

Report of the Deputy Chief Executive / Director of Customer & Corporate Services
Portfolio of the Executive Member for Finance and Performance

2019/20 Finance and Performance Monitor 2

Purpose of the Report

- 1 To present details of the overall finance and performance position for the period covering 1 July 2019 to 30 September 2019, together with an overview of any emerging issues. This is the second report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.

Recommendations

- 2 Executive is asked to
 - note the finance and performance information

Reason: to ensure expenditure is kept within the approved budget

Financial Summary

- 3 The financial pressures facing the council are projected at £1,353k. This is broadly in line with previous years forecasts at this early stage in the financial year. However, the council has regularly delivered a balanced position by the year end, demonstrating a successful track record of managing expenditure within budget over a number of years.
- 4 The report highlights that there continue to be pressures within Adult Social Care in particular. This reflects the national situation where councils across the country are managing largely unavoidable demographic and cost pressures. Managing these pressures will continue to be a challenge as both the numbers of people and complexity of individual situations create demands across the sector. Health partners are similarly challenged facing unprecedented demand and financial pressures. Some of this pressure impacts on social care as the desire to discharge patients in a more timely fashion increases the social care costs needed to facilitate discharge.

- 5 In recent years the council has made significant investment in adult social care and the July 2019 budget amendment invested additional funds in adult social care support to ensure quality services for the most vulnerable adults, including new approaches to using technology, increase community led support and embed strength based approaches.
- 6 These pressures need to continue to be managed carefully throughout the remainder of this financial year and the mitigation strategies in place will be regularly monitored.
- 7 It is expected that, as a result of this ongoing monitoring and the identification of further mitigation, overall the Council will again outturn within the approved budget. There is contingency provision available to cover some of the projected pressures, and it is also anticipated there will be improvement in the position during the year.
- 8 York is maintaining both sound financial management, and delivering priority services to high standards, during a period of continued challenge for local government. In particular, key statutory services continue to perform well, having seen investment in recent years. Whilst there remain challenges in future years, the overall financial and performance position is one that provides a sound platform to continue to be able to deal with the future challenges.

Financial Analysis

- 9 The Council's net budget is £123.3m. Following on from previous years, the challenge of delivering savings continues with £4.3m to be achieved in order to reach a balanced budget. Early forecasts indicate the Council is facing financial pressures of £1,353k and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below. The position will continue to be monitored carefully to ensure that overall expenditure will be contained within the approved budget. Annex 1 provides more details of the main variations and any mitigating actions that are proposed.

2018/19 outturn		2019/20 Forecast Variation Monitor 1	2019/20 Forecast Variation Monitor 2
£'000		£'000	£'000
+896	Children, Education & Communities	+594	+518
-282	Economy & Place	-137	-137

-428	Customer & Corporate Services	-200	-300
+946	Health, Housing & Adult Social Care	+2,127	+2,372
-1,285	Central budgets	-500	-600
153	Total	+1,884	+1,853
-648	Contingency	-500	-500
-801	Total including contingency	+1,384	+1,353

Table 1: Finance overview

Contingency

- 10 As in previous years a contingency budget of £500k is in place. Members are asked to note that this may be required to deal with some of pressures outlined in this report. Any decisions regarding the allocation of this sum will be brought to a future meeting.

Loans

- 11 Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There are 2 loans in this category. Both loans are for £1m and made to Yorwaste, a company part owned by the Council. The first was made in June 2012 with a further loan made in June 2017 as agreed by Executive in November 2016. Interest is charged on both loans at 4% plus base rate meaning currently interest of 4.75% is being charged. All repayments are up to date.

Performance – Service Delivery

- 12 The Executive for the Council Plan (2019-23) agreed a core set of indicators to help monitor the council priorities and these provide the structure for performance updates in the following sections. The indicators have been grouped around the eight outcome areas included in the Council Plan which are:
- Well-paid jobs and an inclusive economy
 - Getting around sustainably
 - Good Health and Wellbeing
 - A Better Start for Children and Young People
 - A Greener and Cleaner City
 - Creating homes and World-Class infrastructure
 - Safe Communities and culture for all
 - An open and effective Council

- 13 Some indicators are not measured on a quarterly basis. The DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly. Updates on additional activity and initiatives undertaken by the council to monitor progress against the Council Plan outcomes will be included in the Q3 Monitor.
- 14 A summary of the core indicators that have a good or poor direction of travel based on the latest available data is shown below and further details around all of the core indicator set can be seen in Annex 2 at the end of the report.
- 15 Indicators that have a good direction of travel based on the latest available data are:
- **GVA per head (£)** – an increase from £24,006 in 2016-17 to £25,130 in 2017-18 which is the second highest figure regionally.
 - **Net Housing Consents** - figures for 2018-19 show that, positively, there were 1,628 net housing consents granted which represents a continued high level of approvals. These approvals represent significant future planned housing developments for the city.
 - **Number of homeless households with dependent children in temporary accommodation** – The number of homeless households with dependent children in temporary accommodation has decreased from 33 in 2016-17 to 24 in 2018-19 (snapshot figures).
 - **Number of new affordable homes delivered in York** – There were 24 new affordable homes delivered in the first quarter of 2019-20 compared to an annual total of 60 in 2018-19.
 - **Visits – All libraries** – There were 298,937 visits to all libraries in Q2 2019-20 compared to 242,024 in Q3 2018-19.
 - **Customer Service Waiting Times** – Footfall – 83.87% of residents who visited West Offices in Q2 2019-20 were seen within the target waiting time of 10 minutes compared to 81.87% in 2018-19.
- 16 Indicators that have a poor direction of travel based on the latest available data are:
- **Secondary school persistent absence rate** - Secondary school persistent absence is a worsening trend and York is performing in the lower quartile for this measure. There is a correlation with disadvantage and special educational needs with the highest levels of persistent absence being seen in pupils who are eligible for pupil premium and/or have special educational needs. Work taking place to develop curriculum pathways is designed to address this issue.
 - **Net additional homes provided** – Although the number of additional homes built has decreased from previous years, figures for 2018-19 show that, positively, there were 1,628 net housing consents granted which represents a continued high level of approvals. These

approvals represent significant future planned housing developments for the city.

- **Average number of days to re-let empty properties** (excluding temporary accommodation) – The increase in re-let times has been attributed to the absence, until the beginning of September, of a Tenants’ Choice contractor. As a result, the work that the Tenants’ Choice team would normally carry out whilst the tenant is in place has been done by the voids team, therefore increasing the re-let time. The re-let time has started to decrease at the end of Q2 showing a more positive direction of travel.
- **All Crime per 1000 population** – The yearly total for all crime has slowly increased over the last three years but the quarterly figures have stabilised over the past year. Q1 figures indicate that the total for 2019-20 will be similar to that in 2018-19.
- **Slope index of inequality in life expectancy at birth** – The gap in male life expectancy between those living in the most and least deprived deciles in York is increasing. The broad causes of death which account for the greatest disparity in deaths are circulatory diseases, cancer, external causes and respiratory. CYC delivers the NHS Health Check programme which screens 40-74 year olds in York for cardiovascular risk factors. Uptake of these health checks by males in deprived areas is being monitored. CYC also delivers a Smoking Cessation service and again, uptake of the service by males in deprived areas is being monitored.

Annexes

- 17 Annex 1 shows the quarterly financial summaries for each of the Council directorates.
- 18 Annex 2 shows performance updates covering the core set of strategic indicators which are used to monitor the progress against the Council Plan.
- 19 All performance data (and approximately 1,000 further datasets) within this document is made available in machine-readable format through the Council’s open data platform at www.yorkopendata.org under the “performance scorecards” section.

Consultation

- 20 Not applicable.

Options

- 21 Not applicable.

Council Plan

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

Implications

- 23 The implications are:
- **Financial** are contained throughout the main body of the report.
 - **Human Resources (HR)** There are no HR implications.
 - **One Planet Council / Equalities** There are no One Planet Council or equalities implications.
 - **Legal** There are no legal implications.
 - **Crime and Disorder** There are no crime and disorder implications.
 - **Information Technology (IT)** There are no IT implications.
 - **Property** There are no property implications.
 - **Other** There are no other implications.

Risk Management

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

Contact Details

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Wards Affected: All		✓	
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Background Papers:

None

Glossary of Abbreviations used in the report:

ARZ	Alcohol Restriction Zone	GVA	Gross Value Added
ASB	Anti-social behaviour	HLE	Healthy Life Expectancy
CYC	City of York Council	MYP	Member of Youth Parliament
EHCP	Education and Health Care Plan	NEET	Not in Employment, Education or Training
EIR	Environmental Information Regulations	NHS	National Health Service
FOI	Freedom of Information	SAP	Standard Assessment Procedure
FSM	Free school meals	SEN	Special Educational Needs
FTE	Full time equivalent	SLA	Service Level Agreement
GCSE	General Certificate of Secondary Education	YMT	York Museums Trust
GLD	Good level of development		