

Joint Report of the Director of CBSS and the Assistant Director for OCE

Quarter 3 Finance & Performance Monitor for 2010-11

Purpose

1. This report provides details of the headline performance issues from the Q3 performance monitor of 2010-11. This covers the period 1st April to 31st December 2010. However, more up-to-date data has been provided where it is available. The report covers:
 - a) *Finance* – service and corporate budget management.
 - b) *Performance* – how well the council is performing across a range of performance indicators, at both corporate and directorate level, including key achievements and progress on key projects.

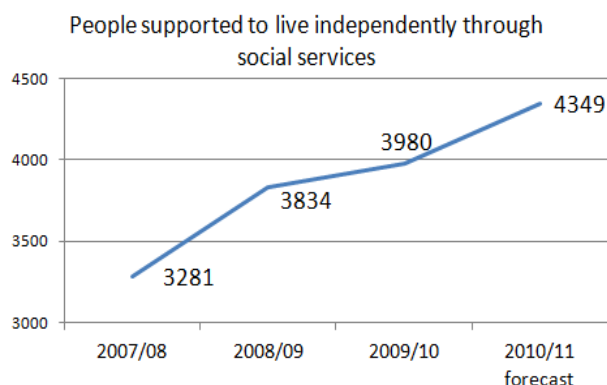
Summary

- There have been some good achievements over the first 9 months of 2010-11, including, excellent improvement in the number of residents helped to live independently; significant improvement to standards of street cleanliness; a 1% increase in waste recycling levels and a continued reduction in landfill.
- The reduction in overall recorded crime incidents in York continues, building on the 24% reduction achieved in 2009-10. There has also been sustained improvement in road safety, with a 60% reduction in the number of people killed or seriously injured on York's roads.
- York continues to buck the national trend in relation to many areas of the economy, including a widening gap for unemployment, a major reduction in the number of young people who are not in employment, education or training (NEET), a 73% increase in the number of affordable homes built in York and a sustained reduction in the number of households in temporary accommodation (homelessness).
- A number of key achievements were also reported, including very good inspections results for safeguarding in Adult Social Care, Child Social Care, Youth Offending and the respite centre at the Glen.
- The council is forecasting pressures of £1,668k, which represents an improvement of £1,404k from the Monitor 2 report. This position is inclusive of £2,287k of in-year grant funding cuts from Central Government.
- Directorates are actively working to reduce the reported pressures in line with the strategy agreed at Monitor 2 in order to bring expenditure broadly in line with budget by the year end.

Performance

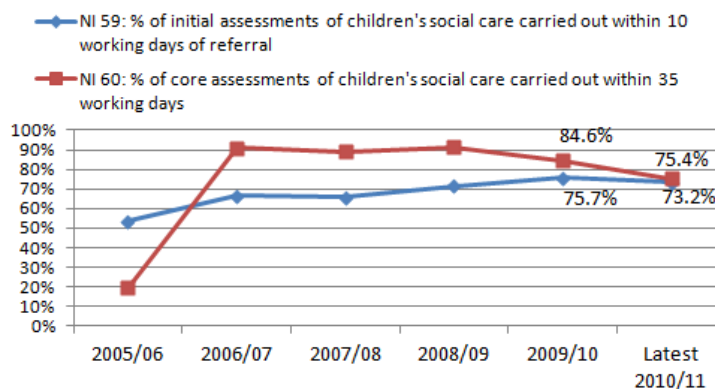
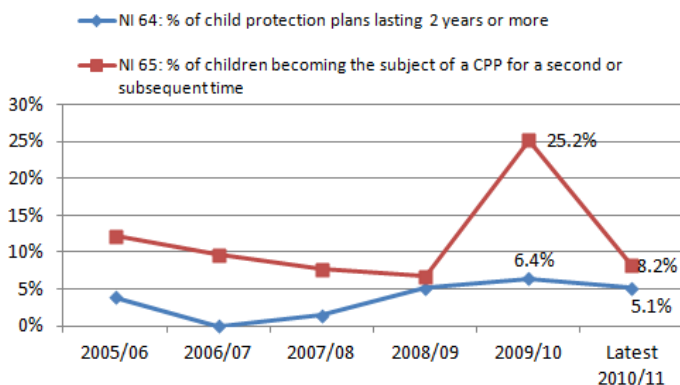
Adult Social Care

2. The number of social care clients helped to live independently as a result of receiving a personal budget or self directed support has increased significantly over the first 9 months of this year, with 1321 (20%) now receiving self directed support payments. ACE expect to exceed last year's performance of 14.4% and to hit the 2010-11 target of 30.5%. This will also have a positive affect on the overall number of people in York who are supported to live independently, which is predicted to rise to 4349 this year. This would represent a 32% rise since 2007-08 (see graph below).



Child Social Care

3. In Q2 we reported good improvements children in care placement and processing time for assessments/referrals. This trend has continued in Q3, with particular improvement in the speed that looked after children cases are reviewed. Similarly, child protection plans (CPPs) lasting 2 or more years also reported encouraging reductions from the increase seen in 2009-10 - see graph on left (lower is better).



4. Performance for the number of initial and core child social care assessments which are completed outside designated timescales is still a concern, with both showing a decline in performance since 2009-10 (higher is better) - see graph on right above. Further work via the implementation of Common Assessment Framework / lead practitioner activity and integrated 'Front Door' arrangements should see improved results in the future.

Educational attainment

5. In Q2 we reported good improvement across a number of school attainment results, including pupils achieving 2+ A*-C grades in Science GCSEs and pupils progressing 2 levels in English & Maths between KS1 & KS2, placing York as one of the top performing authorities nationally. Progress for school improvement continues in Q3, with schools achieving a 54% increase in the number of students taking vocational studies (e.g. BTEC & OCR nationals), which allows some students to attain equivalent qualifications to grade C

or above at GCSE. This reflects curriculum changes over the past two years, with vocational courses introduced for pupils for which GCEs only, are not suitable.

Indicator	2007-08	2008-09	2009-10	2010-11 Latest	Improving ?	On target ?
Number of vocational entries at the end of KS4	1034	1571	1595	2461	Yes	Yes
Number of fixed term exclusions in primary and secondary schools	0.25%	0.11%	0.01%	0.01%	Stable	Yes

6. York also has one of the lowest levels nationally, of pupil exclusions in its primary and secondary schools (currently 0.01%). This has been achieved through schools adopting different ways of managing behaviour without the need to resort to exclusion, especially in the secondary schools. A consequence of this is an increase in the numbers of pupils attending the Danesgate centre, which is now running at near capacity. The Behavioural and Attendance partnership are working with ACE to try and engage more young people within mainstream schools by offering part time provision at Danesgate and other alternative provision.

Street Cleanliness

7. Three street cleanliness surveys are carried out in York each year to assess levels of litter, detritus, graffiti and fly-posting. The table below shows that visible levels continue to decline significantly after the first 2 surveys, with graffiti in particular recording very low levels in the November survey. If these results continue for the third survey this will represent major improvement since 2008-09 and will place York amongst the top performing authorities for street cleanliness.

Recorded levels of:	Litter	Detritus	Graffiti	Fly-posting
2008-09	8.9%	11%	4.7%	1.1%
2009-10	4.4%	7.5%	2.1%	0.2%
2010-11 (after 2 surveys)	3.30%	6.6%	0.5%	0.00%
<i>Change since 2008-09</i>	-5.6%	-4.4%	-4.2%	-1.1%

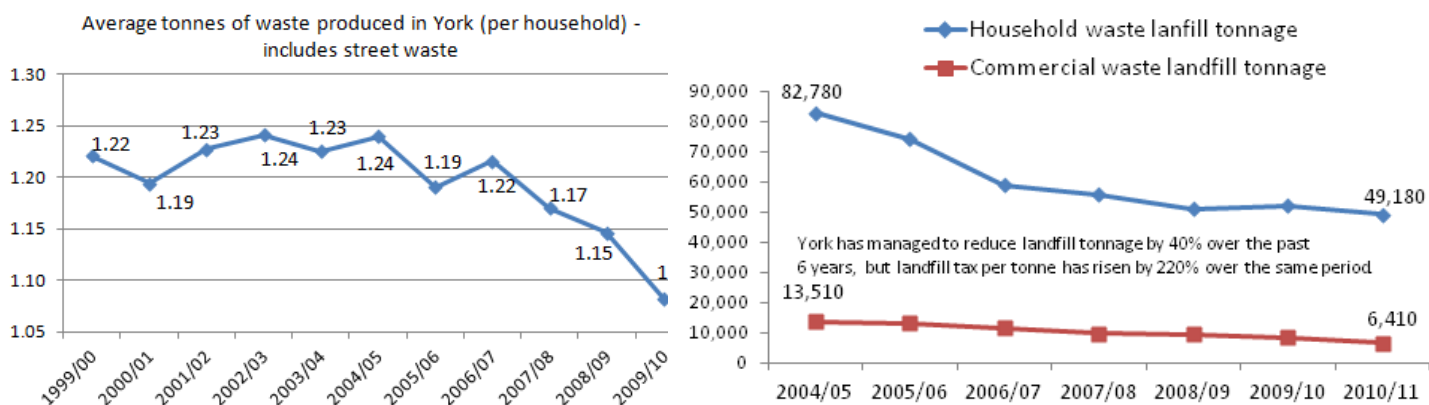
Waste management

8. Forecasts based on Q3 indicate that recycling levels will increase by 1% this year and landfill levels will drop by nearly 2% (see table below). Extensive work to improve recycling will continue throughout this year, to build on the 3 box kerbside recycling scheme already introduced to more than 70,000 households in the first 3 quarters. Work is also continuing to expand full recycling and fortnightly residual waste collection to an additional 6,000 properties by the end of the year, which will then cover more than 98% of all York households.

Indicator	2008-09	2009-10	2010-11 Forecast	2010-11 Target	Improving ?	On target ?
Household waste landfilled (kgs)	629kg	614kg	590kg	611kg	Yes	Yes
% household waste recycled	45.13%	43.26%	44.35%	48.07%	Yes	No
% of waste landfilled	55.14%	56.73%	54.95%	51.13%	Yes	No

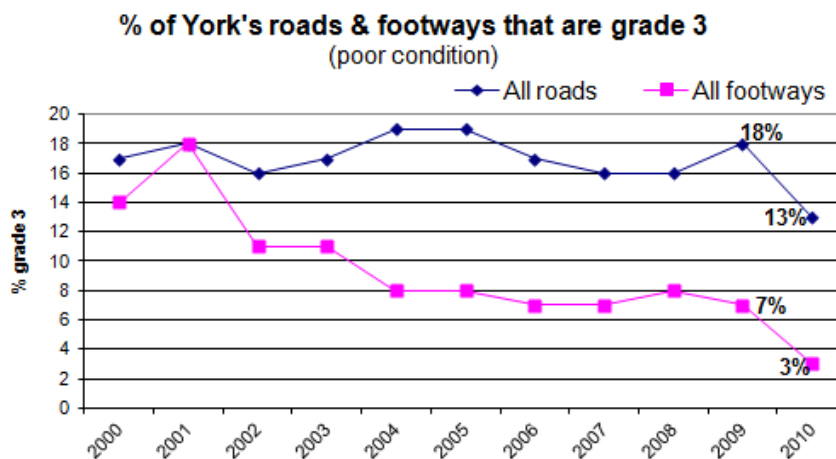
9. The amount of waste collected per household continues to reduce and CANS predict we will achieve 590kgs for 2010-11, exceeding the very challenging 2010-11 target of 611kg, set 3 years ago. Since 2004/05 the amount of household and commercial waste that goes to landfill has reduced by 40% and 50% respectively (see graphs below). Despite these reductions, the council continues to pay higher levels of landfill tax each year because of high annual tax increases per tonne (currently £48 per tonne and scheduled to increase by £8 each year until rate reaches £80 per tonne). This was designed to get authorities to recycle more waste when it was introduced in October 1996. Landfill tax rate has more than trebled since 2004/05 and an alternative to landfill is needed to meet statutory targets

and to reduce financial burden of paying Landfill Tax (e.g. the waste PFI initiative for York and North Yorkshire).



Roads & Footpaths

10. The % of York's roads and footpaths identified as being in poor condition has reduced considerably, despite the poor weather conditions last winter, which caused considerable damage across York's network (see graph below). Increased funding over the past two years has allowed us to invest in new survey methods. This has led to a better understanding of maintenance requirements for resurfacing and reconstruction across the network.



Community Safety

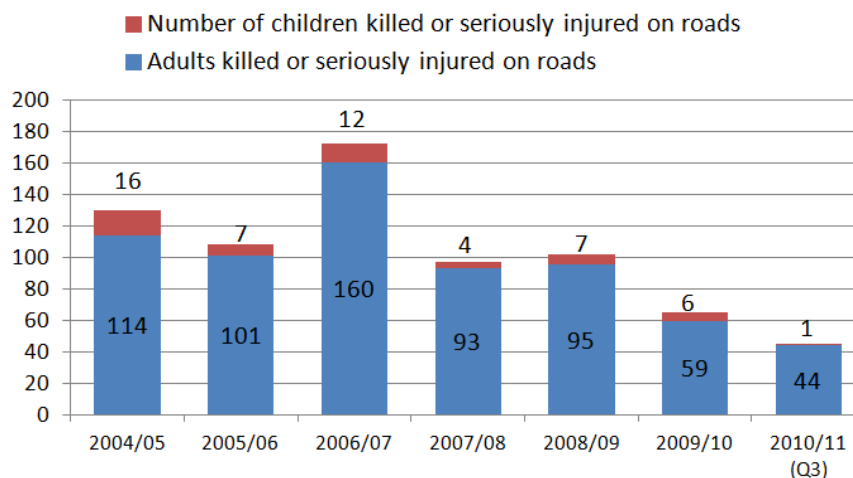
11. The number of overall crimes recorded in York is forecast to be similar that that reported in 2009-10. This would be an excellent achievement given that York has already experienced a 24% reduction in 2009-10, after significant reduction for the previous 4 years and demonstrates sustained improvement. If we exclude the rise in cycle thefts (see para 13 below), the overall crime rate for York would actually reduce by 3%.

Indicator	2008-09	2009-10	2010-11 Forecast	% change	Improving ?	On target ?
Total Crimes recorded in York (BSC)	9906	7547	7581	+0.4%	Stable	Yes
No of serious acquisitive crimes	3459	1998	1980	-0.9%	Yes	Yes
Number of criminal damage incidents	3630	2777	2452	-11.7%	Yes	Yes
No of serious violent crimes	151	123	116	-5.7%	Yes	Yes
Assault with injury crime rate	1239	1140	1211	+6.23%	No	No
Number cycles stolen in York	1014	1120	1499	+33.8%	No	No

12. The number of serious acquisitive crimes reported in York continues to decline, with 1980 incidents forecast for 2010-11. This indicator represents a number of different crime incidents, including domestic burglary and theft from a vehicle. The forecast reduction is a

significant achievement given that last year saw a 42% reduction on 2008-09. The number of serious violent crimes is also forecast to reduce by nearly 6%, building on the 18% reduction achieved last year. Unfortunately, Assault with injury crime rates have increased by 6% this year, but despite the rise, incident levels remain below 2008-09 levels.

13. As a cycling city, York experiences a high number of cycle thefts, largely because of the high number of cycle users. During the first 3 quarters of this years have seen a 33% increase in cycle theft compared to the same period last year. The majority of thefts have occurred in city centre locations (e.g. Guildhall and Micklegate wards). Other hotspots include schools or the University locations across York, with 75% of these occurring at University of York (48%), York College (22%) and York High (5%). Despite this increase, York still compares favourably to other cycling cities, with Cambridge having four times the levels of cycle theft per head of population, and Oxford double the level. Oxford and Cambridge's rate of cycle crime has also risen at a faster rate than York during 2010-11. The Safer York Partnership and North Yorkshire Police are now targeting prolific thieves who sell on the stolen bikes. Other actions already delivered through Operation Spoke, include producing stickers to advertise that 'police tracker bikes' are in operation and registering 7000 bikes on the online tracker database.
14. The number of people killed or seriously injured in road traffic accidents in York as at Q3 is at similar levels to last year. The number of adult related incidents increased slightly (44 compared to 38 for same period last year), but the number of child related incidents has fallen significantly (1 compared to 6). Successful initiatives such as the 'Made you Look' campaign and the 'Safer Business Driving' Conference continue to have a positive impact. A safer driving campaign event for older drivers was also held in October and further work is planned.

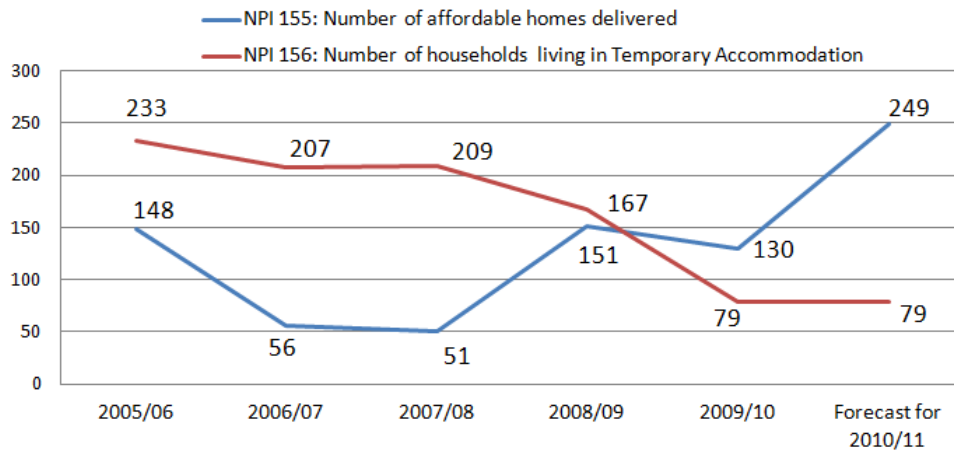


Housing

15. The number of affordable homes delivered in York is expected to increase to 249 based on Q3 projections. This represents a 73% increase on the 130 achieved last year (see graph on next page). CANS are working with Yorkshire Housing to complete a further 50 affordable homes before April 2011, which could bring the year-end total to almost 300 homes, a considerable achievement in the very challenging housing market and economic downturn.
16. The number of York households living in temporary accommodation also continues to improve despite a rise in repossessions and homelessness across the UK. Around 79 households are forecast to be in temporary accommodation by the end of this year, compared to 167 when the recession started (a 54% reduction). This will be achieved

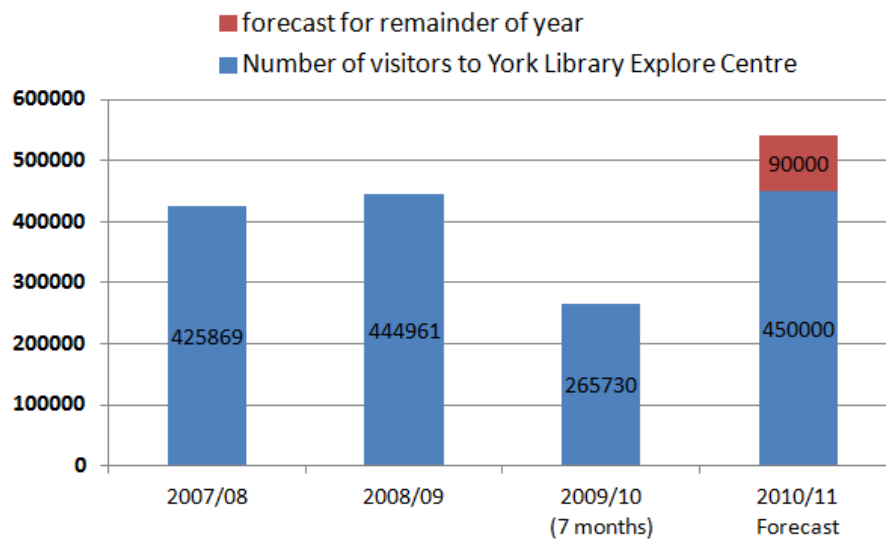
despite quarter 3 being a particularly busy period, with limited opportunities for moving people into permanent accommodation due to adverse weather conditions - which also hampered void turnaround times. Many cases are also now more complex and take longer to resolve due to difficulties in securing private rented accommodation in the current economic climate.

Homelessness



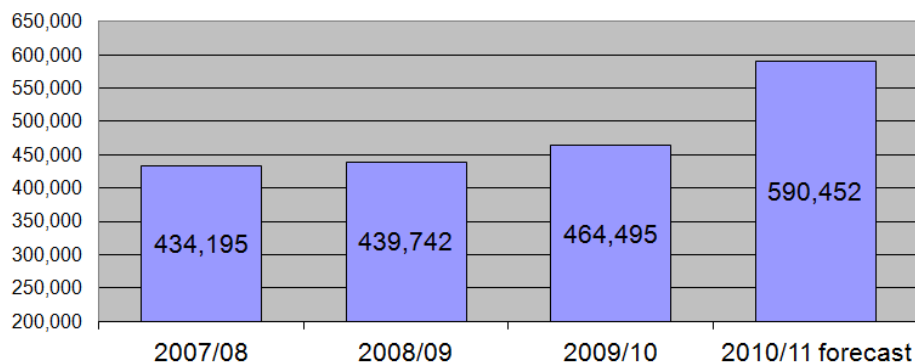
Cultural Services

17. Over 450,000 people visiting the York Explore Centre (previously Central Library) in the first 9 months of 2009-10 (see graph below). The annual figures for 2009-10 and 2010-11 were distorted by the closure of the main library from November 2009 to end May 2010. However, using actual visitor footfall data shows that visitor numbers are already higher than the 12 month periods for 2007-08 and 2008-09 after Q3. CANS expect this trend to continue and we could see a further 20% improvement by the end of the year.



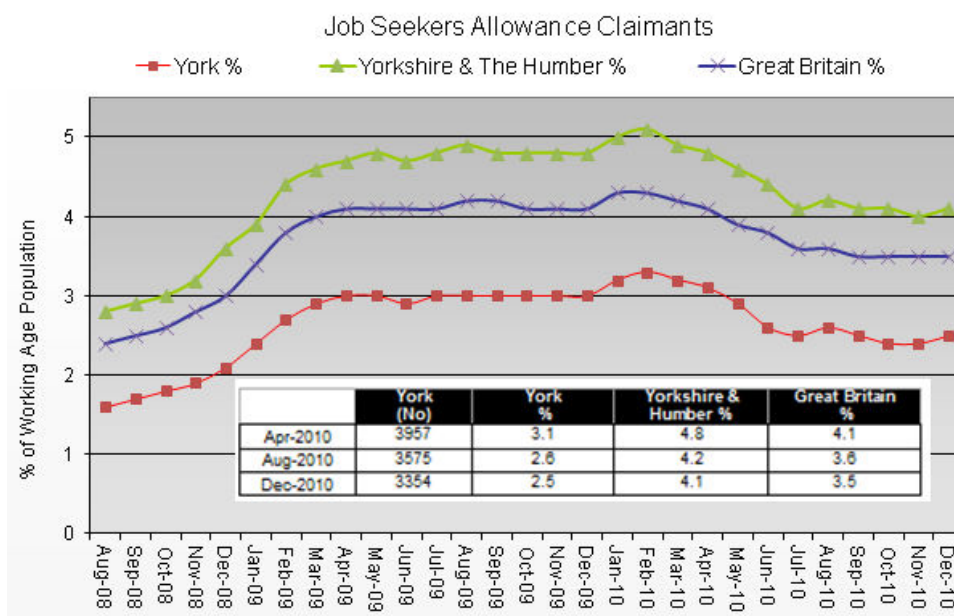
18. The number of visits to York's museums & galleries has increased significantly this year, with the latest figures for the first 9 months of 2010/11 indicating a 37% increase by the year-end. This is mainly due to the refurbishment of the Yorkshire museum and an increase in visitors to galleries following the success of a number of exhibitions.

Visits to Museums & Galleries

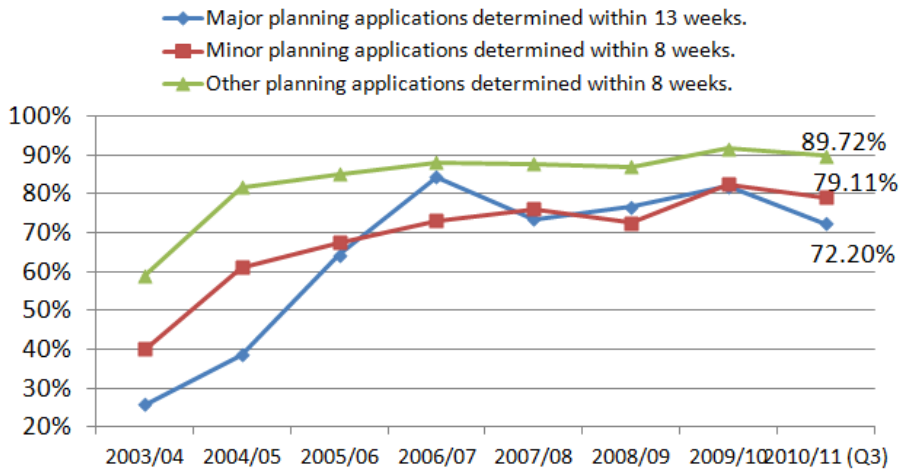


Economy

19. Unemployment in York was 3.1% in November 2010, which is 2.6% below the regional and 1.5% below the national average. This is a decrease of 0.6% since April (source: OECD). Another indicator often seen as a more accurate indication of unemployment is the number of York residents claiming job seekers allowance, which was 3354 in December – again, a small increase from the previous month, but 603 claimants below the rate at the beginning of the year. This equates to 2.5% of the working age population and is again well below the average claimant count for Yorkshire and the Humber (4.1%) and the UK (3.5%) – see graph below.



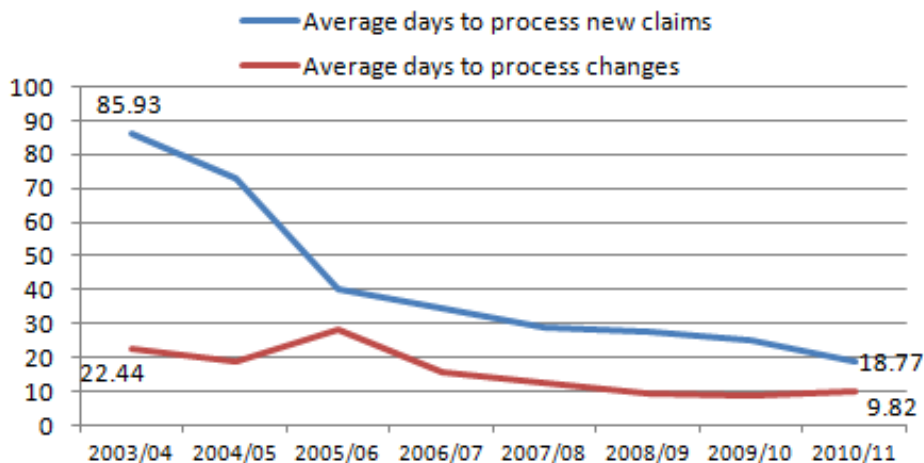
20. Young people who are NEET: The number of young people in York who are not in employment, education or training (NEET) has continued to reduce in Q3 (currently 3.6%) and remains one of the lowest rates in the North of England. In particular, York has seen a reduction in 16 year olds that are NEETs, which reduced to 29% in 2010 (from 47% in 2009). ACE has forecast that this could improve further with a planned increase in the number of young people attending pre level 1 training programmes.
21. Processing planning applications - the number of 'minor' planning applications determined within 8 weeks stands at 79% for Q3 (a 3% decrease on last year). The number of 'major' applications determined within 13 weeks has reduced (currently 72% compared to 79% in the same period for 2009-10). This equates to 10 out of 36 applications failing to meet the 13-week timescale.



22. The decline in performance is due to a significant increase in the number of planning applications received in the first 9 months of 2010 - in particular, a much higher number of major applications. Some of these applications have involved complex legal agreements, which have taken the timescale beyond the 13 week target period. The number of applications dealt with under delegated powers also reduced due to a larger proportion of applications called in by members to sub committees, which often creates a delay in the determination deadline. The Planning service reduced staffing levels by nearly 20% in 2009-10 to react to a drop in application numbers (and fee income) over the preceding 18 months. The unexpected increase in applications so far this year has therefore been affected by a reduced capacity of planning officers.

Benefits

23. Since 2003/4 there has been significant improvement in time taken to process new benefit claims and put in place changes to existing claims. This can be attributed to - streamlining working practices to process more work at the first point of contact, initiatives such as a 24-hour processing promise, restructuring the service, better use of ITT, enhanced performance management and quality assurance, greater customer focus and staff training.

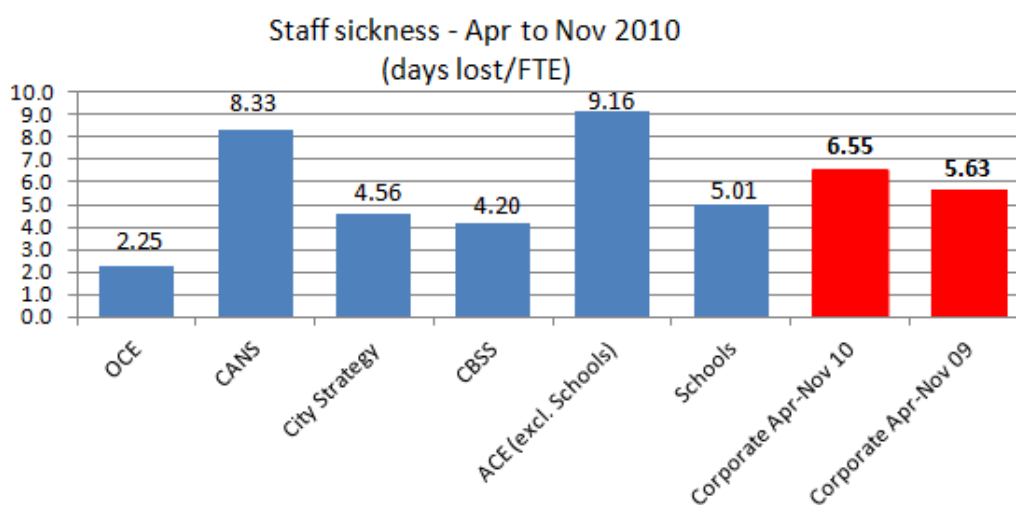


Corporate Health

24. Overall performance for Corporate Health is mixed (see table below). The average days sickness absence taken per FTE is currently 6.55 days for the period April to November, still higher than the same period last year, but the gap has narrowed since Q2 (see graph on next page). The proportion of sick leave taken due to stress/anxiety related illness remains unchanged at 21.8%, which is around the average for local government.

Corporate Health Performance	Apr – Nov 2010	Change from 2009-10
Number of days lost per FTE	6.55 days per FTE	0.92 day increase on same period Long-term sickness ratio is 16% higher than last year
Long term lost per FTE	4.28 days per FTE	
Short term lost per FTE	2.26 days per FTE	
Staff Turnover	5.04%	decrease on 7.70% this time last year
H&S: Major injuries to employees	5	No change (5 this time last year)
H&S: Minor injuries to employees	24	Decrease (31 this time last year)
H&S: Injuries to non-employees	9	Decrease (14 this time last year)

25. Long-term sickness (as a % of all sickness) has started to decline slightly since Q2, but is still much higher than this time last year (66% compared to 48%). The highest levels of long-term sickness occurring in CANS and Adult Social Care. Overall staff absence in schools is 0.5 days higher than the same period last year, and given that they represent 43% of all staff, any increase in sickness levels can affect the corporate figure.



26. The council continues to treat the management of sickness as a priority and new attendance management procedures introduced recently (seen as 'best practice' across local government) has had an impact on overall and short-term sickness since Q2, with the gap between this year and last narrowing. Directorate management teams developing local actions plans with support from Human Resources, which include specific interventions that identify and address absence trends and hotspots. In particular, work continues to improve staff attendance levels in schools with HR running training sessions in a number of schools to provide focused support. This has already resulted in long-term sickness levels reducing since Q2.
27. Staff turnover across the council stands at 5% for the first 8 months of this year (407 leavers from 8068 employees), which is a decrease on the 6.05% reported in Q2. Over 50% of these were in schools, with a significant number of staff leaving in August as a result of contracts ending at the end of school term.

Priority actions and key achievements

28. Good progress has been made during the first 3 quarters of this year in delivering the 72 actions set out in the corporate strategy. Key headlines include:
- The Care Quality Commission carried out a safeguarding Adults inspection and reported significant improvements in the council's Adult Social Care services, awarding

York 'Performing well' overall, with excellent for *'helping to make a positive contribution through participation and choice'*.

- The council received a very positive outcome from a recent Ofsted inspection of our Child Social Care services, which recognised the excellent work on integration of services.
- The Respite Care service in the Glen was awarded 'outstanding' in a recent government inspection.
- Work on the Barbican has continued, with the refurbishment due to start on 7 February. The building will open in the third week in May and the new owners are currently recruiting over 100 staff to start work in April.
- The University is now completing procurement for York Sports Village Swimming Pool and has already submitted the planning application. Current projections indicate that the facility will be open by September 2012.
- Work has begun to explore development opportunities for the former British Sugar/Manor School site located in the Acomb area of the city. Due to the close proximity of the two sites, joint planning is being considered as part of the wider York Northwest corridor and public consultation on options for the project took place between the 15th of December 2010 and 26th January 2011.
- Planning applications for the former Terry's site have now been approved and the developers will start on site this year. The Nestle South capital project has also received planning approval and is awaiting reserved matters applications.
- The York Community Stadium 'memorandum of understanding' was signed by the council, York City Football Club and City of York Athletics Club on December 22nd 2010. This is a binding agreement where all parties involved agree to a set of key principals to enable the project to move forward.
- A number of cycling city initiatives have continued, including work to develop a York City Challenge event in March, where businesses and other organisations (including school staff) will be encouraged to take part and cycle for at least 10 minutes. The council is aiming to involve at least 100 local businesses to ensure York can compete in parallel with Cambridge who are doing the same challenge. A city-wide survey has also started to capture resident's views on Cycling City over the last 2 years their thoughts and ideas for the future. One already agreed and due to be launched shortly, is a cycle journey planner that allows users to find the best, most scenic route to their destination.
- The council successfully completed and officially opened St Clement's Community Hall, on November 18th 2010. The Hall will be run by the local community and will offer a large meeting room for clubs and societies, offices for community groups, youth groups and other sports, dance and music workshops.
- School modernisation projects have continued, with work now progressing on the Clifton with Rawcliffe Primary School site, despite delays due to the adverse weather in November and December, the school is due to open on 1st September 2011. Work on the Park and Stride scheme is also due to start in April, to ensure that this scheme can be up and running from September. Work on Our Lady's Queen of Martyrs started at the end of November, and the school is due to open on 4th January 2012.
- New customer feedback terminals have been introduced for customers who contact the council on a face to face basis. Residents can now provide feedback to the council on the experience and satisfaction of their visit. These terminals also enable staff to promote City of York Council's online services and show our customers how easy it is to pay for, or access services themselves online.

- A 'virtual school for Looked After Children' has been developed to ensure all looked after children get additional support from dedicated specialised staff. The teaching team meet twice a term and the new virtual school head has now visited all York schools to review and oversee the education and attainment arrangements for all Looked After children. A training program for all Teachers who work with Looked After Children is also now in place.
- Adult Social Care Services have published an on-line assessment tool to enable customers to carry out self-assessment for equipment that can aid independent living. It provides advice, information about local suppliers and the option to seek a full assessment from the council's Occupational Therapy services.
- A new Independent Living Assessment Clinic has opened, which allows customers to try out different equipment that could help aid daily living. Visitors can also get assessed and matched to the best equipment available for their needs.

Finance Overview

29. The General Fund budget for 2010-11 is currently £118,166k, 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 £1,668k which is an improvement of £1,404k on the position reported at Monitor 2 and is highlighted in Table 1 (paragraph 32).
30. As highlighted in earlier reports, and in spite of investment as part of the 2010-11 budget, significant financial pressures remain as a result of the rapidly increasing demand for adult social care services and the continuing impact of the economic downturn on the council's income generating services. This has been compounded by in year grant cuts from Central Government to date of £2,287k, a further £1,120k of More for York savings that are currently classed as 'at risk' (£864k related to social care in Adults, Children & Education, £256k in City Strategy related to Property Services and administrative efficiencies) and the effects of the recent severe winter weather.
31. Despite the challenges they are facing, directorates are working hard to contain these pressures to reduce their reported positions so that council expenditure falls within budget by the end of the financial year. This progress is being measured against a strategy agreed at Monitor 2 and this is highlighted in Table 3 (paragraph 35).
32. An overview of the current position is summarised on a directorate by directorate basis in Table 1 overleaf. It should be noted that progress against More for York savings targets continues to be reported against the relevant directorate. The main movements from the Monitor 2 report are:
 - Adults, Children & Education – an improvement of £663k which is due to numerous cost saving measures across the directorate including effective use of grants, vacancy management measures and the outsourcing of the Training Team. It should be noted that significant pressures still exist on budgets for Direct Payments, External Homecare and Elderly Persons Homes.
 - Other Central Budgets – an improvement of £800k due to there being no pay award settlement for 2010-11.
 - City Strategy – an improved position of £352k, however this is after the release of £400k from General Contingency to support income generating services.
 - Communities & Neighbourhoods – a deterioration of £159k primarily driven by an overspend on winter maintenance budgets as a result of the recent severe winter weather.

Directorate	Gross Exp'ture Budget	Gross Income Budget	2010-11 Net Budget	Mon 2 Variance	Current Variance	Movement
	£'000	£'000	£'000	£'000	£'000	£'000
Adults, Children & Education	166,520	-83,201	83,319	+2,310	+1,647	-663
City Strategy	38,021	-29,551	8,470	+940	+588	-352
Communities & Neighbourhoods	87,316	-46,139	41,177	+410	+569	+159
Customer & Business Support Services	80,051	-74,662	5,389	-107	-169	-62
Office of the Chief Executive	9,551	-6,121	3,430	+13	-23	-36
DIRECTORATE BUDGETS	381,459	-239,674	141,785	+3,566	+2,612	-954
Asset Rental Adjustments	0	-21,166	-21,166	-	-	-
Other Central Budgets	4,906	-19,292	-14,386	+221	-579	-800
General Contingency	165	0	165	-565	-165	+400
Treasury Management	13,561	-1,793	11,768	-150	-200	-50
GROSS BUDGET	400,091	-281,925	118,166	+3,072	+1,668	-1,404

N.B Use of reserves reduces to Net Budget of £117,338k

Table 1: Monitor 3 Reported Pressures.

33. The table assumes that the remaining General Contingency of £165k is used to offset other reported pressures, and that the pay award provision and final tranche of VAT refunds received from the Fleming and Conde-Nast cases, totalling £1,309k, offsets in-year government grant funding cuts that have not been met by corresponding savings (£730k).
34. For comparative purposes, Table 2 overleaf compares the current reported pressures with the Monitor 3 and final outturn positions for 2009-10. The 2009-10 Monitor 3 report quoted a projected overspend of £2,333k, a position which was £491k worse off from the Monitor 2 report three months earlier. However, the subsequent outturn position for the year of a £38k underspend was testament to the exhaustive work carried out across the council to reduce expenditure in the final months of the year. In comparison to Monitor 3 in 2009-10, the current position is £665k better off, which reflects the ongoing hard work to reduce projected pressures through improving cost control measures. This pattern shows that concerted effort to reign in expenditure yields results and the continuance of these measures will ensure the council outturns broadly in line with budget.

Directorate	2010-11 Net Budget	09-10 Mon 3 Variance	09-10 Outturn	10-11 Mon 3 Variance
	£'000	£'000	£'000	£'000
Adults, Children & Education	83,319	+2,971	+2,532	+1,647
City Strategy	8,470	+639	+267	+588
Communities & Neighbourhoods	41,177	+237	-40	+569
Customer & Business Support Services	5,389	-505	-530	-169
Office of the Chief Executive	3,430	+123	-20	-23
DIRECTORATE BUDGETS	141,785	+3,465	+2,209	+2,612
Asset Rental Adjustments	-21,166	-	-	-
Other Central Budgets	-14,386	-1,202	-1,922	-579
General Contingency	165	-359	-359	-165
Treasury Management	11,768	+429	+34	-200
GROSS BUDGET	118,166	+2,333	-38	+1,668

Table 2: Comparison between Monitor 3 09-10, Outturn 09-10 and Monitor 3 10-11.

35. A strategy was agreed as part of the Monitor 2 report that allocated revised variance targets for directorates that would see the council's overall expenditure outturn on budget. Progress against these targets is outlined in Table 3 below.

Directorate	2010-11 Net Budget	10-11 Mon 3 Variance	10-11 Target Variance	Reductions Still Required
	£'000	£'000	£'000	£'000
Adults, Children & Education	81,996	+1,647	+1,010	+637
City Strategy	8,073	+588	+190	+398
Communities & Neighbourhoods	41,666	+569	+10	+559
Customer & Business Support Services	4,651	-169	-207	+38
Office of the Chief Executive	4,283	-23	-37	+14
DIRECTORATE BUDGETS	140,669	+2,612	+966	+1,646
Asset Rental Adjustments	-21,166	-	-	-
Other Central Budgets	-13,670	-579	-579	-
General Contingency	565	-165	-165	-
Treasury Management	11,768	-200	-150	-50
GROSS BUDGET	118,166	+1,668	+72	+1,596

Table 3: Progress against Monitor 2 Strategy.

36. Whilst it is clear that the council is currently forecasting an overspend, the management actions that are being implemented by directorates, which since Monitor 2 have reduced the forecast by £1,404k, coupled with the pattern shown in Table 2 that concerted effort can significantly reduce forecasted pressures by year end, there is confidence that council expenditure will be broadly in line with budget by the end of the financial year.

Directorate Financial Performance

37. The following sections provide further information on the current pressures each directorate is facing, including progress against More for York savings, as outlined in Table 1 (paragraph 32). Where appropriate, driver data for pressures has been provided.

Adults, Children & Education

38. Adults, Children & Education are currently reporting financial pressures of £1,647k, an improvement of £633k from the £2,310k pressure reported at Monitor 2. Progress against the £1,200k More for York social care savings continues to be reported against the directorate, of which £864k remains 'at risk' of being achieved.
39. Elsewhere in the directorate, £751k in pressures are being projected in Adult Social Services, an improvement of £270k from Monitor 2 which is due to additional resources being identified, namely within the Social Care Reform Grant (£205k) and a further sum allocated by the Department of Health to help Local Authorities and Primary Care Trusts manage the increased calls on health and care budgets due to demographic changes (£375k).
40. Increasing demand, above the approved budget, continues to be an issue in 2010-11. The main contributory factors are that:
- i) More people have opted to take Direct Payments than anticipated and the numbers are likely to increase as the personalisation of services is rolled out further resulting in a reported pressure on this budget of £1,126k. The current average cost of a Direct Payment stands at £1,074 per month (£941 in 2009-10) on an average base of 213 customers (170 in 2009-10).
 - ii) A greater than anticipated number of referrals for Independent Residential and Nursing Care is causing a pressure £261k. The average number of supported customers has risen from 522 per month in 2009-10 to 564 in 2010-11 at an average cost of £420.65.
 - iii) The cost of using agency staff to cover staff sickness in Elderly Persons Homes, as well as unbudgeted costs from the Pay and Grading process represents a pressure of £222k in this area.
41. Children & Young People's budgets have shown a marked improvement with current reported pressures of £33k, a £392k reduction from Monitor 2. This is derived from a number of areas including a projected underspend on Fostering of Looked After Children of £114k, due to a reduction in the number of children placed in Independent Fostering Agencies (IFA) placements which are more expensive than placements with local foster carers.
42. 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. The remaining £365k, related to Area Based Grant, has been reported as a corporate pressure.

43. The residual pressures across the directorate are to be managed by vacancy management measures, as well as a moratorium on any non essential spend and work is ongoing to identify further actions to reduce the reported position.

City Strategy

44. City Strategy are reporting financial pressures of £588k, which is an improvement of £352k from the £940k pressure reported at Monitor 2. However it should be noted that this position is following a £400k transfer from General Contingency to support income generating services suffering from the effects of the ongoing Economic Downturn.
45. As reported at Monitor 2, the figure is also inclusive of £256k of 'at risk' More for York savings related to Property Services and administrative efficiencies and a total pressure of £400k on the Yorwaste Dividend budget, due to predictions that only a nominal dividend will be paid in 2010-11.
46. Elsewhere in the directorate, underlying pressures related to the Economic Downturn continue to be an issue, including:
- i) Parking income, forecasted to be down by £308k, which is 5% below budgeted levels. It should be noted that usage is also 3% below 2009-10 levels, primarily due to the recent severe winter weather.
 - ii) Building Control income, forecast to be down by £230k, which is based on 1,396 fee-paying applications. Compared to 2007-08, when 1,784 applications were received, this reflects a 22% decline in activity.
 - iii) Planning Application income, forecast to be down by £130k, which is based on 1,350 applications. This is an improvement on the 1,329 received in 2009-10 but a decline from the levels seen in 2007-08 (1,867) and 2008-09 (1,437). Furthermore, the current position reflects an improvement on 2009-10 due to the average fee being c. £460 compared to £362, which is reflective of the increase in more complex applications.
 - iv) The forecast overspend on Commercial Property of £188k, primarily due to the continued wayleave income issue at Harewood Whin.
47. The directorate has already identified £290k in vacancy management measures and is also reporting a £150k underspend on the Concessionary Fares budget following a fixed price agreement with First.

Communities & Neighbourhoods

48. Communities & Neighbourhoods are currently predicting financial pressures of £569k, which represents a deterioration of £159k from the £410k pressure reported at Monitor 2. The key reasons for the deterioration are:
- i) A £274k pressure on the Winter Maintenance budget, as a result of the recent severe winter. This is based on the fact that 83 gritting rounds were carried out in that period in comparison to the overall budgeted total 75 rounds.
 - ii) A net £297k pressure on Commercial Waste due to shortfalls in collection, exemplified by the fact that projected tonnage collected for commercial landfill in 2010-11 is 6,410 compared to 8,300 in 2009-10.
 - iii) Further continued pressures of £143k related to increased utilities and repairs costs at travellers sites and £247k in the Library service.

49. The reported pressures outlined above are being mitigated by cost control measures across the directorate, including vacancy management. All More for York workstreams are currently on target to deliver their agreed savings.

Customer & Business Support Services

50. Customer & Business Support Services are currently projecting an underspend of £169k, which is a £62k improvement from Monitor 2. This is mainly due to a reduction in audit fees following the cessation of the Comprehensive Area Assessment regime (£71k) and the re-alignment of IT support and maintenance contracts which will realise a projected in year saving (£137k). This is offset by a number of small variations elsewhere in the directorate. All More for York workstreams in the directorate are currently projected to meet their agreed savings targets.

Office of the Chief Executive

51. The Office of the Chief Executive is currently projecting an underspend of £23k, which represents a £36k improvement from Monitor 2. The main reason for this improvement is continued stringent vacancy management measures in the directorate. More for York workstreams are also on target to meet their agreed savings.

Other Central Budgets

52. Treasury Management activity is currently forecasting an underspend of £200k, a slight improvement of £50k from Monitor 2. 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 ongoing and more detail on the financial impact of this will be provided in a future report.
53. A projected underspend of £579k is being reported against Other Central Budgets which is comprised of £730k of in-year government grant cuts for which corresponding service savings have not been identified and offset by the £509k VAT refund receipt for claims related to the Fleming and Conde-Nast cases and the £800k 10/11 Pay Award provision that is now available to mitigate pressures following the conclusion of national pay negotiations that resulted in no agreement being made.

Dedicated School Grant (DSG)

54. In the 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 (HRA)

55. The budgeted balance on the HRA is estimated to be £8,764k and the latest forecast identifies an underspend £436k, an improvement of £165k from Monitor 2. The main reason for the projected underspend is a number of vacancy management measures across the service and lower loss of rents from void properties.

Reserves

56. The council's general revenue reserve currently stands at £6.7m, after reductions for carry forwards from 2009-10 and items committed as part of the 2010-11 budget, and has a

minimum required level of approximately £6.0m to cover significant unforeseen one-off cost pressures. 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 breach of this minimum level. This prospect reinforces the need to continue the identification of 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

57. 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

58. There has been extensive consultation with Trade Union groups on the ongoing implications of the council's financial situation.

Corporate priorities

59. The information and issues included in the Q3 report 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

60. 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 specific equality implications to this report, however equalities issues are accounted for at all stages of the financial planning and reporting process.
 - Legal - there are no legal implications to this report.
 - Crime and Disorder - there are no specific crime and disorder implications to this report, 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

61. 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.

Recommendations

62. 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.

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

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Report Approved	<i>tick</i>	Date	<i>February 2011</i>
	✓		
Specialist Implications Officer(s) - None			
Wards Affected: <i>None</i>			All <i>tick</i>
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