) 1730
- 23 February 2021 – E&P Scrutiny (Public) 1730

March

- 2 March 2021 – CEC Scrutiny Forum (Informal) 1730

8 March 2021 – CSMC (Public) 1730
9 March 2021 – Climate Change Scrutiny (Public) 1730
16 March 2021 – Scrutiny Chairs (Informal) 1730
22 March 2021 - Provisional Commissioned Scrutiny Slot (Public) 1730
23 March 2021 – Housing and Community Safety Scrutiny (Public) 1730
29 March 2021 - Provisional CSMC Call In (Public) 1730
30 March 2021 – E&P Scrutiny Forum (Informal) 1730

April

6 April 2021 – CEC Scrutiny (Public) 1730
12 April 2021 - CSMC (Public) 1730
13 April 2021 – HASC Scrutiny Forum (Informal) 1730
20 April 2021 – Climate Scrutiny Forum (Informal) 1730
27 April 2021 - Provisional Commissioned Scrutiny Slot (Public) 1730
29 April 2021 - Provisional CSMC Call In (Public) 1730

May

4 May 2021 – Housing Scrutiny Forum (Informal) 1730
5 May 2021 – Children’s Scrutiny Forum (Informal) 1730
10 May 2021 - CSMC (Public) 1730
11 May 2021 – HASC Scrutiny (Public) 1730
12 May 2021 - Provisional Commissioned Scrutiny Slot (Public) 1730
18 May 2021 - Scrutiny Chairs (Informal) 1730
24 May 2021 - Provisional CSMC Call In (Public) 1730
25 May 2021 – E&P Scrutiny (Public)



**Corporate and Scrutiny Management & Policy
Committee****5 October 2020**

Report of the Director of Governance

Scrutiny Work Planning**Summary**

1. This report sets out a range of potential business for this Committee and its operational Sub-Committees to consider moving forward further to the new arrangements for scrutiny identified elsewhere on this agenda. It also informs the Committee of arrangements discussed with Scrutiny Chairs for managing scrutiny work across all Committees during this time.

Background

2. During the Covid 19 pandemic, this Committee has been meeting in public on a monthly basis and learning of the areas in which its Committees have been expressing interest/concern. Attached at Annex 1 is a list of those areas for consideration across all Committees. The list is not intended to be exhaustive but to form the basis of an evolving work plan. Equally, closer definition may need to be given on any agreed work areas to ensure focus is given to precisely what is required and in need of attention.
3. Scrutiny Committee Chairs are planning to meet, informally, to discuss key business and work planning to ensure that business can be managed and supported effectively across all 'Committees', within available resources and according to this Committee's priorities.

Consultation

4. The Chair and Vice Chair of this Committee have been closely consulted on the timetabling arrangements for public scrutiny moving forward to May 2021 and during the pandemic. They have liaised with Scrutiny Chairs on timetabling and on wider work planning arrangements.

Options

5. Members can consider Annex 1 and decide upon options for future work planning arrangements.

Analysis

6. It is crucial during this time that public scrutiny is introduced more widely across the spectrum but that available resources to support its successful re-introduction are managed effectively and are directed according to where there is most need or added value. A clear and simple way of doing this is through a controlled work programme, managed and allocated by this Committee but developed in consultation with all Scrutiny Chairs, having gathered input from their 'Committees'. Annex 1 is a starting point for discussion with this Committee.
7. In choosing what work it wants to do, Scrutiny needs to be mindful of what outcomes it wants to achieve. Working collaboratively with Executive Members and Chief Officers in establishing key work strands is more likely to deliver key support and outcomes.
8. It is suggested that a single work plan covering all Scrutiny 'Committees' be created and managed by Democratic Services in conjunction with the Chair and Vice Chair of this Committee, based on wider discussion with Scrutiny Chairs/Executive Members/Chief Officers, as necessary, and for regular monitoring by this Committee.

Council Plan

9. A Scrutiny Work Plan can potentially touch upon all priorities within the Council's Plan covering the period 2019-23, as it seeks to provide critical challenge and drive improvement in the Council's services and policies.

Implications

10. There are no direct implications associated with this report or its recommendations across any of the following areas:
 - **Financial**
 - **Human Resources (HR)**
 - **Equalities**
 - **Legal**

- **Crime and Disorder**
- **Information Technology (ICT and digital services)**
- **Property**

Any associated implications will be addressed in any subsequent undertaken by Scrutiny Committees.

Risk Management

11. The consideration in this report is to re-establish scrutiny work planning as more 'Committees' begin to meet publicly again and to have that process effectively managed through this Committee and its Chair and Vice Chair, in liaison with other Scrutiny Chairs. This should eliminate any potential risk of scrutiny work being mis-managed and failing to deliver on its outcomes. Clearly, this risks of non-delivery would be greater if there were no work plan and coordination arrangements.

Recommendations

12. Members are asked to consider Annex 1 and the proposals in this report for establishing one corporate scrutiny work plan managed by this Committee but developed in collaboration as set out in paragraphs 6-8 above.

Reason: To establish clear, effective and manageable scrutiny work planning.

Contact Details

Author:

Dawn Steel
Head of Civic, Democratic &
Scrutiny Services
dawn.steel@york.gov.uk

Chief Officer Responsible for the report:

Janie Berry
Director of Governance
Janie.berry@york.gov.uk

Report Approved Date 24/09/20

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the author of the report

Background Papers:

None

Annexes

Annex 1 – draft work plan

Abbreviations

None

Potential Topics for Scrutiny

Children's & Communities:

- Impact of increased referrals, including sufficiency within CYC / partner organisations / voluntary sector to meet demand
- Further exploration of new ways of working including roll out of best practice
- Wider reopening of schools including lessons learnt before September, possible approaches to blended learning and Covid-recovery curriculum
- Support for vulnerable pupils, including Free School Meals, Internet/IT access, "attainment gap"
- Support for the cultural sector including grassroots venues.
- Supporting the Voluntary Sector (both in terms of lost income and utilisation of volunteers – see CVS comments)
- Support for the heritage & cultural sectors including grassroots venues
-

Housing:

- Accommodating Rough Sleepers post lockdown
- Deferred rent / impact of lower rental income
- Managing ASB within tenancies

CYC / Democracy (Corporate):

- Involving more Members in longer-term decision-making, eg "10 year strategy"
- Organisational Development Plan (monitoring and evolving)
- Sickness Absence / Contract Management (Day One Absence)

Economy & Place:

- "Reskilling the workforce" including working with partners such as the universities
- Ongoing Economic Recovery Strategy
- Implementation and monitoring of One Year Transport & Place strategy, including Blue Badge Accessibility concerns.
- Castle Gateway & York Central strategy/impacts

Health:

- Non-Covid related health issues (ie people avoiding hospitals / GPs)
- GP Capacity to cope with post-lockdown potential surge in non-Covid health issues
- Hospital transfers to care-homes and Covid management within Care Homes
- Mental Health & Well-being post Covid (both for Young People & Adults)