

**Report of the Director of Customer & Business Support Services**

**2015/16 Finance and Performance Monitor 2**

**Purpose of the Report**

- 1 To present details of the Council's finance and performance position for the period covering 1 April to 30 September 2015, together with an overview of any emerging issues. This is the second report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.

**Recommendations**

- 2 Executive is asked to note the current finance and performance information  
Reason: to ensure expenditure is kept within the approved budget

**Summary**

- 3 The forecast financial pressures facing the council are projected at £1,250k. This is an improvement of £654k from the £1,904k reported at Monitor 1 and previous years where the monitor 2 forecast was £1,309k at this time last year and £3,364k in 2013/14.

**Analysis**

- 4 All aspects of the public sector are continuing to face challenging times in the light of the Government's commitment to reduce the national deficit as first outlined in the Comprehensive Spending Review (CSR) published in October 2010. As a result, in recent years the Council has had to deal with very large reductions in funding, combined with a range of significant pressures.
- 5 The Council's net budget is £119,760k. Following on from previous years, the challenge of delivering savings continues with £12m to be achieved in order to reach a balanced budget. Early forecasts indicate the Council is facing financial pressures of £1,250k and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below. There is the potential that additional pressures of £3m could materialise in Adult Social Care due to funding issues within the Vale of York Clinical

Commissioning Group. Further details are provided in paragraphs 24 and 25 of this report.

2014/15 outturn		2015/16 Monitor 1	2015/16 Monitor 2
£'000		£'000	£'000
+196	Children's Services, Education & Skills	+1,113	+1,030
+957	City & Environmental Services	+610	+597
+98	Communities & Neighbourhoods	+257	+327
-219	Customer & Business Support Services	nil	nil
+193	Adult Social Care	-177	+133
+108	Public Health	-59	-127
+8	Office of the Chief Executive	+160	+160
-2,029	Central budgets	nil	-870
-688	Total	+1,904	+1,250

Table 1: Finance overview

- 6 The following sections provide more details of the main variations and any mitigating actions that are proposed.

### **Children's Services, Education & Skills**

- 7 Despite a reduction in the number of Children Looked After and a reduction in expenditure of almost £1m since 2012/13, the underlying budget pressure from previous years results in a net projected overspend within children's social care resources budgets. This includes forecast pressures on Out of City, Independent Foster Agency placements and contract placements (£551k, £580k and £144k respectively).
- 8 Within Children's Safeguarding additional staffing costs of £119k are being incurred. This is due to an extra staff being employed in excess of the numbers provided for within the budget to cope with the increased demand. In addition, a number of vacant posts are being covered by more expensive agency staff also creating a budget pressure. Forecast pressures, due to increased complexity of cases, of £79k on The Glen, £189k on Adoption, Residence and Guardianship order and £96k on transport are partly offset by under spends on Inter Agency Adoption Fees (£79k), children's trust staffing (£54k) and legal fees (£41k).

- 9 It is considered that the current expenditure levels in this area are now at the appropriate level to ensure proper safeguarding arrangements and adequate provision. The number of Children Looked After is unlikely to reduce in the foreseeable future, and York's unit cost is already the lowest of all 150 Local Authorities nationally. Although opportunities to reduce costs further will continue to be explored any further savings in this area are likely to be limited. Therefore, options elsewhere within the directorate will need to be considered to produce a balanced budget for 2015/16.
- 10 A number of posts being kept vacant within early years learning & welfare and connexions services result in a forecast under spend of £345k. A range of smaller variations make up the overall directorate position.

### **City & Environmental Services**

- 11 Car parking income to the 30th September 2015 was £91k (3.17%) below forecast. This is offset by increased income from ResPark and season tickets. The year end forecast for the parking account is £130k. The largest year on year % reduction is from Marygate car park (15%) where Pay on Exit Trial is being trialled. This has been partly due to technical issues impacting income levels. Actual income will continue to be monitored closely.
- 12 There is a forecast overspend of £153k due to the forecast shortfall in dividend from Yorwaste due to the company facing difficult trading conditions, £185k due to unachieved income targets from charges at the Household Waste Recycling Centre and a shortfall in income from green waste subscriptions (£59k). In addition there are forecast savings in waste disposal from lower tonnages (£116k) and additional income from landfill gas (£105k).
- 13 There is a shortfall of £100k unachieved ANPR income due to the non-enforcement of Coppergate and £42k additional costs across CCTV mainly due to the use of temporary staffing. A range of other minor under spends and proposed mitigations make up the total directorate position.

### **Communities & Neighbourhoods**

- 14 There is a forecast overspend arising from the cost of retaining the former Waterworld facility prior to demolition (£167k), mainly due to business rates, utilities and security costs. There is also a forecast overspend of £83k in Adult Learning arising from the loss of contacts and subsequent redundancy costs. All contracts across the service are being reviewed to

ensure costs are recovered. A range of other minor under spends and proposed mitigations make up the total directorate position.

## **Customer & Business Support Services**

- 15 A range of budget variations is currently forecast however, mitigation plans are in place to ensure the directorate outturns within the approved budget. Work will continue to try and identify additional savings to help the overall position.

## **Adult Social Care**

- 16 The directorate is forecasting a net overspend for the year of £133k.
- 17 There is a net projected under spend of £124k on staffing budgets due mainly to some posts being held vacant pending a review of the service.
- 18 Residential and nursing care budgets are projected to under spend by £205k. This is due to a projected increase in Continuing Health Care income being secured and fewer Older Person's Nursing Care placements than budgeted. This is offset by additional costs being incurred in respect of Haisthorpe House residential home following a judgement by the Care Quality Commission that the home was inadequate. The Council worked to secure continuity of care for the 17 CYC customers placed there by funding £178k of additional care costs. Without this intervention it would have been necessary to move customers from this home to higher cost placements elsewhere.
- 19 Based on the number of Deprivation of Liberty Safeguards (DoLS) assessments carried out to date there is likely to be an under spend on this budget of £128k.
- 20 There is a projected overspend of £236k within Older Peoples Home budgets. This is due to net additional staffing costs of £186k, mainly in respect of care assistant costs that have been maintained beyond the originally budgeted for dementia matters pilot period (+£143k) and additional service manager costs (+£57k). There is also a projected under recovery of income of £34k as occupancy levels are lower than assumed at the time the budget was set.
- 21 Small Day Service and Supported Employment budgets are projected to under spend by £109k due mainly to staffing savings resulting from a number of vacant posts across the service. Supported Living Schemes are expected to overspend by a net £254k. This is a significant change from the previous monitor when a net under spend of £146k was expected based on projected placement numbers and customer needs. However,

projected costs have subsequently increased by £400k due to the Whittlestone legal judgement. The judgement finds that overnight (sleep in) staff must now be paid the same hourly rate as day staff, rather than a flat rate for the night as was the case in several of our schemes.

- 22 The directorate's budget for 2015/16 includes a requirement to deliver savings totalling £1.3m from the on-going work being undertaken on service transformation. To date savings of £1,075k have been identified leaving a budget pressure of £225k. Other pressures within the director's staffing budget and redundancy costs account for the remaining £58k projected overspend.

### **Better Care Fund (BCF) Risk**

- 23 The BCF is an £11m pooled budget between CYC and Vale of York Clinical Commissioning Group (VYCCG), and is a government initiative to transform local health and social care services so that they work together to provide better joined up care and support.
- 24 As a result of significant in year financial pressures NHS England has required VYCCG to produce a Financial Recovery Plan. In the latest draft of this plan VYCCG is proposing to substantially reduce the amount that they contribute to the BCF pooled budget in 2015/16. A significant proportion of the pooled budget is earmarked to be spent on protecting Adult Social Care services. This means that if the current proposal is implemented it could create a budget pressure of up to £3m within Adult Social Care budgets. This represents a significant financial risk to CYC and discussions are ongoing with a view to ensuring essential funding is passed over to the Council.

### **Public Health**

- 25 Within Public Health there is a forecast under spend of £127k. The main under spends come from Substance Misuse (£49k), reviewing provision of emergency hormonal contraception (22k) and staffing/consultancy budgets (£55k). This does not take account of the proposed in year reduction in public health grant as Government is still consulting on the method for apportioning this reduction. If taken as a straight 7% reduction across all Councils this would be approximately £520k for York.

### **Office of the Chief Executive**

- 26 A range of budget variations is currently forecast, mainly due to staffing pressures following a number of restructures across the directorate. Mitigation plans are being developed to address these pressures.

## **Housing Revenue Account**

- 27 The Housing Revenue Account (HRA) is budgeted to make an in year surplus of £2.6m. A review of the budgets in the area shows that, overall, a small under spend of £2k is forecast. This is made up of an over spend of £250k on repairs and maintenance due to the continued use of subcontractors mainly in connection with damp works and is offset by a range of other under spends mainly due to lower than forecast levels of arrears. This will continue to be monitored as further elements of welfare reform are introduced. The working balance of £14m at 31/3/15 will therefore increase to £16.6m by 31/3/16 in line with the HRA business plan.
- 28 Work is still in progress to update the HRA business plan following the recent government announcements to require councils to sell their high value properties when they become vacant and to reduce social housing rents by 1% per year for the next four years. While the full extent of the impact of these changes is not yet known, the HRA will be required to make significant efficiencies in order to mitigate the reduction in income without reducing the HRA balance below prudent and sustainable levels.
- 29 To give some idea of the scale of these changes and their impact on the HRA, the requirement to reduce housing rents by 1% could potentially reduce income by up to £12m over a 4 year period. This is because the business plan assumed annual rent increases of approximately 3% pa. The requirement for a 1% reduction therefore results in a swing of some 4%.

## **Corporate Budgets**

- 30 These budgets include Treasury Management and other corporately held funds. It is anticipated that a £750k under spend will be achieved, predominantly through improved Treasury Management performance as a result of reviewing some assumptions on the cash flow position which will mean more interest being earned than previously anticipated and improved performance on Business Rates.

## **Loans**

- 31 Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. The only loan in this category is that of £1m that was made to Yorwaste, a company part owned by the Council, in June 2012. Interest is charged at 4% plus base rate meaning currently interest of 4.5% is being charged. All repayments are up to date.

## **Performance – Service Delivery**

### **Children’s Services, Education & Skills**

- 32 The number of children in care remained in line with previous trends at 203. This is in the safe and expected range of 190-210.
- 33 The number of children subject to a Child Protection Plan increased in Q2, and is expected to increase further over the coming months, due to an increase in the number of cases going to Initial Child Protection Conference, before reducing back to the levels seen at Q1.
- 34 Overall attainment of the City’s children at Key Stage 1 has improved from 2014 to 2015, although Writing remains below the national average. The gap in attainment between disadvantaged children and their peers continues to narrow.
- 35 At Key Stage 2, 68% of children achieved Level 4B+ in Reading, Writing and Maths, slightly lower than 2014 and below the national average. Results showed improvements in both Reading and Writing but a decline in Maths. This is an area of concern and is a focus for schools across the city over the coming year.
- 36 The number of children getting 5 or more A\*-Cs (inc English and Maths) at KS4 is 63% in 2015, which is an increase of 1% on last year. This is a strong result against the national picture. Information on the gap between pupils eligible for Free School Meals and their peers will become available in December.
- 37 In last 12 months York has experienced a very low rate of 10-17 year olds being given custodial sentences and this is lower than at any time in the last 4 years.

### **City & Environmental Services**

- 38 535 missed bins were reported between July and September with 62% put right by the end of the next working day. Although the number of missed bins has decreased by 33% compared to the same period in 2014/15, the percentage put right within timescale has also fallen. In Q2 2014/15 there were 794 missed bins with 71% put right by the end of the next working day.
- 39 In September, City of York Council joined forces with Unipart Rail to become the first local authority in the UK to trial a new fuel additive, which is set to save the council up to £50,000 a year and significantly reduce toxic emissions from the council’s vehicles. The scheme is being trialled

on a range of vehicle types across its fleet, at no incremental cost to the council, which on average uses around 800,000 litres of diesel a year.

## **Communities & Neighbourhoods**

- 40 The number of families being accepted as homeless has increased by 2 to 25. Families, single females and males with children accepted as homeless has increased but the number of couples with children has fallen. The number of children in temporary accommodation has decreased to 82 (from 84), but the number of families in temporary accommodation remains the same at 47.
- 41 In November the Tenant & Leaseholder Annual Report 2014-2015 will be sent to about 8,000 residents in the city. This report produced by the Tenant Scrutiny Panel of six council tenants, shows that York is one of the best-performing local authority landlords in the country in a number of areas.
- 42 The average void period for council houses has reduced from 3.5 weeks in Q1 to 3.3 weeks in Q2 (3.9 weeks in Q2 2014/15) with the number of void council house properties reducing from 188 in Q1 to 160 in Q2 (176 in Q2 2014/15). The number of mutual exchanges of council houses has increased from 30 in Q1 to 40 in Q2.
- 43 Total crime in York is forecast to increase 11% compared to the previous year and are projected to revert back to the figures of 2012/13 and 2013/14. Significant increases are forecast in violent crime, shoplifting and burglary non-dwelling categories. Latest benchmarking information show rates of crime at a national level have also risen significantly in Q2, and levels of overall crime in comparable authorities are increasing at greater rates than in York. Reports of domestic violence are predicted to be 6% greater than those reported during the same timeframe in 2014/15.
- 44 Levels of anti-social behaviour recorded by the police are predicted to be at similar levels to the previous year with the city centre cumulative impact zone seeing a small reduction in incidents. Since the ASB Hub started collecting data in February 2015, there have been 1005 new cases recorded. By August, there were 460 cases recorded that have now been classified as closed of which 430 had been resolved (93%) and 30 unresolved (7%).

## **Customer & Business Support Services**

- 45 The second quarter saw a small reduction in call volumes for general enquiries to 60,489 (66,218 Quarter 1) and 7,244 (8,114) for Benefits. The predicted improvement in performance in both areas has been



delivered with performance against service level target (80%) increasing to 68.1% (45% Quarter 1) general enquiries and 78.8% (59.1% quarter 1) for Benefits. The total percentage of all calls answered in both areas was 92.5% and 94.5% respectively in quarter 2. The improving performance continues into quarter 3. The number of residents visiting the customer centre in quarter 2 increased to 18,965 (17,504 quarter one) and the average wait time remained above target (10 Minutes) at 9.5 minutes.

- 46 The collection rate for Council Tax at the end of quarter 2 was 56.82% compared with 56.69% at the end of quarter 2 2014/15 and Business Rates 58.02% compared with 56.7 in quarter 2 2014/15.
- 47 Housing Benefit performance remains on target at the end of quarter 2 with a combined (New Claims/Change of Circumstance) average of 11 days.

### **Adult Social Care**

- 48 York continues to steadily improve its performance on the proportion of older people still at home 91 days following re-ablement or rehabilitation compared to previous years. However, we are still slightly behind the regional and national averages. York is still one of the worst performers regionally and nationally at how widely reablement and rehabilitation services are offered. Work is ongoing with NHS commissioners and providers to develop an improved reablement offer.
- 49 Quarter 1 figures in 2015/16 for those people who experienced a delay in their transfer of care from hospital to adult social care services showed an improvement on the same quarter the previous year and continued the downward trend experienced over the last 12 months. This is positive; however we are still performing poorly on this measure compared to regional and national averages (based on 2014/15 end of year data). As part of our strategic approach to addressing this, we have redrafted the policy for managing delayed transfers of care and we will now focus on delivering this to the new framework. We are also looking to establish how York's demographics play a part in our performance outturns. Many of our statistical neighbours experience poor performance in this area too, so we will look to compare issues and learn from those who are doing better.
- 50 York continues to perform strongly on the overall satisfaction of people who use services with their care and support, although there was a slight dip (from 67.4% to 67.1%) between 2013/14 and 2014/15. However, of some concern are the accompanying indicators that show a comparatively low proportion of customers using our services who say they feel safe. Clearly this is a priority for us, and we will be working with customers, their

families and carers, and partners across the city to understand why they don't feel safe and look at how we can help people to feel safer.

## **Public Health**

- 51 The new Tobacco Profile for York was released in August 2015. There are some new indicators which suggest that smoking prevalence may be lower in York than previously thought. A new measure based on General Practitioner records shows adult prevalence to be 15.8% in York compared with the 18.8% figure obtained from the Integrated Household Survey. The prevalence of regular smoking in 15 year olds based on a new survey is 5.3% in York compared with the previous modelled estimate of 9.6%. The cost per successful quitter in York is £312 which is higher than the national average of £283. Smoking Attributable Admissions in 2013/14 decreased very slightly.
- 52 The Public Health Outcomes Framework was updated in August 2015. York's outcomes against the England average are favourable, particularly for the wider determinants of health and health protection. When similar local authorities are used as the benchmark for York rather than the England average, fewer outcomes are rated better (12% v 29%) and more are rated worse (23% v 4%). Premature and preventable mortality and life expectancy (males) are highlighted as issues for York when similar local authorities are used as the benchmark.

## **Office of the Chief Executive**

- 53 Employment continues to be strong in the City as the number of Job Seekers Allowance claimants continue to fall.
- 54 The total number of working age Benefit Claimants continues to fall (7.5% reduction to 9,870 from 10,670 in 2013/14) but whilst this predominantly consists of the reduction in Out of Work Benefit Claimants (9.3% reduction to 7,670 from 8,460 in 2013/14) there has been an increase in the ESA and Incapacity Benefit Claimants (7.0% increase to 5,500 from 5,140 in 2013/14).
- 55 Figures from the Office for National Statistics showed there were 722 claimants in York in September a fall of 41 from last month and of 653 from September 2014. The figures showed the number of jobseekers in York had fallen for the seventh consecutive month and also highlighted a 67.2 per cent fall in the Youth unemployment count since September 2014. The claimant count represents 0.5 per cent of the working population and contrasts to the regional average which stands at 2.2 per

cent. The figures are also much lower than the national average which stands at 1.6 percent.

- 56 Average wage levels remain a concern and the Council continues to focus on measures to promote high value jobs. On 18 September, City of York Council and the York, North Yorkshire and East Riding Local Enterprise Partnership submitted a bid to government for a new Enterprise Zone which could unlock over £100million to help deliver York's largest brownfield site, York Central. Estimates in the bid suggest this could help to create up to 6,600 jobs in the city, and over £1.1 billion value for the region's economy. The jobs created would be high-value office based jobs, helping to grow York's economy by an estimated 20 per cent and increase average wages in the city. The results of the national process are expected to be announced in November.
- 57 The Council continues work on producing a Local Plan for the city, with new housing and economic baseline projections agreed at the Local Plan Working Group on 29 September. The group agreed to take forward two economic scenarios, a baseline forecast and one with growth more focussed on higher value sectors which would help reverse the decline in average wages seen in recent years while maintaining similar overall jobs growth. These projections will form the basis upon which further variables are built, and inform proposed land allocations.
- 58 The York Open Data website was launched in March 2015 and there are currently 363 data sets available. The number of visitors between July and September was 4,152, with a total of 1,092 downloaded data sets and 3,295 previewed.
- 59 On 30th September 2015 the updated national Index of Multiple Deprivation 2015 was publically released. The IMD measures and rates a number of different domains affecting quality of life including income, employment, education and skills, health and disability, crime, barriers to services and quality of living environments.
- 60 The data shows that York's relative deprivation has improved. York is ranked as the 259th most deprived district in England, out of 326 local authority areas. In 2010 York was ranked 234th. York is ranked as the 2nd least deprived local authority district in the Yorkshire and Humber region (with Harrogate being the least deprived).
- 61 None of York's district's neighbourhoods (LSOA's) ranked in the top 10% most deprived nationally. In 2010 there was 1 neighbourhood, Kingsway West which is now in the 2<sup>nd</sup> decile (10-20%).

- 62 There are 4 other neighbourhoods (LSOA's) which are in the 2<sup>nd</sup> decile (10-20%) of most deprivation; 2 in the Kingsway North area of Clifton ward, the James Street area of the Guildhall ward and the Foxwood / Kingsway West area of Westfield ward.

### **Performance – Employees**

- 63 Total Council sickness absence (excluding Schools) has averaged 4.2 days per FTE in the year to date, lower than 5.2 days during the same period in 2014/15. Stress related absence is also slightly lower than the same period last year.
- 64 Employees leaving the Council voluntarily over the last 12 months to end of September has increased slightly to 7.8% of the workforce (7% in 2014/15). All directorates have seen an increase in voluntary turnover apart from CBSS.

### **Performance – Customers**

- 65 Overall customer centre customer satisfaction has increased to 80.6% in Q2 (57.63% in Q2 2014/15) and satisfaction with Face to Face services has also increased to 83.33% in Q2 (56.82% in Q2 2014/15).
- 66 Feedback from businesses was consistent with 2013/14 with 97% reporting that contact with officers was helpful, 98% that the information provided was helpful and 99% that they were treated fairly. The percentage of customers who were satisfied with the action taken by the public protection team to resolve their complaint has remained high at 96%.
- 67 The Highways Department Customer Feedback showed in Q2 that 95% residents described the workforce as excellent or good, 100% residents that felt the site was kept clean and tidy, and 92% residents describing the finished job as excellent or good (90%, 100% and 80% respectively for Q2 2014/15).
- 68 96.2% of housing customers are satisfied that their quality of life in their home has improved due to disabled facilities grant and adaptations work (97.66% Q2 2014/15) and 99% of housing customers are satisfied with the adaptations service (97.67% Q2 2014/15).
- 69 Resident and business satisfaction studies are being facilitated by CYC in the following areas; Tenants Satisfaction Survey; Archives Survey; ASB Hub Outcomes Surveys; Ward Health Outcomes survey; Business

Friendly council survey; Landlords consultation. Initial results from all these surveys should be available in Q3.

## **Data Availability**

- 70 The paper to the Executive on the new Council Plan (24 September), set out a commitment to make an accurate, transparent and easy to understand set of performance measures. All performance data within this document is made available in machine-readable format through the council's open data platform at [www.yorkopendata.org](http://www.yorkopendata.org)

## **Consultation & Options**

- 71 This report is for information so no options are presented.

## **Council Plan**

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

## **Implications**

- 73 The implications are:
- Financial - the financial implications are dealt with in the body of the report.
  - Human Resources - the HR implications of change is managed in accordance with established council procedures. As part of this process consultation with trade unions and affected staff will continue to be undertaken and every opportunity will be explored to mitigate compulsory redundancies, such as vacancy controls, flexible working, voluntary redundancy / early retirement and extended redeployment. Where consideration is being given to the transfer of services to another provider TUPE will apply which will protect the terms and conditions of employment of transferring staff. A programme of support for staff who are going through change is planned which will help staff adapt to changes to the way they will need to work or to prepare for a move into a new role.
  - Equalities - there are no specific equality implications to this report, however equalities issues are accounted for at all stages of the financial planning and reporting process.
  - Legal - there are no legal implications to this report.
  - Crime and Disorder - there are no specific 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

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

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<b>Wards Affected:</b> All				
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## Annexes – None

List of Abbreviations used in the report:

ANPR – Automatic Number Plate Recognition

ASB – Anti Social Behaviour

BCF – Better Care Fund

CCTV – Closed circuit television

CSR – Comprehensive Spending Review

DoLS - Deprivation of Liberty Safeguards

ESA – Employment and Support Allowance

FTE – Full Time Employment

HRA – Housing Revenue Account

IMG - Index of Multiple Deprivation

KS – Key Stage

LSOA's - Lower Layer Super Output Area

ResPark – Resident's Parking Scheme

TUPE - Transfer of Undertakings (Protection of Employment) regulations

VYCCG - Vale of York Clinical Commissioning Group