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## Executive

7<sup>th</sup> September 2010

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

### Quarter 1 Finance & Performance Monitor for 2010-11

#### Purpose

1. This report provides details of the headline performance issues from the Q1 performance monitor of 2010-11. This covers the period 1<sup>st</sup> April to 30<sup>th</sup> June 2010. However, more up-to-date data has been provided where it was available. The report covers:
  1. *Performance* – how well the council is performing across a wide range of performance indicators, at both corporate and directorate level, including progress on priority actions and projects.
  2. *Finance* – service and corporate budget management.

#### Background

2. On 27<sup>th</sup> May the Government announced its plans to abolish CAA and that all related CAA work would cease with immediate effect. Further changes have also been announced in terms of the National Indicator set, with the removal of the Place Survey (18 NPIs) and 23 other NPIs. Around 150 NPIs in the set still remain, but these are now being reviewed by the government, along with indicator frameworks aligned to other public sector organisations.
3. The council has decided to take a proactive approach on this and has already started to review the remaining NPIs to assess which are useful and add value in terms of driving improvement and providing useful context for performance locally. In addition the council's performance management framework is being reviewed to ensure new arrangements are put in place which support more effective improvement & efficiency and remove unnecessary collection/reporting. A report on this will be brought to Executive on the 5<sup>th</sup> October. As part of this transition, the follow report only includes:
  - NPIs which provide useful context for local performance or demonstrate progress in terms of existing priority improvement.
  - other local data, which demonstrate progress in key service areas (e.g. Library visits, swimming sessions, bus patronage, council tax collection, volume costs etc).

#### Summary

- Good improvements have been made in relation to waste recycling; street cleanliness standards; violent crime incidents; the number of people who are helped to live independently through Adult Social Care; the number of affordable homes built in York; the number of people killed and seriously injured on York's roads; and educational attainment in literacy & numeracy at key stage 2.
- Further improvement is needed to reduce cycle theft incidents in York and to continue the previous improvement trends on staff sickness experienced over the past 3 years.

- The council is currently identifying early financial pressures of £4,042k in 2010-11.
- This position is inclusive of £2,290k of in-year grant funding cuts from Central Government.

### Performance - overview

4. Overall 57 of the national indicators have data available at this point in the year mainly due to most being collected annually or through periodical surveys. Many are also published via government bodies at the end of the year. Of those available, 56% are improving compared to last year and 49% are on track to achieve their 2010-11 target.

	Total reported this month	Improving	Declining	Stable
<b>All Indicators</b>	<b>57</b>	<b>32 (56%)</b>	<b>19 (33%)</b>	<b>6 (11%)</b>
<b>ACE</b>	26	13	9	4
<b>CANS</b>	18	10	7	1
<b>City Strategy</b>	10	6	3	1
<b>CBSS</b>	3	3	0	0
<b>LAA Indicators</b>	<b>9</b>	<b>8 (89%)</b>	<b>1 (11%)</b>	<b>0 (0%)</b>

5. Although only 9 out of 49 LAA indicators have 2010-11 data available at this stage in the year, 8 of those are showing improvement and are forecasting to achieve their 2010-11 target (final year of the 3 year LAA period).

### Adults, Children & Education

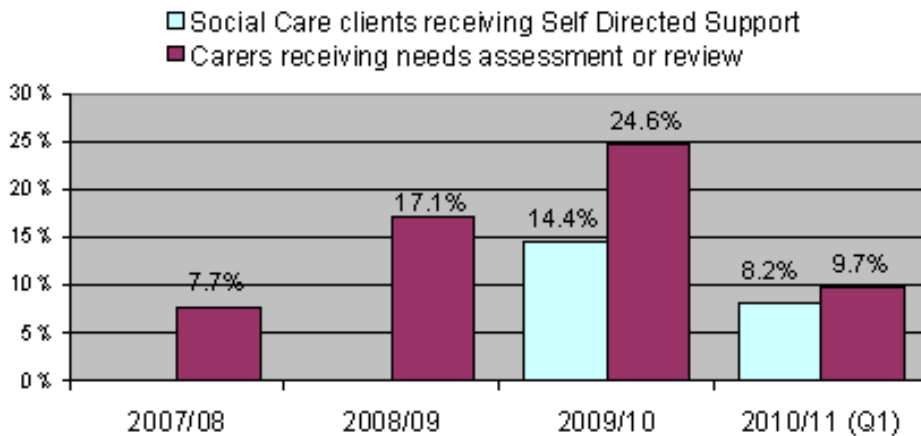
#### Adult Social Care

6. Q1 data is available for 5 of the 7 adult social care indicators and performance is mixed, with 3 improving and achieving 2010-11 targets and 2 showing a decline in performance.

Indicator	2008-09	2009-10	2010-11 Q1	2010-11 target	Improving ?	Priority ?
NPI 130: Social Care clients receiving Self Directed Support	N/A	14.4%	8.2%	30.50%	Yes	LAA
NPI 132: Timeliness of social care assessment	67.1%	80.5%	73.8%	81.50%	No	Local
NPI 133: Timeliness of social care packages	90.3%	86.9%	80.6%	90%	No	Local
NPI 135: Carers receiving needs assessment or review	17.1%	24.6%	9.7%	25%	Yes	LAA
NPI 136: People supported to live independently through social services	3834	3980	3994	4,056	Yes	NPI Only

7. *NPIs 130 & 135: Independent living (LAA indicators).* Performance continues to improve for the number of people the council is helping to live independently and is already close to the 2010-11 target (see graph overleaf). The % of social care clients receiving self directed support has already reached 8.2% after Q1 and is on track to exceed its 2010-11 LAA target and improve significantly on 2009-10 performance. Similarly, the number of Carers receiving needs assessment or review is also showing good improvement, standing at 9.7% for Q1. Performance for both these indicators is cumulative.

### Adult Social Care - LAA indicators

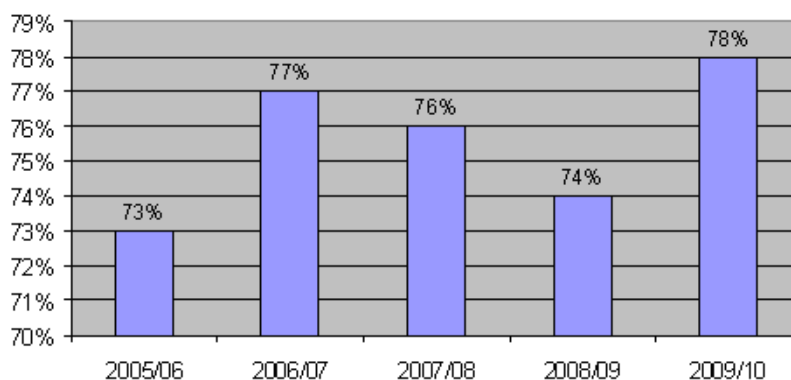


8. *NPIs 132 & 133 – timeliness of social care assessments and packages (Local LAA indicators).* Current performance levels are below target due to an increased number of referrals being received in the first 3 months of the year. This has increased the time taken to work through a number of assessments using the same resources. If this performance continues, York would remain in the third quartile for both these indicators. Work is currently being undertaken to look at referral trends, as these appear to be higher than the predicted demographic growth.

### Education

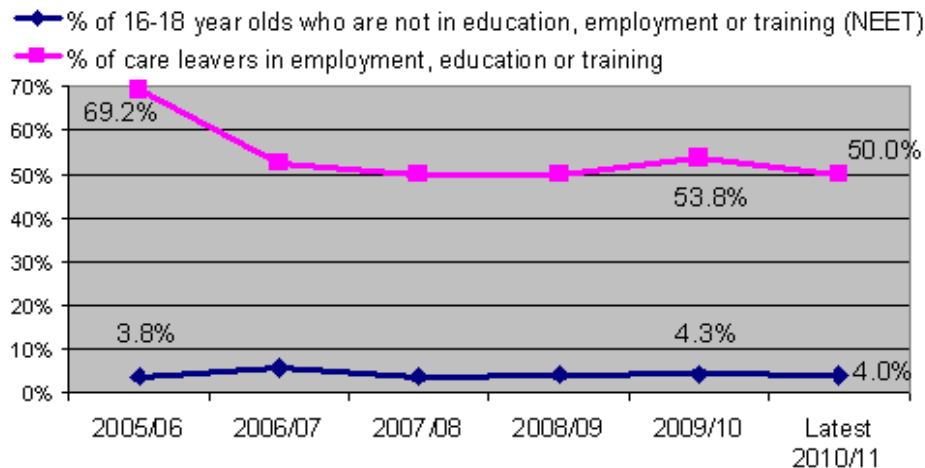
9. *NPI 73 & 76: Literacy & numeracy (KS2).* The % of pupils achieving Level 4 or above in both English and Maths at KS2 has increased by 4 percentage points since the previous academic year. This is 4 percentage points higher than the national average, is the highest result in the region and places York 14th out of 132 local authorities. This increase has meant that York has no schools who have not achieved the floor target of 55% for Level 4+ in both English and Maths at KS2.

% of pupils achieving level 4 in both English & Maths at KS2



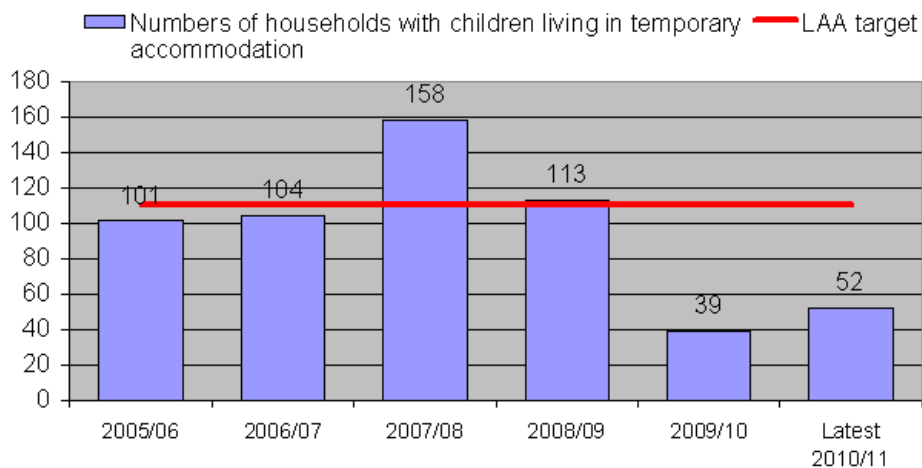
10. *NPI 117: % of 16-18 year old not in education, employment or training (LAA indicator).* Progress on reducing the number of NEETs in York continues, despite the current economic climate. First quarter results show a drop to 4% from 4.3% at the end of 2009-10 (lower is better). Ongoing work on entry into employment provision and data for Year 11 leavers points to continued high levels of participation and a continued reduction throughout the year to achieve the challenging 2010-11 LAA target of 3.3%. However, the % of care leavers in employment, education or training in York has reduced to 50%, a 3.8% drop on last year (higher is better).

### Young people and the economy



11. *NI 156: Homelessness & children (linked to LAA indicator).* The number of households with children living in temporary accommodation in York has increased to 52 in Q1, from 39 achieved in 2009-10. However, this is still well below levels from 2 years ago and is still on track to exceed the 2010-11 LAA target.

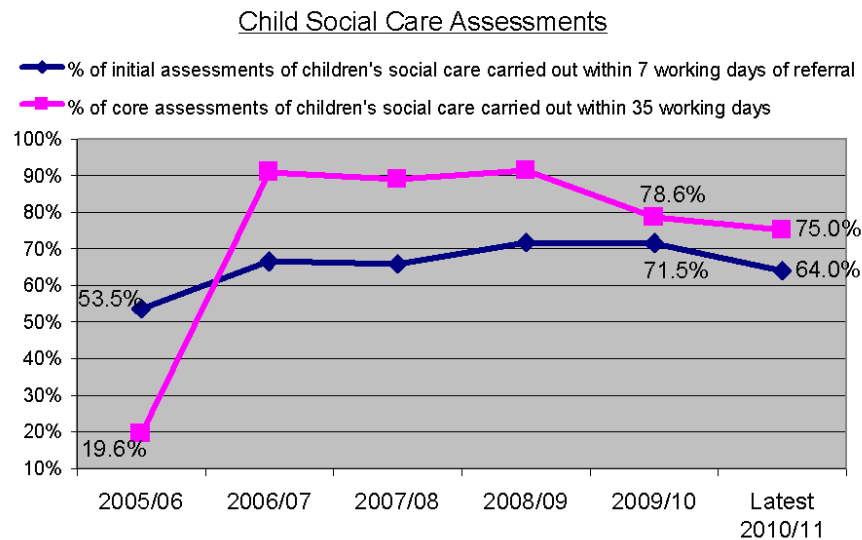
### Homelessness & children in York



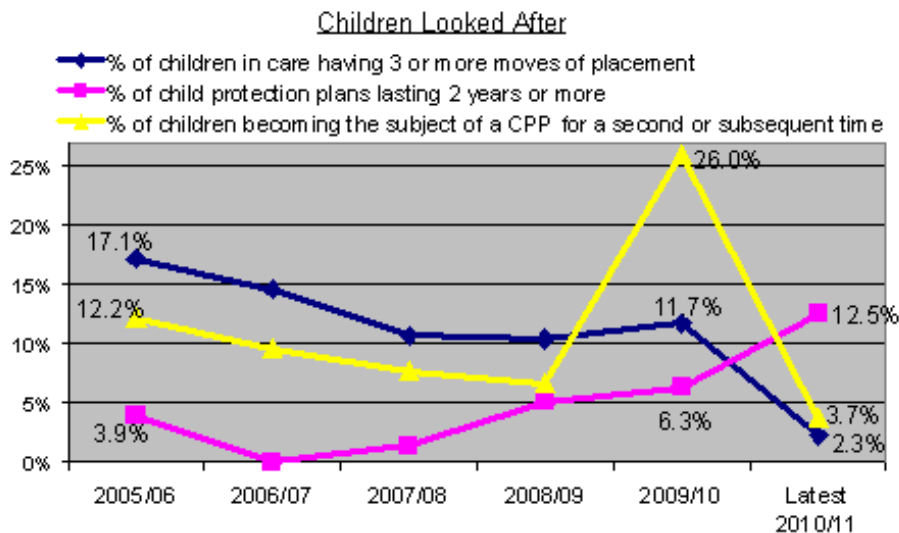
### Child Social Care (Note: small cohorts for some child social care indicators can distort results.)

12. At Q1 6 of the 9 child social care indicators are showing good improvement. In particular:
- NPI 62: Children in care having 3 or more moves of placement - currently 2.3% compared to 11.7% last year (lower is better)
  - NPI 65: Children becoming the subject of a Child Protection Plan for a second or subsequent time – currently 3.7% compared to 26% last year (lower is better).
  - NPI 66: Looked after children cases reviewed within required timescales – currently 96.6% compared to 84% last year (higher is better).
  - NPI 67: Child protection cases reviewed within required timescales – currently 100% compared to 90.3% last year (higher is better).
13. Three indicators are not improving and are unlikely to achieve their 2010-11 target unless improvements are made over the next 8 months. These cover assessment times and the length of time children are in care or subject to Child Protection Plans (CPPs).

14. *NPI 59 & 60: % of initial and core assessment of children in care carried out within the designated timescales.* Q1 performance shows a decline in the % of assessments carried out on time (7.5% for initial assessments and a 3.6% decline for core assessment and - see graph below). However, further investigation suggests that the recording of these referrals within the child social care IT system does not accurately reflect practice and this is now being reviewed. Further work, via the implementation of Common Assessment Framework, lead practitioner activity, and integrated 'Front Door' arrangements are expected to improve performance in the future. If successful, this will also improve redirection of the volume of all 'contacts' to the Referral and Assessment Service, which continues to increase year on year.



15. *NPI 64: % of children becoming the subject of a Child Protection Plan for a second or subsequent time.* As is the case with many of the child social care indicators, small cohorts can distort results. This is especially evident for NPI 64 (currently at 12.5% Q1 against a 2010-11 target of 2.5%), which actually represents 3 children (2 being in one sibling group) out of a cohort of 24. As mentioned above, other indicators relating to children in care having 3 or more placements and children becoming subject of a child protection plan for 2 or more times, improved significantly in Q1 (see graph below).



16. The 33% increase in CLAs since 2007-08 affected performance last year for some areas of child social care provision. However, latest figures show that CLA numbers have

reduced slightly by 2%, but costs are forecast to increase by 10%, bringing the average cost per child to over £22K by the end of 2010-11. If York is to maintain the good value for money it has traditionally provided for CLAs in comparison to other local authorities, this may need to be reviewed (see table below).

Numbers and average cost looked after children in York

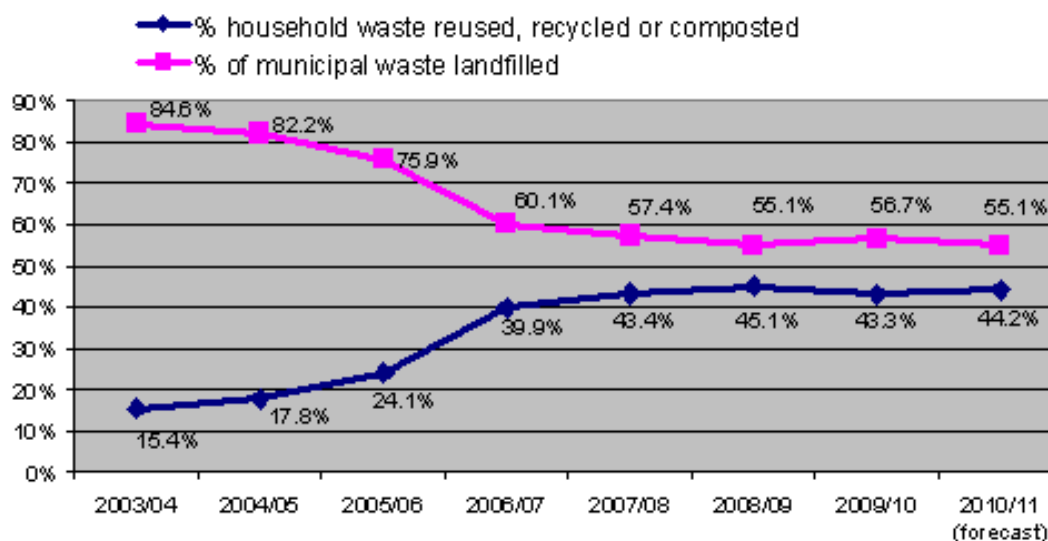
Year	No. of LAC	% change	Budget	Actual	Cost per Child	% change
2006-07	157	+12%	£1,972,780	£2,998,715	£19,100	N/A
2007-08	168	+7%	£3,083,130	£3,345,742	£19,915	+4.2%
2008-09	199	+18%	£3,468,020	£3,833,682	£19,265	-3.2%
2009-10	223	+12%	£3,578,760	£4,501,280	£20,185	+4.5%
2010-11 forecast	219	-2%	£4,775,450	£4,867,707	£22,227	+10%

**Communities and Neighborhood Services**

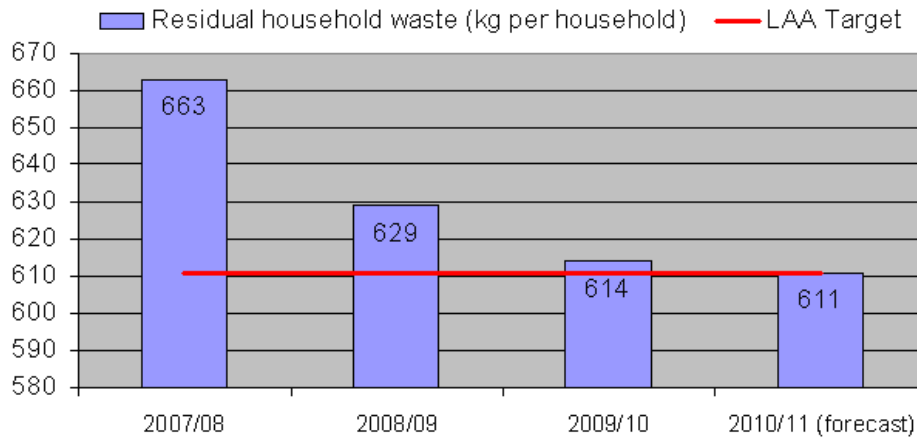
Environment & Cleanliness

17. *NPI 191-193. Waste collection and management (NPI 191 is LAA indicator).* Although current forecasts based on Q1 indicate that recycling and landfill levels are starting to improve, this year’s targets of 48% for recycling and 52% for landfill are unlikely to be achieved. The amount of waste collected per household continues to reduce for the 4th consecutive year and will achieve the very challenging 2010-11 LAA target of 611kg, set 3 years ago (see graphs below & overleaf).
18. Extensive work on improving recycling will continue throughout this year, including:
  - the rollout of kerbside recycling to 98% of properties in York
  - expanding full recycling and fortnightly residual waste collection to an additional 16,600 properties by December 2010.
  - providing improved kerbside recycling containers to approximately 60,000 households. The first stage of delivery will be completed by end July. An unprecedented amount of positive feedback has been received from customers relating to this new scheme.

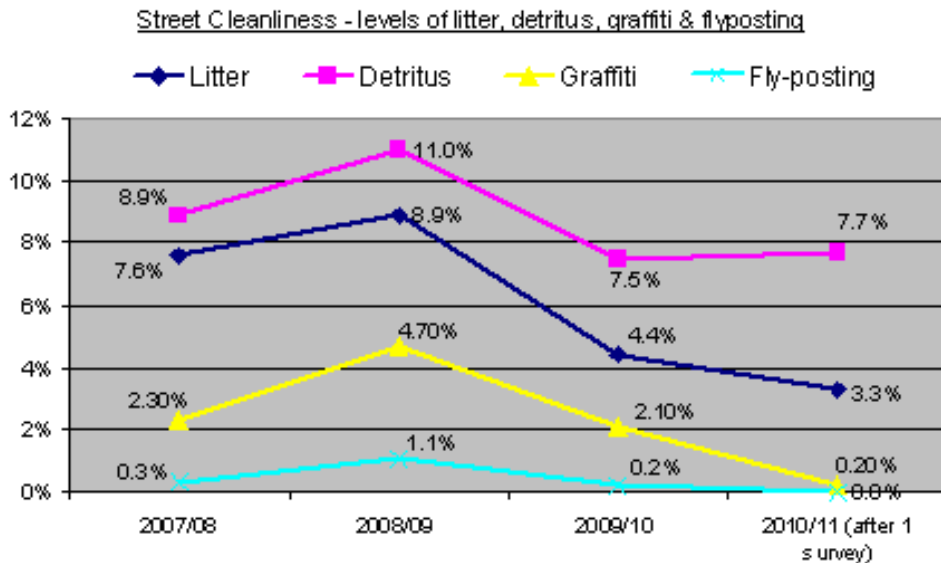
Waste Management in York



### Household waste levels



19. *NPI 195a-d: Street environment and cleanliness.* Four NPIs measure the proportion of areas around York that have unacceptable levels of litter, detritus, graffiti and fly-posting. This is assessed through a street cleanliness survey, carried out three times a year. The graph below shows that levels of litter, graffiti and fly-posting have continued to decline significantly in the first survey, with a small rise in levels of detritus (7.7% compared to 7.5% last year). This is however, well below the 11% recorded in 2008-09 and is expected to reduce in the 2nd survey.



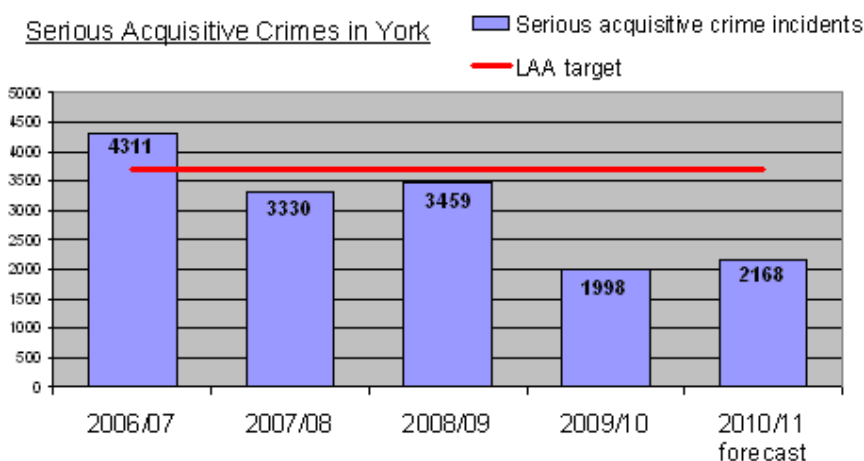
	Litter	Detritus	Graffiti	Fly-posting
<b>2009-10</b>	4.40%	7.50%	2.10%	0.20%
<b>2010-11 (1<sup>st</sup> survey in June)</b>	3.30%	7.70%	0.20%	0.00%

### Community Safety

20. *Total recorded crime incidents:* Figures for the first of this year are slightly higher than the same period last year and it is forecast that there may be around 500 more crimes committed in York in 2010-11 if this trend continues (7% increase). However, this should be viewed in the context of major reductions in crime over the past 4 years, and a 24% in 2009-10. The table overleaf provides an update on the key crime indicators and further detailed analysis of 2 of those not showing improvement is set out below.

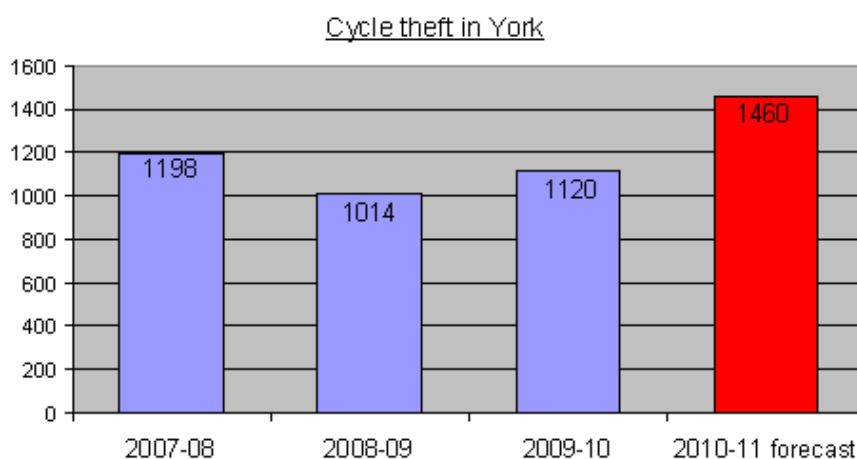
Indicator	2006-07	2007-08	2008-09	2009-10	10-11 Q1 (Forecast)	2010-11 target	Improving?
Total crimes recorded in York	11876	10010	9906	7547	2021 (8084)	10354	No
NI 15: Number of serious violent crimes	No data	No data	151	123	29 (116)	136	Yes
NI 16: Number of serious acquisitive crimes	4311	3330	3459	1998	542 (2168)	3696	No
NI 20: Assault with injury crime rate	No data	1024	1239	1140	308 (1232)	956	No
Numbers of cycles stolen in York	1414	1198	1014	1120	365 (1460)	1152	No

21. *NPI 16: Serious acquisitive crimes.* This indicator represents a number of different crime incidents, including burglary and theft from a vehicle. Last year there were 1500 fewer crimes than in 2008-09 (a 42% reduction). The first quarter of 2010-11 recorded lower than targeted incidents, although the May figure was higher than expected, which has led to a slightly increased forecast of incidents for 2010-11. Currently, York is expecting to exceed the 2010-11 LAA target and York is now placed at 8th in its family group compared to 12th at this stage last year.



<b>April 2010 incidents</b>
159
<b>May 2010 incidents</b>
217
<b>June 2010 incidents</b>
166

22. *Cycle theft:* As a cycling city, York experiences a high number of cycle thefts, largely because of the high number of cycle users. However, Q1 has seen a significant increase in cycle theft compared to the same period last year, which follows on from an increased trend since 2008-09. A recent Talkabout survey indicates that there is an increased number of residents who are choosing not to cycle into the city, for fear of their bike being stolen or vandalised. (see graph below).



Residents who choose not to cycle into York for fear of their bike being stolen or vandalised

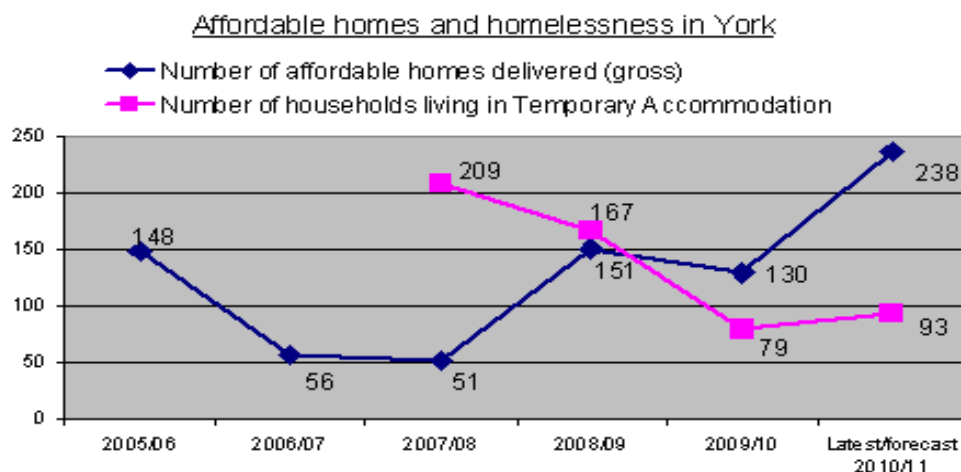
<b>2008 cycling city survey</b>
10.3%
<b>2010 Talkabout panel survey</b>
16.3%



23. Cycle theft incidents at 49 locations across the city is monitored regularly and shows that around two thirds of all thefts occur in city centre locations in the Guildhall and Micklegate wards. Similarly, when examining cycle thefts on the 27 school or University locations across York, 75% occur in 3 locations:
- University of York (48%)
  - York College (22%)
  - York High (5%)
24. Cycle theft is now the poorest performing area in York's comparator family group (ranked 15th out of 15) and this is now preventing the council improving on its overall ranked position. A scheme called Operational Spoke, which began in January 2010, UV marks bikes in York to deter and catch cycle thieves, and then help return bikes to their rightful owner. Nearly 5000 bikes are now registered on the online database and related actions include producing stickers for Operation Spoke-marked bikes and on new signs on city centre cycle racks advertising 'police tracker bikes' are in operation. York University are also upgrading a number of cycle racks, deploying cycle strips and producing comprehensive packages for new students.

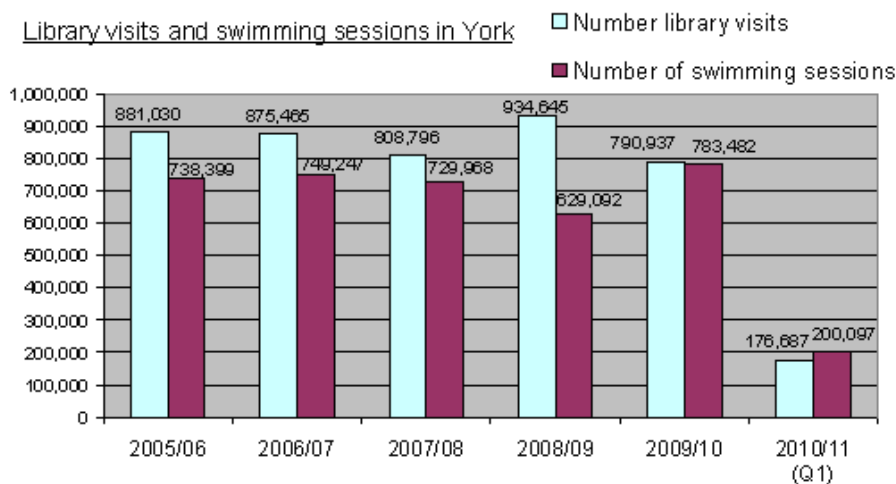
### Housing

25. *NPI 155: Affordable homes (LAA indicator)*. In quarter one 52 new affordable homes have been delivered. 22 of these homes have been delivered on two private developments through planning gain agreements. The remainder have been through various grant-funded routes. The current forecast for the year is 238 against an LAA target of 252 but this will be subject to review in the current housing market and economic climate. If funding from the Homes and Communities Agency is still available, it will allow the council to build up to 21 new family homes for rent in Clifton. Work on this development will start in early in 2011 with the homes completed approximately one year later. Funding for the YorHome scheme expires October 2010 and a report reviewing the future viability of the scheme was considered in August. A funding bid for Ordnance Lane has been submitted to the Homes and Communities Agency and a decision as to whether funding will be granted is still awaited.
26. *NPI 156: Homelessness (LAA indicator)*. The number of York households living in temporary accommodation fell by 52% in 2009-10, despite a rise in repossessions and homelessness across the UK. As a result, the improvement target of 75 households set for this year was particularly challenging as the recession starts to deepen. Current performance shows a rise in households living in temporary accommodation (now up to 93). However, the first half of the year is generally busier and a caseworker vacancy has significantly affected staff capacity for this service. Performance is expected to improve throughout the year.



## Culture

27. **Swimming sessions and library visits:** Over 200,000 swimming sessions were taken by York residents in the first quarter of this year. This is an increase on the same period last year and CANS are forecasting over 800,000 for the end of year (see graph below). This would be a 2% increase on 2009-10, which reported an unprecedented 24% increase on the year before. The number of people (residents and visitors) using York libraries in 2009-10 and 2010-11 was distorted by the closure of York library from November 2009 to end May 2010 and Q1 comparisons between the this year and last is not reliable using the survey method. However, using actual visitor footfall data shows that visitor numbers in July 2010 visitors are up by 6.3% compared to July 2009 and book issues are up by 7.3%, bucking the current national trend.



### Visits to Central Library / York Explore only

#### Q1 2009-10

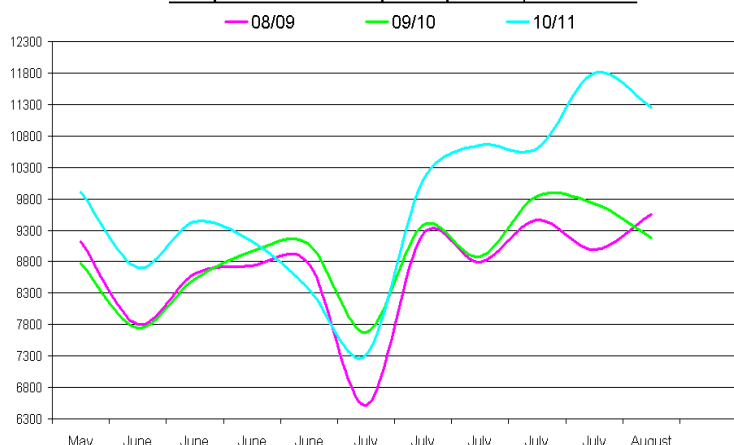
June = 35460 visits  
July = 38517 visits

#### Q1 2010-11

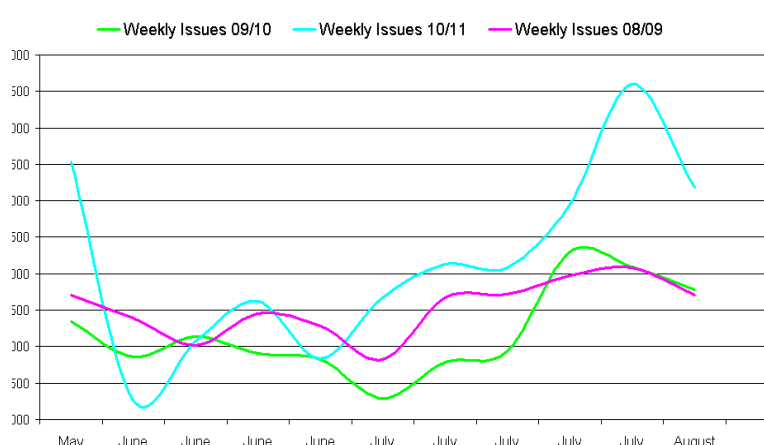
June = 40171 visits  
July = 46874 visits

28. The graph below shows the number of items issued and the number of visits made to York Explore since the week the library opened at the end of May 2010. This is compared to issues and visits from the previous 2 years. Visits to York Explore are growing and we expect to report further increases as the year progresses.

Weekly visits to Central Library/York Explore 08/09, 09/10 and 10/11



Weekly issues at Central Library/York Explore 08/09, 09/10 and 10/11



## City Strategy

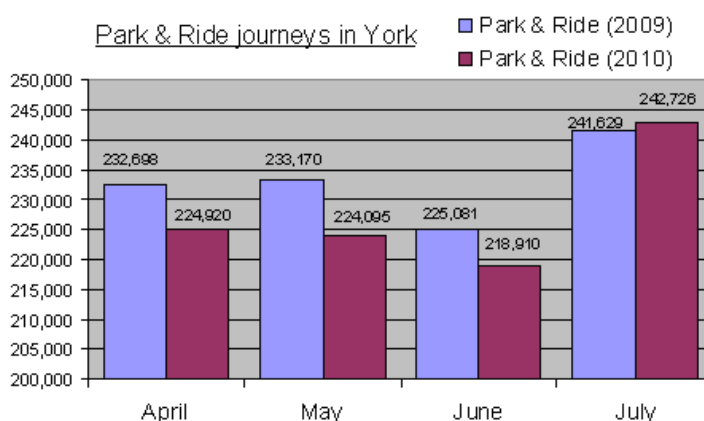
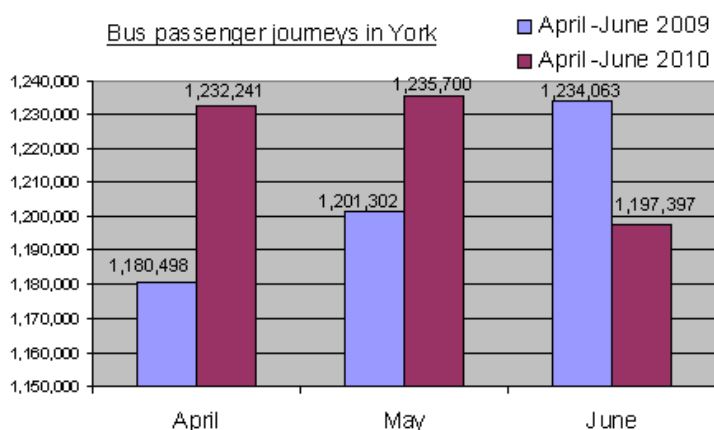
### Transport

29. **Bus and Park & Ride Passengers:** The overall number of passenger journeys in York improved slightly on the same period last year (currently 3.67m for April - June compared to 3.61m in the same period in 2009). Park & Ride data is now available up to July and shows a 2.3% decrease (910,651 compared to 932,578 in the same period last year).

Although passengers for the first 3 months show slight reductions on last year, July figures show a 4.5% increase and it is hoped that this trend will continue over the next 8 months of 2010-11. The reasons for the downturn for 2 of the P&R sites between April and June are as follows:

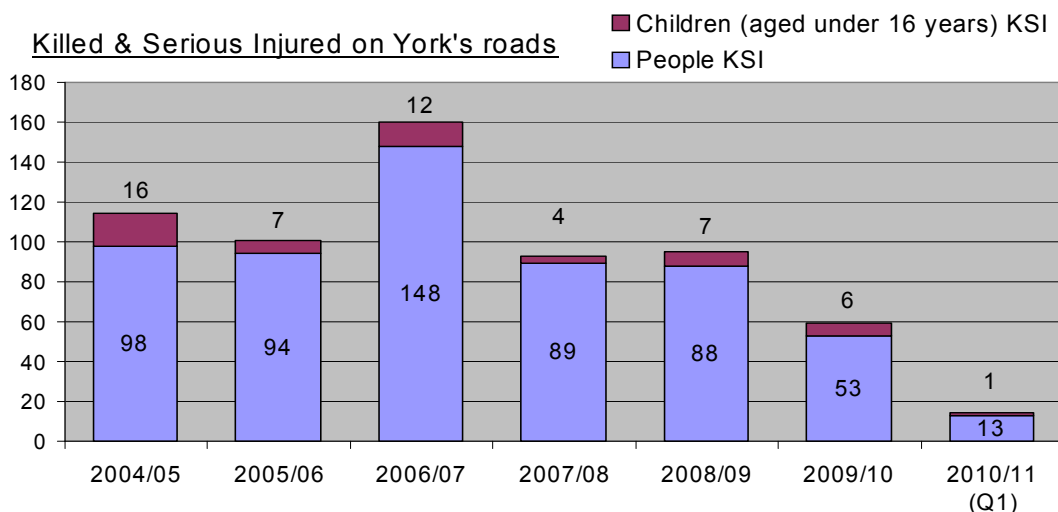
- Grimston Bar: Numbers have fallen due the Hopgrove Junction improvements allowing motorist easier access to Monks Cross Park and Ride travelling from the East. There are also quicker journey times from these sites.
- Rawcliffe Bar: Numbers have fallen due to Aviva closing offices on Shipton Road (this accounts for about 6,000 journeys per month).

Residents and visitors to York continue to be encouraged to use the bus through a variety of means, including more 'Car Free Days'. The council is also gradually rolling the 'Your next bus' initiative, providing SMS text real time bus information to mobile phone users.



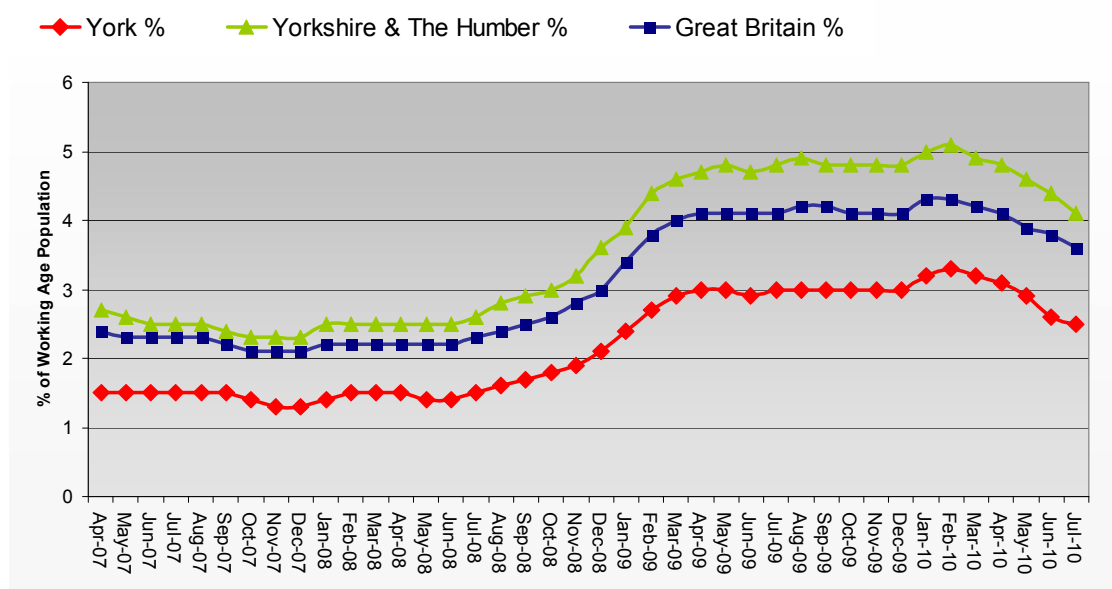
	Apr – Jul 2009	Apr-Jul 2010	% change
Askham Bar	173,898	181,510	+4.4%
Grimston Bar	155,723	145,510	-6.6%
Rawcliffe Bar	243,061	215,303	-11.4%
Designer Outlet	193,163	196,659	+1.8%
Monks Cross	166,733	171,669	+3.0%

30. *NPI 47: People killed or seriously injured in road traffic accidents (LAA indicator).* A range of successful initiatives introduced in the last year, such as the 'Made you Look' campaign and the 'Safer Business Driving Conference has resulted in a significant improvement in the number of people killed and seriously injured on York's roads over the past 18 months and this trend has continued in Q1 (see graph below). A safer driving campaign for event for older drivers is planned for October.



31. *VJ15a&b: York's unemployment rate (12 month rolling average).* Unemployment in York is currently 2.2% below the regional and 1.4% below the national average. A key indicator of unemployment is the number of York residents claiming job seekers allowance, which was 3443 in July 2010, a decrease of 21 from the previous month. This equates to 2.5% of the working age population and is well below the claimant count for Yorkshire and the Humber, which stands at 4.1% and the UK, which stands at 3.6% (see graph overleaf). However, York usually experiences seasonal variations due to School/College/University leavers who may find it difficult to find employment in the current economic climate.

Job Seekers Allowance Claimants



Date	York (No)	York %	Yorkshire & Humber %	Great Britain %
Apr-2010	3,957	3.1%	4.8	4.1
May-2010	3738	2.9%	4.6	3.9
Jun-2010	3464	2.6%	4.4	3.8
Jul-2010	3443	2.5%	4.1	3.6

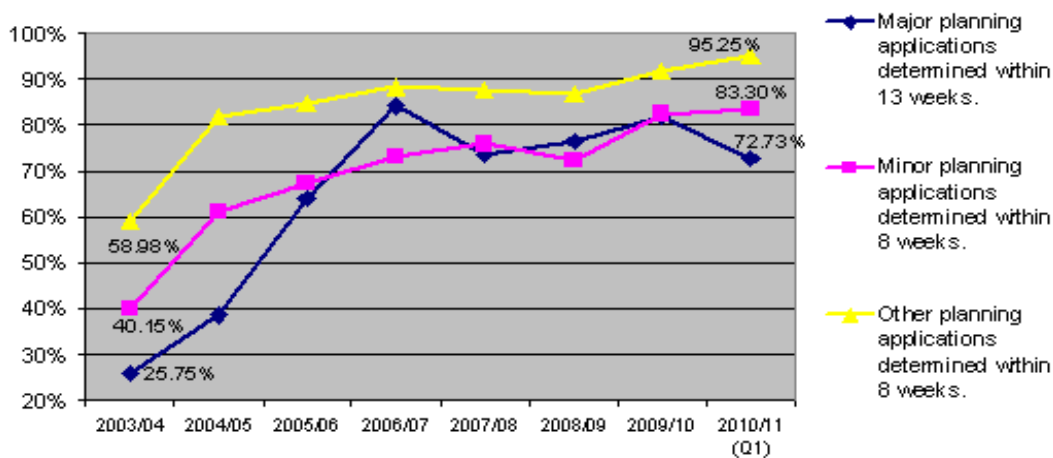
32. A number of factors and initiatives have influenced York's encouraging rates, and further work is underway to ensure this continues. One City is an initiative, which sees City of York Council taking measures to help residents and businesses through the recession. The main aim is to help individuals limit debt, and to support business growth and minimise job losses. Work currently taking place includes:

- advice and information to sign-post businesses to sources of support.
- an external strategic assessment of the city's economic outlook and its ability to recover from the recession.
- an enterprise fund/allowance scheme is offered on a match-funding basis. To date 10 businesses have been supported through the fund. The businesses supported so far range from mobile catering to computing companies.
- the Business Forum working with 126 businesses to ensure that their needs are centrally involved in shaping the city's economic development policy; fostering opportunities for continuing commercial success and future growth opportunities.

33. *NPI 157a-c: Processing planning applications.* The number of 'minor' planning applications determined within 8 weeks stands at 83.3% for Q1 (a 1% increase on last year). The number of 'major' applications determined within 13 weeks declined in Q1

(currently 73% compared to 82% in 2009-10). This was due to 4 of 11 applications in April and May failing to make the 13-week timescale (see graph overleaf). Despite this decline, all 3 indicators are currently performing in the top quartile for unitary authorities.

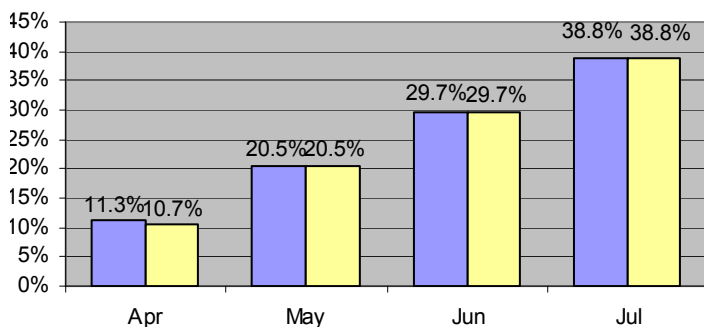
Processing planning applications



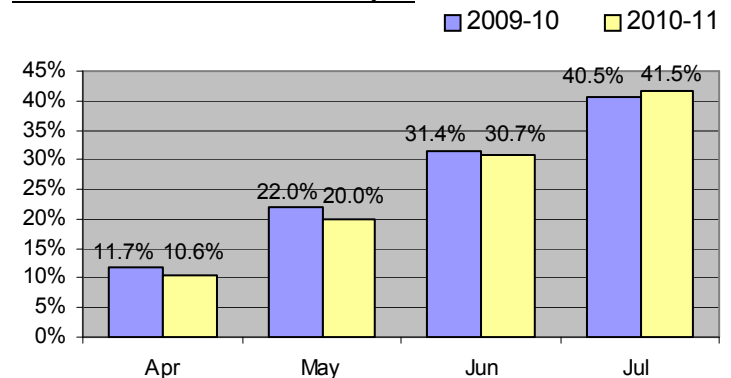
### Customer & Business Support Services

34. **BVPI 9 & 10: Council tax and NNDR collected in year:** The Council Tax in-year collection rate is currently 38.8% for the end of July and the same as Q1 last year. The non-domestic collection rate of 41.5% has increased 1% on last years rate for the same period and is 1.2% ahead of target, partly due to early Court action taken this year. The NNDR team are also currently up to date on account updates, which supports income collection.

% of council tax collected in year



% of non-domestic rates collected in year



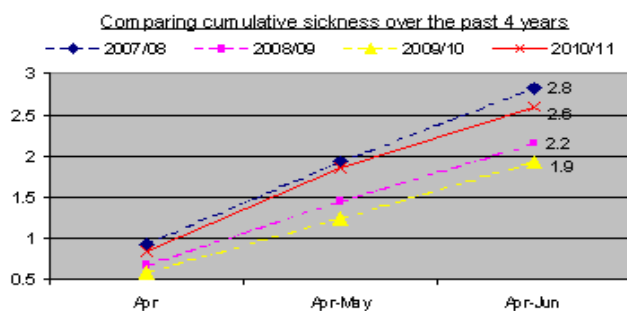
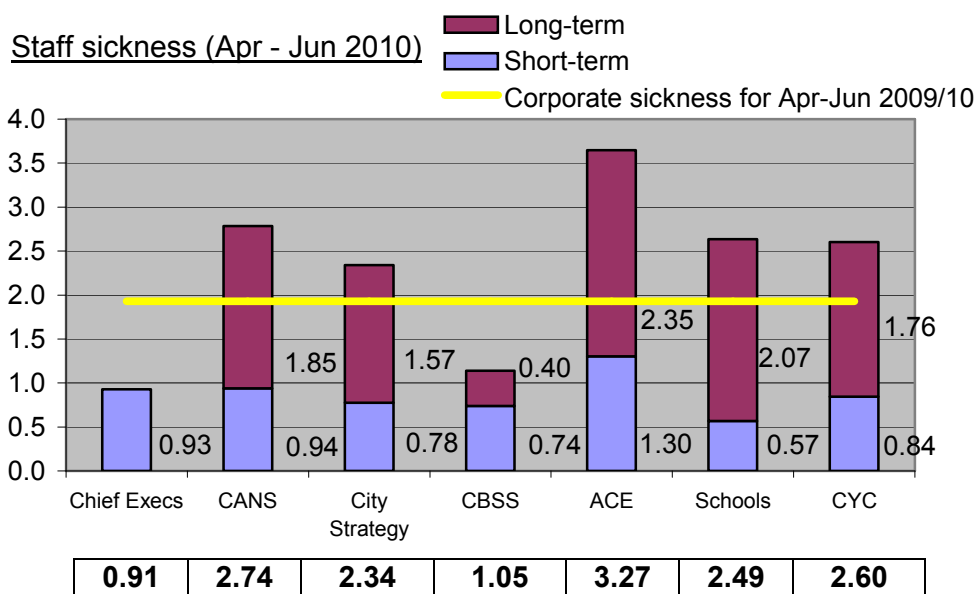
35. **NPI 181: Speed of processing benefits claims.** The average time for processing benefits currently stands at 13 days and continues to show steady improvement due to proactive management of the claim lifecycle at key points through monitoring and reporting. More assessments are now being made at first point of contact, which is also lowering processing times. A year to date figure of 19 days for new claims and 10 days for changes now gives an improved overall combined figure of 13 days.

### Corporate Health

36. Overall performance for Corporate Health has improved in some areas, continuing a positive trend from 2009-10 (see table overleaf). In particular, H&S incidents continue to reduce for the 3rd year running and staff turnover is down significantly. Sickness absence levels however have started to increase.

Corporate Health Performance	Apr – Jun 2010	Change from 2009-10
Number of days lost per FTE	2.6 days per FTE	37% increase on same period (0.7 days per FTE higher) Long-term sickness is much higher
Long term lost per FTE	1.92 days per FTE	
Short term lost per FTE	0.84 days per FTE	
Staff Turnover	0.56%	Decrease (1.46% this time last year)
H&S: Major injuries to employees	2	No change (2 this time last year)
H&S: Minor injuries to employees	7	Decrease (10 this time last year)
H&S: Injuries to non-employees	5	Decrease (10 this time last year)

37. *Absence & turnover:* Staff sickness stands at 2.6 days for the period April – June and is higher than that experienced for the same period over the past 2 years (1.9 days in 2009-10 and 2.2 days in 2008-09). Nearly 70% of all absence was recorded as long-term sickness, with the majority of these occurring in ACE and schools. Corporate HR is working proactively with schools in particular, so that absence issues can be identified early and addressed quickly. Part of that work involves ensuring that all absence is recorded as evidence suggests there has been some under reporting of sickness absence previously, which may explain the sharp increase in sickness levels for Q1. Staff turnover across the council decreased to 0.56% (45 employees) compared to 1.46% (122 employees) for the same period last year.



38. *Health & safety:* 'Minor' & 'Public' H&S incidents continue to decline compared to last year (-30% and -50% respectively). All 5 public incidents occurred in ACE. There were 2 major incidents between April and June, which is the same as the same period last year. (again, both occurred in ACE). Approximately 70% of all H&S incidents reported between April - June occurred in ACE.

## Progress on priority actions

39. Encouraging progress has been made during the first quarter in delivering the 72 actions set out in the corporate strategy and five have already being completed. Key headlines include:
- Holding a youth festival and a busy programme of cultural events for young people over the summer holidays, as part of the “City of Culture” theme.
  - The opening of the new Explore Centre at the central library site, which has been shortlisted for a national award.
  - Progress on the procurement exercise to seek an operator for the Barbican. Detailed solutions were received from bidders in June and the next stages of the procurement will be presented to the Executive on 21 September. This will identify a preferred bidder and include details of a development agreement and lease by 31 October.
  - The Council has offered to contribute £3m towards the provision of a competition standard pool on the University’s Heslington East campus, as part of the York Sports Village. The university has already had stage 1 approval from Sport England for a £1m grant towards the construction of the pool and a synthetic football pitch. A stage 2 application has now been submitted and the university is currently waiting for the final grant offer. Negotiations are being finalised to ensure public access to the pool during 90% of its opening hours. Construction is expected to commence in 2011.
  - Monks Cross has been agreed as the preferred site for the new Community Stadium, with a new athletics facilities provided at the City of York Sports Village on Hull Road. £198k of LABGI (*Local Authority Business Grant initiative*) funding has been secured to move the project forward.
  - Excellent take-up of the ‘Step Up to Progress’ courses, which encourage young people not currently in education, employment or training to improve their skills and attend a work placement.
  - A free insulation scheme is being extended across the Hull Road ward, and will be rolled out to the Guildhall ward by the end of the financial year.
  - Recycling facilities are currently being rolled out to an additional 16,600 properties, and more energy-efficient streetlights are being put in place to reduce the council’s overall energy consumption

### Progress at Q1 on the council’s corporate strategy actions

Theme	On Target	Not on target	Completed
Thriving City	7	3	0
Sustainable City	10	2	0
Safer City	5	0	0
Learning City	6	1	0
Inclusive city	9	2	0
City of Culture	4	0	3
Healthy City	6	0	2
Effective Organisation	12	0	0
<b>Total</b>	<b>59</b>	<b>8</b>	<b>5</b>

40. The new coalition government will be reviewing local government spending in October as part of the annual CSR (Comprehensive Spending Review), and while current progress on the corporate strategy has been good, future progress may depend on the outcome of this review.

## Finance - Overview

41. The General Fund budget for 2010-11 is currently £117,882k, with utilisation of balances and reserves reducing the call on Council Tax to £117,338k. Current projections indicate that financial pressures facing the council amount to £4,042k. Work is ongoing to identify actions to deal with the position, and Directors whose areas are subject to financial pressures have been asked to prepare mitigation plans to ensure that the council operates within its approved budget.
42. Although significant investment was made in this year's budget, many of the drivers for the pressures that the council faced in 2009-10 remain in 2010-11, namely rapidly increasing demand for adult social care and the impact of the economic climate on income generating services. This has been compounded by in year grant cuts from Central Government to date of £2,290k, details of which can be found in paragraph 44.
43. An overview of the current position is summarised on a directorate-by-directorate basis in the table below. It assumes that the contingency request outlined in paragraph 54 is approved and that the remaining £565k is used to offset pressures identified at this stage. It also assumes the pay award provision is held corporately until national negotiations are concluded for 2010-11 and that the final tranche of VAT refunds received from the Fleming and Conde-Nast cases, totalling £509k, offsets unmitigated in-year government grant funding cuts.

Directorate	Gross Expenditure Budget	Gross Income Budget	2010/11 Net Budget	Current Variance
	£'000	£'000	£'000	£'000
Adults, Children & Education	150,359	-65,921	84,438	+1,800
City Strategy	38,063	-29,958	8,105	+937
Communities & Neighbourhoods	88,437	-47,451	40,986	+803
Customer & Business Support Services	75,435	-71,367	4,068	-92
Office of the Chief Executive	10,457	-5,769	4,688	+13
<b>DIRECTORATE BUDGETS</b>	<b>362,751</b>	<b>-220,466</b>	<b>142,285</b>	<b>+3,461</b>
Asset Rental Adjustments	-	-21,166	-21,166	-
Other Central Budgets	5,044	-15,709	-10,665	+221
General Contingency	585	-	585	-565
More for York	1,251	-6,176	-4,925	+1,075
Treasury Management	13,561	-1,793	11,768	-150
<b>GROSS BUDGET</b>	<b>383,192</b>	<b>-265,310</b>	<b>117,882</b>	<b>+4,042</b>

44. On 10 June 2010, the new coalition government announced details of £1.166bn in cuts to Local Government funding for 2010-11. The main proportion of this was a reduction to the Area Based Grant (ABG), though other schemes such as the Housing & Planning Delivery Grant (H&PDG) were also abolished. As a result, the council received a £1.182m reduction in ABG and the removal of the H&PDG created a budget pressure of £365k. There have been subsequent cuts to government grants to schemes provided by Adults, Children & Education of £743k which means the total amount of grant cuts made by the government to date stands at £2,290k. Of this, £1,560k of mitigating actions have already been identified which leaves £730k that is being reported as a pressure against Other Central Budgets. Work will continue to identify mitigating actions for these items.



45. These cuts are just the start of what will be a prolonged period of uncertainty in terms of the funding the council receives. A spending review by central government is currently underway with the aim of reducing departmental expenditure by between 25% and 40%. The results of the review will be published on 20 October 2010 and this will inevitably have a significant impact on the council, in particular on the funding it receives from 2011-12 onwards. This uncertainty will require the council to fundamentally assess the services it delivers, and how it delivers them, work on which is already underway through the More for York programme.
46. In year, and as stated in paragraph 41, work will be ongoing to help ensure expenditure is brought in line with the budget by the year-end, including a continuation of the strict cost control measures that were introduced in 2009-10. It is hoped progress against these measures will yield a reduction in the reported forecasted pressures by the time Monitor 2 comes before Executive on 16 November 2010.

### **General Fund**

47. The following sections provide further information on the current pressures each directorate is facing, as outlined in the main budget table in paragraph 43.

#### Adults, Children & Education

48. Adults, Children & Education are reporting early financial pressures of £1,800k. Of this, £1,349k in pressures are being projected in Adult Social Services where the increasing demand, above the approved budget, continues to be an issue in 2010-11. The main contributory factors are:
- i) More people have opted to take direct payments than anticipated and the numbers are likely to increase as personalisation of services is rolled out further resulting in an increased take up in Direct Payments (£921k).
  - ii) A higher number of referrals than anticipated for Independent Residential & Nursing Care (£549k), due to greater throughput of cases from the Hospital Discharge Team and an increase in the speed referrals are dealt with resulting in the subsequent placement of customers. The total number of customers in residential and nursing care is, however, still reducing as a percentage of the total customer base as the ambition to see more people assisted in the community is realised.
  - iii) The cost of using agency staff to cover staff sickness in Elderly Persons Homes (£246k).
49. There are a further £451k of pressures in Children & Young People's budgets, the causes of which include:
- i) Maintaining current staffing levels for children's social care (£216k), in particular the continued use of agency staff whilst the service completes its major staffing restructure.
  - ii) Pressure on home to school transport budgets (£149k), where the additional savings target allocated to the service during the 2010-11 budget process is unlikely to be achieved.
50. These pressures are offset by vacancy management measures across the service and work is ongoing to identify further actions to reduce the reported position.
51. To date, the directorate has received in-year government grant cuts totalling £1,832k, of which savings have been identified of £1,467k. Difficult decisions have had to be taken in

order to reduce expenditure on a wide range of community based schemes within the Early Intervention Fund as well as the Youth Volunteering Project. Full details are being reported to the meeting of the Executive Member on 14 September 2010. The remaining £365k, related to ABG, has been reported as a corporate pressure.

### City Strategy

52. City Strategy are reporting early financial pressures of £937k, with many of the issues stemming from the economic downturn that were present in 2009-10 still remaining. Parking income is down approximately 5.6% on forecasted amounts (£306k) and shortfalls in building control income (£188k), income from the Commercial Property portfolio (£188k) and planning applications (£150k) all contribute to the reported position. There is also a forecasted reduced Yorwaste dividend (£230k) as a result of a downturn in waste volumes and lower recycle prices.
53. These pressures are offset by vacancy management measures (£174k). A complete service review is ongoing and an analysis of every service has been completed with a view to bringing forward further options to reduce current pressures in September.

### *Contingency Request*

54. A contingency request has been made for £20k to fund an existing post in Economic Development that supports inward investment for the city, that was previously funded by Yorkshire Forward.

### Communities & Neighbourhoods

55. Communities & Neighbourhoods are predicting early financial pressures of £803k. The directorate's income generating services are the main contributory factor with shortfalls in income projected for Commercial Waste (£248k), the Library Service (£173k) and the Performing Arts service (£134k). A further pressure related to increased utilities and repairs costs at travellers sites underpins the reported position.
56. Work is being carried out to address the income shortfalls with alternative options that would reduce the position being assessed. The directorate will also address its current position via vacancy management measures and a freeze on non essential spend in order to spend within budget by the end of the financial year.

### Customer & Business Support

57. Customer & Business Support are currently projecting an underspend of £92k. This is mainly due to a reduction in audit fees following the cessation of the Comprehensive Area Assessment regime (£66k) and the re-alignment of IT support and maintenance contracts which will realise a projected in year saving (£70k). This is offset by a number of small variations elsewhere in the directorate.

### Office of the Chief Executive

58. The Office of the Chief Executive is currently projecting a minor pressure of £13k. There is a £59k pressure within Marketing and Communications due to a shortfall of income for boundary sign advertisements and from the Print Unit, however this is offset by vacancy management measures elsewhere in the directorate.

## Central Budgets

59. Treasury Management activity is currently forecasting an underspend of £150k. This is primarily due to reduced interest paid on borrowing and increased interest earned due to higher than anticipated cash balances. A technical review of the council's capital financing requirement and minimum revenue provision is currently underway and more detail on the financial impact of this will be provided in a future report.
60. A pressure of £221k is being reported against Other Central Budgets which is comprised of the £730k of unmitigated in-year government grant cuts and offset by the £509k VAT refund receipt for claims related to the Fleming and Conde-Nast cases.

## More for York

61. Work being carried out on the originally approved £3,725k More for York programme is progressing well, with all workstreams such as Customer Services, ICT and Procurement broadly on track to meet their savings targets. In addition, the 2010-11 budget contained two savings items of £600k each in Adults, Children & Education related to the adult's and children's social care. These have subsequently been brought into the programme and current projections show that of the £1,200k target, £1,075k is currently at risk of being achieved. However, extensive work is being carried out to identify options to create a detailed action plan to mitigate this risk and the Monitor 2 report will provide details of this and show improvement on the position reported here.

## General Contingency

62. The approved contingency for 2010-11 was £585k and the request for a release from the fund, outlined in paragraph 54, will reduce the available balance to £565k. No further allocations are proposed in this report, however the position will be reviewed with regard to the pressures on income generating services at Monitor 2.

## **Non General Fund**

### Dedicated Schools Grant

63. In the Dedicated School Grant (DSG) area there is a projected underspend of £309k against a budget of £92,754k. Due to the nature of the DSG, any underspend must be carried forward and added to the following year's funding with overspends either being funded from the general fund or reducing the following year's funding allocation.

### Housing Revenue Account

64. The budgeted balance on the HRA is estimated to be £8,777k and the latest forecast identifies a surplus of £383k, leaving a projected working balance of £9,160k, the main reason for which is a number of vacancy management measures across the service.

## **Reserves**

65. The council's general revenue reserve currently stands at £6.4m, after reductions for carry forwards from 2009-10 and items committed as part of the 2010-11 budget. The minimum required level to cover significant unforeseen one-off cost pressures is approximately £6.0m. Should the current pressures still be evident at the end of the financial year, they would have to be funded from the reserve and would result in a significant breach of this minimum level. This prospect reinforces the need to identify mitigating actions to ensure that the council's expenditure is contained within budget. If

the position cannot be recovered, the Director of Customer & Business Support Services will have to recommend to Council that the reserve is reinstated to at least its minimum required level which will have implications on the 2011-12 budget and beyond.

## **Analysis**

66. The analysis of service performance, progress on key actions and the financial position of the council is included in the body of the report.

## **Consultation**

67. A number of performance and financial management meetings and forums have taken place at DMTs and CMT to review performance and delivery, which have helped to inform this report.

## **Corporate priorities**

68. The information and issues included in this report are designed to demonstrate progress on achieving the priorities set out in the council's corporate strategy (2009-12). It also provides evidence of CMT and the Executive working together to drive forward prioritised improvement and address performance, delivery or financial issues of corporate concern.

## **Implications**

69. The implications are:
- *Financial* - the financial implications are dealt with in the body of the report.
  - *Human Resources* - there are no specific human resource implications to this report, but it does contain important information on staff management and welfare.
  - *Equalities* - there are no equality implications to this report.
  - *Legal* - there are no legal implications to this report.
  - *Crime and Disorder* - there are no specific crime and disorder implications to this report, but it does provide the Executive with crucial performance information to inform future resource allocation.
  - *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**

70. The council's risk management culture continues to mature and form part of regular business process. The Key Corporate Risks (KCRs) are reported to both Audit & Governance Committee (A&G) and CMT on a quarterly basis as part of the council's overall governance arrangements. The KCRs are regularly reviewed at Corporate Leadership Group and on an ongoing basis as part of the quarterly monitoring sessions at A&G and CMT. As part of this process there are three new KCR's that A&G are recommending Executive approve:
- Government Spending Policy
  - Corporate Performance Management Framework
  - Climate change

## Recommendations

71. Members are asked to:

a. Note the performance issues identified in this report.

*Reason: So that corrective action on these performance issues can be taken by members and directorates.*

b. Note the finance issues identified in this report, in particular, the current forecasted pressures and acknowledge that work is ongoing to reduce these in time for the Monitor 2 report, due before Executive on 16 November 2010.

*Reason: So that the council's expenditure can be contained within budget, where possible, by the end of the financial year.*

c. In accordance with Financial Regulations, and referencing paragraph 54, approval is requested for a release from Contingency of £20k to fund the inward investment post.

*Reason: To enable the continuation of the council's role in promoting inward investment in the city.*

d. Approve the three new Key Corporate Risks set out at Paragraph 70 of this report

*Reason: So that monitoring of these risks is presented to Members on a regular basis.*

<b>Authors:</b>		<b>Chief Officer Responsible for the report:</b>		
Peter Lowe Performance & Improvement Team		Ian Floyd, Director of Customer & Business Support Services		
Andrew Crookham Corporate Finance		Report Approved	<input checked="" type="checkbox"/>	Date 6 September 2010
<b>Specialist Implications Officer(s)</b> - None				
<b>Wards Affected:</b> None				All
<b>For further information please contact the author of the report</b>				