CITY OF YORK COUNCIL

Meeting:	Executive
Meeting date:	25 January 2024
Report of:	Ian Floyd, Chief Operating Officer Debbie Mitchell, Chief Finance Officer
Portfolio of:	Councillor Katie Lomas, Executive Member for Finance, Performance, Major Projects, Human Rights, Equality & Inclusion

2023/24 Finance and Performance Monitor 3

Subject of Report

1. This report sets out the projected 2023/24 financial position and the performance position for the period covering 1 April 2023 to 31 December 2023. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.

2. The previous monitor report outlined the Council's serious financial position with a forecast overspend for 2023/24 of c£11m gross, mitigated down to £941k. There has been a small improvement for Monitor 3, with a forecast overspend, after mitigation, of £842k. However, the underlying gross overspend remains at c£11m.

3. This is still a significant overspend that is of serious concern and it remains very clear that the Council cannot afford to keep spending at this level. The general reserve is £6.9m and, whilst we have other earmarked reserves that we could call on if required, continued spending at this level would quickly see the Council exhaust its reserves.

4. Given the scale of the forecast overspend, a series of actions was agreed previously to bring spending down to an affordable level, both within the current financial year and over the next 4 years, to safeguard the Council's financial resilience and stability.

Benefits and Challenges

5. This report is mainly to note the latest financial projections and current performance. The main challenge is delivering on agreed savings whilst also identifying further reductions in expenditure. The main benefit of approving the recommendations will be the ongoing financial stability of the Council.

Policy Basis for Decision

6. This report is mainly to note the latest financial projections and current performance. The ongoing financial resilience and stability of the Council will be essential to ensuring that Council priorities can continue to be achieved.

Financial Strategy Implications

7. This report sets out the projected financial position and identifies a range of actions that are necessary in order to reduce expenditure, both within the current financial year and over the next 4 years to safeguard the Council's financial resilience and stability.

8. The Financial Strategy report elsewhere on this agenda considers how this forecast overspend will be incorporated into the Medium Term Financial Strategy.

Recommendation and Reasons

9. Executive is asked to:

   - Note the finance and performance information.

   Reason: to ensure expenditure is kept within the approved budget.

Background

Financial Summary and Mitigation Strategy

10. The latest forecast is that there will be an overspend of £11m. This is despite action being taken by managers across the Council to try and reduce expenditure. If the Council continues to spend at the current level, and no action is taken, then we will continue to

overspend and will exhaust our reserves and any other available funding. The current level of expenditure is unaffordable and therefore we must take immediate action to reduce expenditure. If we do not start to see an improvement in the forecast, there will need to be further measures implemented to ensure that the required impact is seen by the end of the financial year.

11. As outlined in reports to Executive throughout the previous financial year, we have continued to see recurring overspends across both Adult and Children's Social Care. However, the underspends and mitigations that have allowed us to balance the budget at year end have generally been one off. Whilst the use of reserves to fund an overspend is appropriate as a one-off measure, it does not remove the need to identify ongoing savings to ensure the overall position is balanced. The budget report considered by Executive in February 2023 also included an assessment of risks associated with the budget, which included the need to secure further savings and effectively manage cost pressures.

12. Members will be aware that the financial position of local government is a national challenge and that the pressures being seen across both Adult and Children's Social Care are not something that is unique to York. Many Councils are experiencing significant financial pressures and struggling to balance their budgets now, so it is vital that we take immediate action to reduce our expenditure down to a sustainable level both within the current financial year and over the medium term. Taking decisive action now will safeguard the Council's financial resilience and stability and prevent York being in a position where it is unable to balance its budget in future years. This means that, in addition to the actions proposed in this report, there will be a need to continue to identify further mitigations and savings for future years.

13. Given the scale of the financial challenge, and the expected impact on budgets in future years, it is vital that every effort is made to balance the overall position. It is recognised that this will require difficult decisions to be made to protect services for vulnerable residents.

14. Corporate control measures are being implemented but they will not deliver the scale of reduction needed within the year. Other savings proposals, including service reductions, are also needed.

A full list of these was included in the monitor 1 report considered by Executive in September.

15. Alongside these actions, officers will continue to carefully monitor spend, identify further mitigation, and review reserves and other funding to make every effort to reduce this forecast position. However, it is possible that it will not be reduced to the point that the outturn will be within the approved budget. The Council has £6.9m of general reserves that would need to be called on if this were the case. As outlined in previous reports, any use of the general reserve would require additional savings to be made in the following year to replenish the reserve and ensure it remains at the recommended minimum level.

16. It must be a clear priority for all officers to focus on the delivery of savings plans during the year. Corporate Directors and Directors will keep Executive Members informed of progress on a regular basis.

Financial Analysis

17. The Council's net budget is £141m. Following on from previous years, the challenge of delivering savings continues with c£6m to be achieved to reach a balanced budget. An overview of the latest forecast, on a directorate by directorate basis, is outlined in Table 1 below.

Service area	Net budget	2023/24 Net Q2 Forecast Variation	2023/24 Net Q3 Forecast Variation
	£'000	£'000	£'000
Children & Education	25,083	3,727	3,690
Adult Social Care & Integration	45,329	3,407	4,712
Place	22,605	-1,363	-1,040
Customers & Communities, Public Health & Corporate Services	26,437	1,000	830

Central budgets	22,670	-1,000	-2,600
Sub Total		**5,771**	**5,592**
Contingency	-500	-500	-500
Use of earmarked reserves		-4,250	-4,250
Target for further mitigation		-1,021	842
Net total including contingency	141,624	nil	nil

Table 1: Finance overview

Reserves and Contingency

18. The February 2023 budget report to Full Council stated that the minimum level for the General Fund reserve should be £6.8m (equating to 5% of the net budget). At the beginning of 2023/24 the reserve stood at £6.9m.

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 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 a substantial amount from this general reserve in 2023/24, growth will need to be included in the 2024/25 budget to ensure that reserves can be maintained at an appropriate level.

20. In addition to the general reserve of £6.9m 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 and these funds will again be reviewed on a quarterly basis and where appropriate to do so will be released to support the in-year position. 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. There is currently a balance of £31.2m available in earmarked reserves. Following a review, it is considered appropriate that c£4m can be released from a range of areas. We will also look at amounts held by fully

owned Council companies to ensure that reserves are not being held at a level that is unnecessarily high.

21. As in previous years a contingency budget is in place, and this is currently assumed to be available to offset the pressures outlined in this report.

Loans

22. Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There is one loan in this category for £1m made to Yorwaste, a company part owned by the Council in June 2012. Interest is charged on both loans at 4% plus base rate therefore interest of 9.25% is currently being charged. All repayments are up to date.

Directorate Analysis

Children and Education

23. The forecast directorate outturn position is an overspend totalling £4,880k and the table below summarises the latest forecasts by service area.

	2023/24 Budget	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Children's Safeguarding	20,698	+3,113	+15
Education & Skills	15,512	+1,641	+10.6
School Funding & Assets	-7,642	+119	+1.6
Director of C&E & Central Budgets	-2,720	+7	+0.3
Total Children & Education	24,850	+4,880	+19.6

Mitigations to reduce forecast overspend	
Direct Payments Review	-200
Removal of budget contingency held within service	-100
Use of unallocated budget growth	-150
Grant income received in excess of amounts accrued	-150
Use of Supporting Families Reserve	-100
Redirection of Unspent Grant Monies	-390
Further cost control measures	-100
Revised position	3,690

24. There has been significant progress made in reviewing and reducing the expenditure across Children & Education, with a substantial reduction in the use of agency staff and the cost of placements. This is extremely positive and is against the national trend of ever increasing overspends in Children's Services. However, costs are increasing due to inflation, an increase in safeguarding activity reflecting greater complexity of needs and the challenges of a dysfunctional children's social care market.

25. As previously reported, the number of Children Looked After (CLA) in York has consistently been at a higher level than the budget was built to accommodate. The number at the beginning of the financial year was 267, at the end of October it was 247. Placement budgets are predicted to be overspent by a total of £2,858k, which is a significant improvement from the 2023/23 outturn which was £5,651k overspent. However, the pressure on this budget continues and is partly due to the limited market for children's placements and the statutory requirements placed on local authorities to meet children's needs, coupled with inflationary pressures which could worsen the position.

26. In addition, there is a predicted overspend in the Corporate Parenting Staffing Teams of £167k as the staffing budgets make no provision for the extra costs of agency staff. Nearly all the agency staff have now left.

27. An overspend in Disabled Children's Services of £730k is mainly overspends on direct payments and home support for a specific young person. A specific project for reviewing historic direct payments is being investigated, which will clawback some of previous payments made and reduce ongoing costs.

28. Home to School Transport shows a forecast overspend of £618k. This continuing overspend is due to an increase in numbers for post 16/19 plus the provision of more specialist education provision locally. This is a much more cost-effective alternative to expensive out-of-city provision but has a consequent effect on this budget as we have had to provide more transport to establishments such as York College, Askham Bryan, Choose 2 and Blueberry Academy. The change in legislation to allow EHCPs up to the age of 25, resulting in significantly more students accessing this option, has also significantly increased our transport spend.

29. Staff resourcing issues and turnover in the SEND Statutory Services Team, and the need to resource this work to progress the Safety Valve targets has resulted in a small number of agency staff being appointed into this team over the period under consideration, resulting in a projected overspend of £130k (a significant improvement on the £405k overspend in 2022/23). The Educational Psychologists Service is predicted to underspend by £62k mainly due to vacancies in the team.

30. The Effectiveness and Achievement Service is predicted to overspend by £217k, mainly due to one-off unexpected expenditure, and also a delay in the implementation of a saving.

31. An overall underspend of £104k is predicted to be achieved within the Virtual School and Inclusion service, due to one-off savings in non-staffing expenditure.

32. There is a requirement to write-off the deficit balance, currently estimated at £150k, following the sponsored (DfE directed) conversion of Naburn Primary School to academy status.

33. The Dedicated Schools Grant (DSG) is currently projected to be on track to meet the targets set out in the Safety Valve recovery plan agreed with the DfE.

34. The main pressure continues to be experienced within the High Needs Block and is due to the continuing increase in High Needs numbers, and increasing complexity, requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of Out of Authority placements.

35. The brought forward balance on the DSG at 1 April 2023 was a deficit of £2,723k, following the first payment of additional funding under the Safety Valve agreement in March 2022. The net position in 2022/23 would have been an overspend of £1,380k, however a further £4,500k of additional DSG was paid during the year as the LA successfully met the targets set out in year one of the agreed management plan. The result is a revised cumulative deficit of £2,723k to carry forward to 2023/24.

36. The Safety Valve agreement commits the local authority to bring the DSG into an in-year balanced position by 2025/26. Further payments are conditional on the local authority meeting the targets set out in the Management Plan, and reporting quarterly to the DfE on progress, with the eventual aim of eliminating the in-year deficit by the target date, with additional payments by the DfE eliminating the historic deficit at that point.

Adults

37. The projected outturn position for Adult Social Care is an overspend of £8,243k and the table below summarises the latest forecasts by service area.

	2023/24 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Direct Payments	4,955	578	11.7
Home and Day Support	1,234	2,576	208.8
Supported Living	15,376	1,328	8.6
Residential care	14,139	2,031	14.4
Nursing care	4,905	1,092	22.3
Short term placements	1,228	-228	-18.6
Staffing (mostly social work staff)	7,212	310	4.3
Contracts and Commissioning	2,391	5	0.2
In House Services	4,802	17	-0.4
Be Independent & Equipment	944	323	34.2
Other	-11,810	161	1.4
Recharges	-47	50	106.4
Total Adult Social Care	45,329	8,243	18.2

Mitigations to reduce forecast overspend	
Use of Market Sustainability and Improvement Fund for price pressures	-930
New practice model across Home Care	-240
Impact of introducing residential and nursing framework for providers	-250
Review of high-cost packages and customers becoming the responsibility of other LAs	-401
Review of CHC claims	-600
Recovery of overpayments to providers where block contracts have underspent	-180
Slippage on Better Care Fund Schemes	-282
Cease any remaining use of Agency staff	-126
Other Mitigations	-522
Revised position	4,712

38. A number of factors contribute to an extremely challenging operating environment for adult social care.

39. CYC commission the majority of its care from the independent sector where the cost of providing care has been increasing through uplifts to the National Living Wage and other inflationary pressures e.g. utilities costs. Partners, particularly the NHS, are also under pressure resulting in increased reliance and expectation on social care to support hospital discharge and to support people with increasingly high needs at home. Austerity, the pandemic and cost of living crisis have meant that more people than ever feel the need to come to the local authority seeking support. Our population is ageing and has the increased additional needs this brings. We have additional responsibilities around the delivery of high quality, personalised, accessible and affordable support emanating from the ‘People at the Heart of Care’ national strategy and regulatory requirements of the Care Quality Commission (CQC), without the additional resource to fund this activity.

40. We will need to see significant reductions in the price we pay, the numbers of people we provide commissioned services to, the amount of the services which people receive and the type of commissioned service we provide to manage within our budget.

41. We are introducing robust and fair provider frameworks to limit the cost we pay while maintaining the quality of residential homes, nursing homes, supported living and home care. Brokerage services will link this provision to the assessment of individual need ensuring we maximise these arrangements and maximise our value for money.

42. We have in place assurance processes to check, challenge and where necessary decline assessments and requests for service. We will refresh our practice model in the coming months to assure good assessments and decision making that requires all personal and community assets and assistive technology is used before services are put in place.

43. There has been a slight decline in the number of people entering residential and nursing care in recent months due to the introduction of measures above, partly due to comparatively younger cohorts entering care homes in 2020-21 and 2021-22. The average placement length is, however, increasing so the overall number in residential and nursing care remains higher than budgeted. We have also placed people in services in the past at higher rates and will need to see those numbers reduce over time to deliver budget reductions; the completion of the refurbishment of the independent living scheme at Glen Lodge is key to achieving this.

44. This decrease in the use of residential and nursing care puts additional pressure on use of home care. This number of people receiving home care will reduce as we:
- Tender the reablement services
- Remodelling of the front door
- Improving the practice model
- Increasing our brokerage capacity to cover all service areas
- Bringing our communities services closer to adult social care
- Improving take up and use of assistive technology.

45. The following paragraphs outline the main variations.

External Care

46. The Council purchases care from external providers who support customers to meet their assessed needs. There are a variety of purchasing arrangements such as block contracts (purchasing a set number of beds/hours at a set rate), spot arrangements where prices are negotiated on an individual customer basis and frameworks where providers specify a rate, and the Council will approach those providers but are not contractually bound to use.

47. The Council can also be a lead commissioner for a package of care where Health contributes an element towards the health needs of a customer and current practice is for the Council to pay the provider and recover from Health.

48. Direct Payments are slightly different in that payments are made to individuals who then control how the many is spent to meet their assessed needs, usually with the assistance of a support agency who help with the administration of the funds such as payroll, paying invoices etc.

49. ASC generally organise themselves alongside the four main customer groups and allocate the budgets accordingly. These are:
- Customers with a Learning Difficulty (LD)
- Customers with a Physical &/or Sensory Impairment (P&SI)
- Customers experiencing poor Mental Health (MH)
- Older customers experiencing mobility issues, memory and cognition issues, frailty (OP)

50. The following sections describe the variations to budgeted costs, customer number and income. The variations are generally due to not fully meeting previous years' savings targets plus significant price pressures in the market.

Direct Payments

51. The main overspend is on the Learning Disability (LD) direct payments budget, which is expected to overspend by £620k. This is mainly due to the average cost of a direct payment being £116 per week more than in the budget (£775k), and the average cost of a transport direct payment being £50 per week more (292k). This is offset by an increase in direct payment reclaims since Q2.

Home and Day Support

52. P&SI Community Support is projected to overspend by £595k. The average weekly hours of homecare provided by framework providers is 132 more than in the budget (£166k) and the average cost of homecare is around £5 an hour more (£252k). In addition to this there has been a reduction of 8 in the number of customers receiving health contributions towards their care (£268k). This is partially offset by an increase in the number of customers making contributions to the cost of their care (£84k).

53. The OP Community Support Budget is projected to overspend by £731k. The average weekly hours of homecare provided by framework providers is 1,087 more than in the budget (£782k), and there are 16 more customers on homecare exception contracts than budgeted for (£251k). This is partially offset by the average cost per customer of an exception contract being £150/week less than in the budget (£440k) as commissioners have negotiated with such providers to accept our framework rate.

54. LD Community Support budgets are expected to overspend by £1,050k. There are 6 more homecare customers than assumed in the budget (£220k), and the average cost per customer is £214 per week more (£134k). On the day support side there are 21 more customers than in the budget (£251k) due to not delivering the budget saving aimed at maximising in house resources and the average cost per day support customer is £42 per week more (£329k). There are also 3 fewer customers receiving health income than allowed for in the budget.

55. Mental Health community support is projected to overspend by £200k. This is mainly due to having 10 more homecare and 7 more day support customers in placement than was assumed when the budget was set.

Supported Living

56. Supported Living are settings where more than one customer live, with their own tenancy agreements, where their needs are met by a combination of shared support and one to one support.

57. The LD Supported Living budget is projected to overspend by £370k. The average cost of a placement is £68 per week more than in the budget (£705k) and expenditure on voids is expected to be around £258k this year. This is offset by having 5 fewer customers in placement (£409k), together with an increase in

income largely due to the average S117 contributions from health being £60 per week per customer higher than was assumed when the budget was set.

58. The P&SI Supported Living schemes budget is expected to overspend by £946k. This is mainly due to the average cost of a placement being around £352 per week higher than in the budget.

Residential care

59. OP permanent residential care is projected to overspend by £1,253k. There are currently 16 more customers in placement than in the budget (£658k) and in addition the average cost per placement is £175/week higher (£1,806k). This is offset by an increase of £56/week in the average customer contributions being received (£714k) and a recurrent injection to the budget of £500k

60. This £500k was resource originally set aside for increasing staffing in Independent Living Communities as the model to support more people in that environment matured. However, this is unlikely to fully develop whilst Glen Lodge is closed for refurbishment. Budget can be transferred back from residential care once this refurbishment is complete and a structured plan to maximise the capacity is implemented.

61. LD residential care budgets are expected to overspend by £793k. This mainly due to the average cost of a working age placement being £172 per week more than in the budget (£1,601k), offset by having 7 fewer customers in placement (£654k). There is also projected to be an overachievement of health income due to the rates of contribution per customer being more than in the budget (£129k).

Nursing Care

62. OP Permanent Nursing Care is projected to overspend by £430k. This is due to the average cost of a placement being £220 a week more than in the budget (£1,550k), offset by having 21 fewer customers in placement (£912k), together with an increase in the average customers contributions received.

63. There is expected to be an overspend of £442k on Mental Health nursing care budgets due to there being 3 more customers in the over 65 budget (£196k) and 3 more customers in the working age budget (£246k) than was assumed when the budget was set.

Short Term Placements

64. These are a combination of emergency and planned placements that can be used to step people out of hospital, provide respite for carers, respond to an emergency etc but are time limited with exit strategies.

65. The OP short term placements budget is expected to underspend by £227k. The underspend on step up step down beds (£257k) is due to additional health funding having been secured for these beds. There is also a projected underspend on the nursing emergency placement budget as the number of placements to date has been less than assumed in the budget (£200k). This is partially offset by an increase in the residential emergency placements made to date which suggests that there will be an overspend on this budget by the year end.

In House Services and Staffing

66. The Council employees a variety of staff to advise and assess residents' and customers' social care needs. We also directly provide care and support to individuals and have teams which provide home care both in the community and in our Independent Living Schemes as well as running day support activities for those with a learning difficulty and those experiencing poor Mental Health. We also operate short stay residential care for the same customer groups.

Staffing

67. There is expected to be an overspend on staffing due to the use of agency staff in the Hospital team (£134k), being over establishment on AMHP and social care worker posts in the Mental Health Team (£209k) and being 1 FTE over establishment in the DOLS team (£44k). This is partially offset by vacancies elsewhere in the service and there is ambition to reduce use of agency staff between now and year end, the impact of which is in the recovery plan actions.

Be Independent & Equipment

68. Be Independent provide equipment to customers to allow individuals to remain independent and active within their communities. They also provide an alarm response service means tested as to whether a customer pays for it.

69. Be Independent is currently projected to overspend by £323k. There is still a budget gap of £130k and a £50k overspend on recharges arising from when the service was originally outsourced which has yet to be fully addressed. Staffing is expected to overspend by £132k largely due to an unfunded regrade of some of the posts in the team and to having a review manager post above establishment. In addition, there is expected to be an underachievement of income based on current customer numbers (£75k) and the decision to end equipment sales (£49k), which is offset by additional income arising from Mediquip moving into the site at James Street (£100k).

Place

70. The forecast directorate outturn position is an underspend totalling £1,223k and the table below summarises the latest forecasts by service area.

	2023/24 Budget £'000	Forecast Outturn Variance £'000	Forecast Outturn Variance %
Transport	6,846	-382	-5
Fleet	-237	10	4
Highways	4,457	880	19.7
Parking Services	-6,779	-1,311	-19
Waste	15,149	-1,266	-8
Public Realm	3,298	84	2.5
Emergency Planning	115	0	0
Planning Services	-133	341	356
Forward Planning	421	0	0
Public Protection	766	-35	-4.6
Community Safety	688	4	0.6
Asset and Property Management	624	-95	-15

Facilities Management	1,293	564	43.6
Commercial Property	-4,336	0	0
Regen & Economic Development	406	0	0
Housing Services	-476	36	7.6
Management and Support	446	0	0
Place total	**22,548**	**-1,040**	**-4.6**

Mitigations to reduce forecast overspend	
Increase parking charges by 10p	-70
Reduce use of agency to cover sickness absence in public realm	-60
Do not undertake any winter bedding activity	-10
Revised forecast	**-1,363**

71. The primary reason for the underspend is continued strong performance from income particularly relating to parking. There are also underspends across waste from recyclate sales and lower than forecast waste tonnages. Offsetting these costs there are continued higher than budgeted utility costs across street lighting and council offices.

72. Car park income to 30th November has remained strong across the city at being £455k (10%) ahead of income to the corresponding date in 2022/23 and £1,200k ahead of budget. Following a price rise in early November the income projection for the year has been increased to £1.6m. There is also further income above budget of £100k from Penalty Charge notices less a shortfall of £50k from Respark. There has been an increase in bank processing costs of card and phone payments but overall Parking Services is forecasting an underspend of £1.3m.

73. There is a forecast underspend of (£1,266k) across waste disposal and collection. This is from a combination of additional recycling income due to higher than budgeted commodity prices. Income

levels are forecast at £350k above budget which is lower than 2022/23 but higher than budget.

74. Across Waste Collection operational costs are estimated at £390k below budget as vehicle repairs and hire are below budget as the fleet is relatively new. Residual waste tonnages across York and North Yorkshire are also lower than forecast which allows capacity within Allerton Park (£448k) to be filled with commercial waste from Yorwaste which provides additional income.

75. Latest monitoring indicates a forecast shortfall in planning fees of £450k. There has been a slowdown in income levels related to the downturn in the housing market. This will continue to be monitored closely and the profile of planning income will be reviewed in light of the impact of the Local Plan and announced fee increases which came into force in December. There have been staff savings that have offset the shortfall in income.

76. The budget for facilities management assumes full occupation of external partners at West Offices. There remains a void on floor two whilst let is still subject to final completion. This has led to a forecast shortfall of £417k in this service area.

77. The energy budgets across Place were increased in 2023/24 to reflect the large increases in gas and electricity prices that occurred in 2022/23. There have however been a further 30% increase in electricity prices in 2023/24 which have led to forecast overspends in Highways (£500k) and Facilities management £175k.

78. There have also been additional insurance costs faced by the Directorate as premiums increase reflecting the cost to the insurance industry of claims.

79. The overall directorate forecast assumes that a number of income budgets including commercial property and licensing will outturn on budget. These will require monitoring throughout the year as there are potential pressures across services.

Housing Revenue Account

80. The Housing Revenue Account budget for 2022/23 was set as a net deficit of £1,558k. There were carry forwards of £1,611k agreed as part of the outturn report meaning the revised budget

stands at £3,169k deficit (including £1,900k debt repayment). At at 30th November it is still envisioned that the outturn will be in line with budget excluding slippage of revenue contributions to fund capital expenditure.

81. The HRA allocated significant increases for inflation to cover repairs and energy costs and at this stage of the year it is forecasted that the actuals will be contained within the budget.

82. Across energy costs assumed gas price increases were below those budgeted and therefore it is expected that costs will be circa £150k below budget but that will be dependent on the severity of winter.

83. There are continued forecast shortfall in dwelling rental income of £560k due to the level of voids. Glen Lodge currently has around 30 empty properties pending the refurbishment works, this also has an impact on the service charges income. These pressures will be offset by the teams carrying vacant posts and the bad debt provision budget remains at a prudent level.

84. The depreciation charge for the HRA is anticipated to be £500k higher than budget. This can be mitigated from higher than budgeted interest on credit balances as interest rates are significantly higher than budget.

85. Included in the budget is £2.9m revenue contributions to capital expenditure. The most updated capital budget estimates that only £2.1m contribution will be required. This does reduce the spend in year to being a deficit of £2,369m.

86. The HRA working balance position at 31st March 2023 was £29.4m. The HRA projected outturn position means the working balance will reduce to £27.1m at 31st March 2024. This compares to the balance forecast within the latest business plan of £25.7m.

87. The high level of working balance is available to start repaying the £121.5m debt that the HRA incurred as part of self-financing in 2012. The first repayment of £1.9m is due in 2023/24 and can be met from current resources.

Corporate, Customers & Communities

88. The forecast outturn position for the remaining areas of the Council is a net overspend of £830k and the table below summarises the latest forecasts by service area.

	Budget £'000	Variance £'000	Variance %
Chief Finance Officer	2,923	147	5
HR and Corporate Management	2,545	-189	-7.4
Customers & Communities	15,899	931	5.9
Governance	5,063	191	3.8
Public Health	14	0	0
Total Corporate, Customers & Communities	**26,444**	**1,080**	**4.1**
Other central budgets and treasury management	22,382	-2,600	-11.6

Mitigations to reduce forecast overspend	
Vacancy management and cost control measure across all areas	-250
Revised position	830

89. Within Customers and Communities, the most significant pressure (£600k) arises from the continued pressure across Housing Benefit Overpayments as the move to Universal Credit reduces opportunities to achieve income from recovering overpayments.

90. There is also continued pressure from the loss of external payroll contracts within the Payroll Team (£242k).

91. Historical income shortfalls at the Mansion House combined with existing saving targets and pressures from premises costs are proving challenging.

92. Energy and maintenance contract inflation is causing pressure with the Bereavement Services, but it is hoped that this will be mitigated by increased income from the Crematorium by the end of the year.

93. Within Customers and Communities, the forecasted overspend has reduced by £221k, predominantly through holding vacancies wherever possible.

94. Within the Governance department there are coroner related pressures of £115k.

95. Since the last report notification of CYT’s 22/23 dividend has been received (£300k) which is higher than anticipated and accounts for most of the improvement within HR and Corporate Management Area.

96. The pressure within the Chief Finance Officer area is due to an increased External Audit fee of £175k, reported in the last monitor, noted, and included in the MTFP.

97. Across all these service areas Managers continue to be tasked with identifying mitigations that will reduce these pressures. These will include holding vacancies, cash limiting budget areas and striving to maximise income generation.

Performance – Service Delivery

98. This performance report is based upon the city outcome and council delivery indicators included in the Performance Framework for the Council Plan (2023-2027) which was launched in September 2023. This report only includes indicators where new data has become available, with a small number of indicators that support the Council plan being developed. Wider or historic

strategic and operational performance information is published quarterly on the Council's open data platform; www.yorkopendata.org.uk

99. The Executive for the Council Plan (2023-2027) agreed a core set of indicators to help monitor the Council priorities and these provide the structure for performance updates in this report. Some indicators are not measured on a quarterly basis and the DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.

100. A summary of the city outcome and council delivery indicators by council plan theme, based on new data released since the last report, are shown below and the latest data for all of the core indicator set can be seen in Annex 1. Progress against priority actions contained within the Council Plan will be presented to Executive separately to this report at year end.

101. As per Q3 in previous financial years, due to report publication timescales the majority of Q3 data will be unavailable and therefore figures up to and including November are shown in the documents where available.

102. A summary of the city outcome and council delivery indicators that have an **improving** direction of travel based on the latest, new, available data are as follows:

- Number of children in temporary accommodation (paragraph 104);
- Overall satisfaction of people who use services with their care and support (paragraph 111);
- % of working age population qualified (paragraph 115);
- Earnings gap between the 25 percentile and the median (paragraph 123);
- Business start-ups (paragraph 125);
- Net Additional Homes Provided (paragraph 134);
- Number of Void Properties – Major Works Voids (paragraph 143);
- Carbon emissions across the city (paragraph 145).

103. Indicators that have a worsening direction of travel based on the latest, new, available data are:

- %pt gap between disadvantaged pupils and their peers achieving 9-4 in English and Maths at KS4 (paragraph 105)
- Universal Credit Claimants (paragraph 120)

Performance - Health and Wellbeing: A health generating city

104. **Number of children in temporary accommodation –** at the end of Q1 2023-24, there were 41 children in temporary accommodation in York, which is a large decrease from 63 at the end of 2022-23. The majority of these children are in stable family setups, do not show evidence of achieving worse outcomes, and York continues to report no households with children housed in Bed and Breakfast accommodation.

105. **%pt gap between disadvantaged pupils and their peers achieving 9-4 in English and Maths at KS4 –** In 2020 and 2021, all GCSE, AS and A Level exams were cancelled and replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. Summer 2022 saw a return to the familiar testing methods.

106. Provisional data shows the gap at age 16 widened in York and Nationally to 43% in summer 2023. A legacy of Covid-19 is that school attendance of disadvantaged groups has been slower to recover, and has been worse than for the same group nationally. The work currently being undertaken through the Attendance Graduated Response is seeing improvements in attendance.

107. Reducing the attainment gap between disadvantaged pupils and their peers is a key priority in all phases of education across 0-19 years. Our long-term strategy re closing the gap is linked to the early identification of speech, language and communication needs in the early years through Early Talk For York (ETFY). Early communication and language development is particularly important in helping to tackle inequalities between disadvantaged children and their peers. Data shows that the 'gap' between non disadvantaged children nationally and disadvantaged children in the ETFY area reduced by 32%, from 34.5% (2018) to 2.5%, during the pilot. The scale up of the programme is designed to reduce the long-standing attainment gap and will focus on

supporting the transition of children from the early years in to school.

108. **% of reception year children recorded as being overweight (incl. obese) –** The participation rates for the National Child Measurement Programmes (NCMP) in York for 2022-23 were 97.2% for reception aged children and 95.1% for Year 6 pupils.
    - The 2022-23 NCMP found that 19.9% of reception aged children in York were overweight (including obese), compared with 21.3% in England and 22.5% in the Yorkshire and Humber region. York has the second lowest rate of overweight (including obese) for reception aged children in the Yorkshire and Humber region.
    - Of Year 6 children in York, 32.5% were overweight (including obese) in 2022-23 compared with 36.6% in England and 38.1% in the Yorkshire and Humber region. York has the lowest rate of overweight (including obese) for Year 6 children in the Yorkshire and Humber region.

109. **Percentage of people who use services who have control over their daily life – Disabled People –** In 2022-23, 78% of all York's respondents to the Adult Social Care Survey said that they had "as much control as they wanted" or "adequate" control over their daily life, which was the same as the percentage in the Y&H region as a whole. It is higher than the corresponding percentage who gave one of these responses in England as a whole (77%). It has slightly decreased in York from the 2021-22 figure (79%).

110. **Percentage of people who use services who have control over their daily life – Older People –** In 2022-23, 77% of older people in York that responded to the Adult Social Care Survey said that they had "as much control as they wanted" or "adequate" control over their daily life. This is higher than the corresponding percentages experienced by older people in the Y&H region and in England as a whole (both 74%). It has also increased in York from the 2021-22 figure (71%).

111. **Overall satisfaction of people who use services with their care and support –** Data at LA and national level for 2022-23 was published in December 2023, and the data shows that there has been a slight increase in the percentage of York's ASC users who said that they were "extremely" or "very" satisfied with the care and support they received from CYC compared with 2021-22 (up from 65% to 67%). The levels of satisfaction experienced by York's

ASC users in 2022-23 were slightly higher than those in the Y&H region (66% said they were “extremely” or “very” satisfied with the care and support from their LA) and in England as a whole (64% gave one of these answers).

112. **Health Inequalities in wards –** The ‘health gap’ indicators show the difference between the wards with the highest and lowest values. A lower value is desirable as it indicates less variation in health outcomes based on where people live within the City. Trend data for these indicators helps to monitor whether the gaps are narrowing or widening over time.

- Absolute gap in % of Year 6 recorded overweight (incl. obesity) between the highest and lowest York ward (3 year aggregated) - The value for this indicator for the 3 year period 2020-21 to 2022-23 was 24.7% (the gap between 43.4% in Westfield and 18.8% in Heworth Without). The trend in this gap indicator shows a widening in the difference between the values in the highest and lowest ward over time (12.6% in 2011-12 to 2013-14 to 24.7% in the most recent 3 year period).

- Absolute gap in % of children who reach expected level of development at 2-2.5 years of age between highest and lowest York ward (4 yr aggregated) - The value for this indicator for the 4 year period 2019-20 to 2022-23 was 13.7% (the difference between 96.55% in Bishopthorpe and 82.9% in Fulford & Heslington). At present there is only one previous value for this indicator (13.1% for the period 2018-19 to 2021-22) so it is not yet possible to identify a trend.

- Absolute gap in % of children totally or partially breastfeeding at 6-8 weeks between highest and lowest York ward (4 year aggregated ward data) - The value for this indicator for the 4 year period 2019-20 to 2022-23 was 40% (the gap between 79.8% in Heworth Without and 40.8% in Westfield). There is not a long trend history for this indicator but there has been slight widening of the gap from the 4 year period 2017-18 to 2020-21 (36.5%) to the most recent 4 year period (39%).

113. **Children and young people in care per 10k, excluding short breaks –** At the end of November 2023, 241 children and young people were in York’s care. As a rate per 10k population, this is just below the national average and within York’s expected range.

Unaccompanied Asylum Seeking Children (UASC), a sub-group of children in care, are expected to increase in number in York. At the end of November, 18 of York's children in care were UASC, compared to only 8 in March 2022. The National Transfer Scheme now mandates that "the Home Office will not transfer UASC to an authority that is already looking after UASC in line with, or greater than, 0.1% of their child population". For York, this is equivalent to approximately 36 young people meaning this sub-group of children in care has the scope to more than double.

114. **Children subject to a Child Protection Plan –** 125 children were the subject of a Child Protection Plan at the end of November 2023. This is within York's expected range (111-141 child protection plans) and has been stable for the past four months. As a rate per 10k population, York is below the most recently released comparator averages.

Performance - Education and Skills: High quality skills and learning for all

115. **% of working age population qualified –** In 2022-23, 94.2% of the working age population in York were qualified to at least L2 and above (GCSE grades 9-4), which is higher than the national and regional figures (85.8% and 84.5% respectively). This result ranks the city of York first regionally. The 2022-23 figure has increased from 2021-22 (87.9%), although it should be noted that there has been a slight change in methodology for 2022-23.

116. In 2022-23, 60.3% of the working age population in York were qualified to at least L4 and above (certificate of higher education or equivalent), which is higher than the national and regional figures (45.7% and 38.9% respectively). This result ranks the city of York third regionally. The 2022-23 figure is a small increase from 2021-22 (59.3%).

117. **% of pupils achieving 9-4 or above in English and Maths at KS4 –** Provisional data shows that 70.2% of York's Year 11s achieved grades 9-4 in English and Maths (considered a standard pass), compared to 65.3% Nationally. Results were broadly level with 2018-19 which is considered the last comparable year of marking due to different processes during the pandemic (e.g. teacher assessment). Finalised results are expected early in 2024.

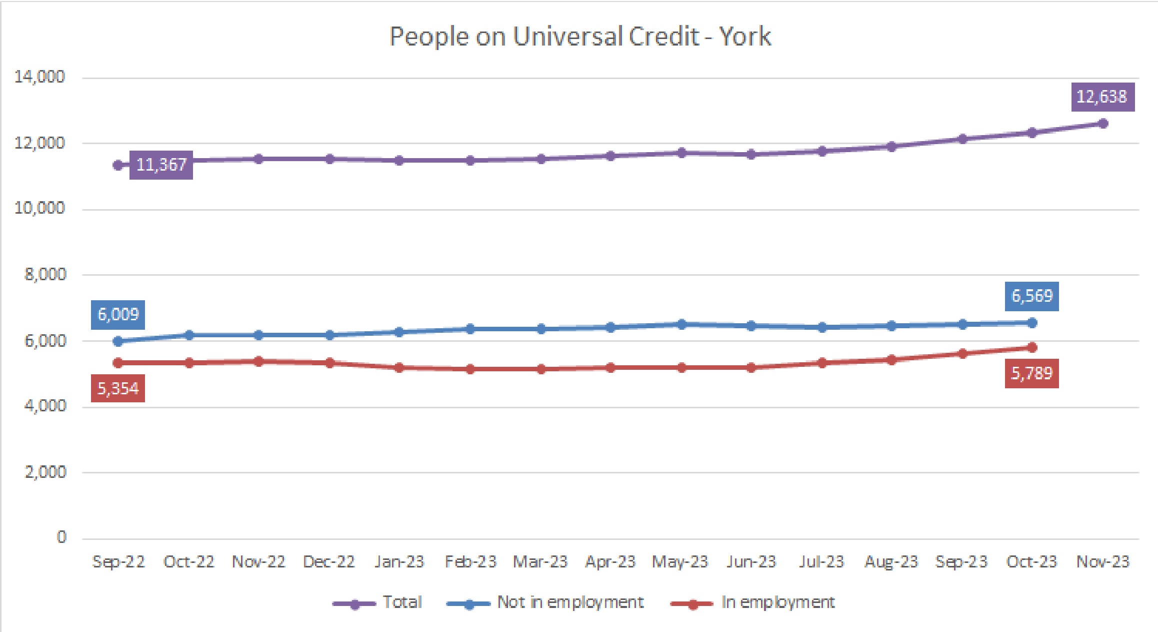
118. **% of children who have achieved a Good Level of Development at Foundation Stage –** 69.7% of our 5-year-olds achieved a Good Level of Development compared to 67.2% Nationally, and 66.2% in Yorkshire and Humber.

119. Performance in York and nationally has not yet returned to 2019 levels. Studies which are analysing the impact of the pandemic on Early Years Development broadly suggest that we could see similar performance for several cohorts whilst the children "catch up" following the disruption of the pandemic.

Performance - Economy: A fair, thriving, green economy for all

120. **Universal Credit Claimants –** At the end of November 2023 there were 12,638 people, in York, on Universal Credit. Following a high of 13,236 in February 2021, the figures dropped to a low of 11,054 in May 2022 but they have steadily increased since then. This represents 9.6% of the working population in York, compared to 16.8% regionally and 15.3% nationally.

121. There are two types of claimant: those in employment and those not. Both types have been gradually increasing in the last 12 months with the number of those not in employment increasing as claimants of health-related legacy benefits (e.g. Employment and Support Allowance) are migrated across to Universal Credit. The increase in the number of those in employment may be attributed to a higher percentage of part time workers (30.7% in York, 26.5% regionally and 23.8% nationally).



122. The general economic context is that inflation is falling, but prices are still 21% higher than in December 2020, and are rising by 4.6% year on year. In particular, the overall price of food and non-alcoholic beverages rose around 27% between November 2021 and November 2023. Growth in earnings is outstripping inflation again, but for most wage earners spending power is still lower than it was three years ago. Private rental prices continued to grow at a record high rate in the UK, rising by 6.2% (provisional estimate) in the year to November 2023. This is the largest annual percentage change since this UK data series began in January 2016.

123. **Earnings gap between the 25 percentile and the median (£) –** The earnings gap is the difference between full time workers in the bottom quartile and those earning the median. In York, the latest figures show that this gap has reduced by 7.3%, in 2023, to £152.20. This is the lowest gap since 2018-19. Nationally, there has been an increase of 1.4% to £163.20 and regionally an increase of 4.7% to £139.50. It is worth noting that the difference between workers in low-paying and other occupations and industries are not limited to pay. Part-time work, zero-hours contracts and temporary contracts are more common for those working in low-paying occupations, while small firms are more likely to be in low-paying industries. However nationally, in 2023, 8.9% of all employee jobs were low paid (paid less than two-thirds of median hourly pay), when considered in terms of hourly earnings. This was the lowest proportion of low-paid employee jobs by hourly pay since the data series began in 1997, which coincides with recent increases in the National Minimum Wage (NMW) and National Living Wage (NLW) rates. This also coincides

with the additional increase in the NMW for those aged 23 and 24 years, who joined those aged 25 years and over in receiving the NLW in 2021.

124. **% of vacant city centre shops –** Whilst acknowledging that a number of city centre streets and prime commercial locations seem to be experiencing higher vacancy levels than York's average, overall at the end of November 2023, there were 57 vacant shops in the city centre (eleven more than the number at the end of November 2022), which equates to 9.1% of all city centre shops, and is still much lower than the national benchmark in 2022-23 of 13.8%.

125. **Business start ups –** Figures for 2022-23 showed 870 new business start-ups for York, which is higher than in the previous year (746 in 2021-22). The York figure is at only a slightly lower level to that seen before the pandemic (932 in 2019-20). The year to date figure up to the end of November 2023 of 574 new start ups is in line with previous years.

126. **% of working age population in employment (16-64) –** In Q1 2023-24, 82.8% of the working age population were in employment, which is higher than the national and regional figures (75.6% and 74.2% respectively) and the York performance gives the city a ranking of first regionally. The figure for Q1 2023-24 in York remains high compared to previous years.

127. **Survival of Newly Born Businesses post 1 year –** Businesses have had a turbulent time over recent years, coping with Covid, the soaring cost of energy, high inflation and high interest rates. The latest business demography statistics suggest that resilience may be even better than expected. In York, 175 businesses were created in Q3 2023-24, up 6% on a year ago. There were 160 business closures in the same quarter, down 8% on the year before. The survival rate post 1 year has been consistently above 94% in York for the last 4 years, with the latest figure of 94.4%. The York figures have been consistently higher than the National and Regional rates.

Performance - Transport: Sustainable accessible transport for all

128. The majority of the indicators in this Transport section are annual indicators, therefore data will only be available once a year. As

soon as new data becomes available, narrative will be included in future versions of this report.

129. **The number of CYC electric vehicle recharging points -** There were 103 CYC electric recharging points in Q2 2023-24, which is seven fewer than in the previous quarter.

Performance - Housing: Increasing the supply of affordable housing

130. **Number of new affordable homes delivered in York –** During the first six months of 2023-24, affordable housing completions have been significantly below the identified level of need. National scale challenges are facing many areas with buoyant housing markets such as a shortage of sites for affordable housing and labour and supply chain constraints, and these have affected delivery in York. The council itself is maximising delivery opportunities currently, as set out to the November Executive meeting. Completions forecasts by partner Registered Providers have indicated a likely increase in affordable housing delivery in the second half of 2023-24.

131. There remains a significant future pipeline of affordable homes with planning permission in place across the council's own newbuild development programme and section 106 planning gain negotiated affordable housing. Inclusive of applications with a resolution to approve from Planning Committee, there are over 1,000 affordable homes identified in approved planning applications. The progress ranges from sites that are being built out currently to others with substantial infrastructure or remediation challenges to resolve prior to development. Over 400 of these have progressed through detailed planning, either as a Full application or Reserved Matters. The remainder are at Outline stage, with more uncertainty on timescales and final delivery levels, including the York Central affordable housing contribution.

132. **% of dwellings with energy rating in A-C band in the EPC register –** An Energy Performance Certificate (EPC) gives a property an energy efficiency rating from A (most efficient) to G (least efficient) and is valid for 10 years, and apart from a few exemptions, a building must have an EPC assessment when constructed, sold or let. Whilst the EPC register does not hold data for every property, it can be viewed as an indication of the general efficiency of homes. The rating is based on how a property uses

and loses energy for example through heating, lighting, insulation, windows, water and energy sources. Each area is given a score which is then used to determine the A-G rating. In 2022, the median energy efficiency rating for a dwelling in England and Wales was Band D and a rating of A-C is generally considered to be good energy performance.

133. At the end of October 2023, 43.7% of properties on the register for York had an EPC rating of A-C which is a slight increase from 42.1% at the start of the year. The median grade for York for the same period was band D which follows the latest national benchmark. Data is based on the last recorded certificate for 58,553 properties on the register for York, some of which will have been last assessed more than ten years ago.

134. **Net Additional Homes –** Between 1st April 2023 and 30th September 2023 there were a total of 152 net housing completions. This represents fewer housing completions compared to the same monitoring period last year. However, several significant housing sites are anticipated for completion over the next six months including the remaining 244 homes at The Cocoa Works, Haxby Road (Phase 1), 62 homes at Eboracum Way, along with the ongoing developments at Germany Beck and Former Civil Service Club, Boroughbridge Road together with several other pipeline sites that should see an improved annual total of completions compared to more recent years.

135. Some of the main features of the housing completions have been;

- 141 homes were competed on housing sites;
- A total of 106 new build homes were completed whilst 3 homes were demolished;
- Individual sites that saw the construction of five or less dwellings contributed an additional 21 homes;
- The most significant individual sites that provided housing completions have been 35 flats at the Cocoa Works, Haxby Road (Phase 1, Block C), Germany Beck (27), Former Civil Service Club, Boroughbridge Road (25) and the Former Lowfield School site (24).

136. **Net Housing Consents –** Planning applications determined between 1st April 2023 and 30th September 2023 resulted in the approval of 324 net additional homes and represents a drop of

more than one hundred compared to last year's update covering the same equivalent monitoring period.

137. The main features of the consents approved were:

- 247 of all net homes consented (76.2%) were granted on traditional (Use Class C3) housing sites;
- Sites granted approval for traditional (Use Class C3) housing included Os Field South of & Adjacent to 1 Tadcaster Road, Copmanthorpe (158), Land East of Middlewood Close, Rufforth (21) and Clifton Without County Junior School, Rawcliffe Drive (15). A further 38 homes were approved on sites of 5 or less homes;
- Three sites were granted 'prior approval' for a net total of 33 new homes, the most significant of which was at Gateway 2, Holgate Park Drive (31);
- 44 net new retirement homes were allowed on appeal at 11 The Village, Wigginton;
- A further 23 homes were approved through a resolution to grant consent by councillors in the previous six months at Morrell House, 388 Burton Stone Lane (13) and 12 Sturdee Grove (10).

138. **Number of homeless households with dependent children in temporary accommodation –** Although the overall number of households in temporary accommodation continues to increase, and reached 73 at the end of Q1 2023-24, the number with dependent children has decreased. The latest available data shows that there were 28 households with dependent children in temporary accommodation at the end of Q1 2023-24, which is a decrease from 35 at the end of 2022-23. Generally, the households with children rise and fall in line with the total households and make up around half of the total, however this has reduced in Q1 where 38% were households with children.

139. Of the 28 households at quarter end, 27 were recorded as accommodated in hostels and 1 within Local Authority housing stock. York continues to report no households with children housed in Bed and Breakfast accommodation. The number of children across the households was 41, down from 63 the previous quarter.

140. The increase in overall numbers can also be seen nationally, and when looking at the total number of households in temporary

accommodation per households in area (000s), York continues to perform positively compared to benchmarks (0.83 in York compared to 4.41 Nationally, 1.09 Regionally and 16.69 in London). It should be noted that these figures are snapshot figures and therefore may fluctuate between the snapshot dates.

141. **Number of people sleeping rough –** There were 25 people sleeping rough in York in November 2023, which is an increase from 16 in October and the highest seen during 2023-24. Every Thursday, Navigators carry out an early morning street walk checking known rough sleeping hot spots and responding to intel or reports of rough sleepers. The monthly figure is based on the number of rough sleepers found bedded down on the last Thursday of each month.

142. **% of repairs completed on first visit –** The percentage of repairs completed on the first visit was 81% in November 2023, which is back in line with the previous few years after some lower figures during the summer.

143. **Number of void properties –** Numbers of standard void properties have been reducing throughout 2023-24 from 73 at the start of the year to 56 in November. This is also much lower than the 96 standard voids in November 2022. There were 4 major works voids at the end of November 2023 which is a large decrease on the 21 major works voids in April 2023.

Performance - Sustainability: Cutting carbon, enhancing the environment for our future

144. **Percentage of household waste sent for reuse, recycling or composting –** The latest provisional data for the amount of household waste sent for reuse, recycling or composting was 44.9% within Q1 2023-24, which is an increase from 41.3% during Q1 2022-23. Whilst there has been an increase in total household waste collected to 247kg per household from 236kg last year, there has been a similar increase in residual (approx. non-recycling) household waste – now above 136kg per household.

145. **Level of CO2 emissions across the city and from council buildings and operations –** Carbon emissions across the city have been reducing over recent years, from 936 kilotonnes of carbon dioxide equivalent in 2018, to 816 in 2020. Emissions from councils buildings and operations have also been reducing, from

3,658 tonnes of carbon dioxide equivalent in 2020-21 to 3,462 in 2022-23.

Performance - How the council will operate

146. **FOI and EIR –** % of requests responded to in-time – 92.4% of requests were responded to in-time during 2023-24 up until the end of September which is the highest figure seen since the end of 2018-19.

147. **% of 4Cs complaints responded to in-time –** In Q2 2023-24, there has been a decrease in the number of corporate complaints received compared to the same reporting period in 2022-23 (364 in Q2 2023-24 compared to 652 in Q2 2022-23). There has been a small reduction in performance for the percentage of corporate complaints responded to in time (93.3% in Q2 2023-24 compared to 95.3% in Q2 2022-23).

148. **Average sickness days per full time equivalent (FTE) employee –** At the end of October 2023, the average number of sickness days per FTE (rolling 12 months) had decreased to 11 days from 13 in October 2022. Recently released benchmarks show that the CIPD public sector benchmark is 10.6 days per FTE, putting us in line with national trends.

149. **York Customer Centre average speed of answer –** Phones were answered, on average, in 13 seconds in November 2023 by the York Customer Centre which remains low and is much lower than the average of 1 minute and 42 seconds during 2022-23.

Consultation Analysis

150. Not applicable

Options Analysis and Evidential Basis

151. Not applicable

Organisational Impact and Implications

152. The recommendations in the report potentially have implications across several areas. However, at this stage

- **Financial implications** are contained throughout the main body of the report.
- **Human Resources (HR),** there are no direct implications arising from this report.
- **Legal** the Council is under a statutory obligation to set a balanced budget on an annual basis. Under the Local Government Act 2003 it is required to monitor its budget during the financial year and take remedial action to address overspending and/or shortfalls of income. Further work is required to develop and implement proposals that will allow the Council to bring its net expenditure in line with its income. There may be legal implications arising out of these proposals that will be considered as part of the development and implementation of those proposals. If the Council is unable to set a balanced budget, it is for the Chief Financial Officer to issue a report under s114 of the Local Government Finance Act 1988 ('a section 114 notice').
- **Procurement**, there are no direct implications arising from this report.
- **Health and Wellbeing**, reductions in spend in some areas could impact on the health and wellbeing of both our staff and residents. The impact of any reductions in spend will continue to be carefully monitored so that implications can be considered and mitigated where possible.
- **Environment and Climate action**, there are no direct implications related to the recommendations.
- **Affordability**, are contained throughout the main body of the report. Where decisions impact on residents on a low income these impacts will be recorded in the individual Equalities and Human Rights analysis referred to below.
- **Equalities and Human Rights**, whilst there are no specific implications within this report, services undertaken by the Council make due consideration of these implications as a matter of course.
- **Data Protection and Privacy,** there are no implications related to the recommendations.
- **Communications**, the information set out in this report necessitates both internal and external communications. With

ongoing interest in the current state of Local Government funding, we anticipate this report will attract media attention. A comms plan has been prepared to help make the information about the forecast overspend and the controls proposed clear and understandable, with opportunities to facilitate staff discussion arranged.

- **Economy**, there are no direct implications related to the recommendations

Risks and Mitigations

153. 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.

154. The current financial position represents a significant risk to the Council's financial viability and therefore to ongoing service delivery. It is important to ensure that the mitigations and decisions outlined in this paper are delivered and that the overspend is reduced.

Wards Impacted

155. All.

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Annexes

Annex 1: Q3 Performance Tables – City Outcomes and Council Delivery Indicators 2023-2027