



**Notice of meeting of
Effective Organisation Overview & Scrutiny Committee**

To: Councillors Healey (Chair), Crisp, Horton (Vice-Chair),
D'Agorne, Firth, Gunnell, Hyman and Jamieson-Ball

Date: Tuesday, 14 September 2010

Time: 5.00 pm

Venue: The Guildhall, York.

AGENDA

1. Declarations of Interest

At this point Members are asked to declare any personal or prejudicial interests they may have in the business on this agenda.

2. Minutes (Pages 3 - 10)

To approve and sign the minutes of the meetings held on the 6 July and 14 July 2010.

3. Public Participation

At this point in the meeting, members of the public who have registered their wish to speak regarding an item on the agenda or an issue within the Committee's remit can do so. The deadline for registering is **5pm on Monday 13 September 2010**.

4. Presentation on Customer Services

The Assistant Director of Customer & Business Support Services (Customer Service & Governance) will give a verbal presentation which will outline recent changes made to customer services and future plans for transformation in line with the council's Customer Strategy approved in 2009 and MoreforYork Programme. This will include plans for new Customer Standards, combined face to face reception areas, integration of more services into the York Contact Centre and plans to further improve self service facilities and complaints and feedback processes. This will help to inform the committee's work programme in 2010/11.

5. Quarter 1 Finance & Performance Monitor (Pages 11 - 32) for 2010-11

This report provides details of the headline performance issues from the Q1 performance monitor of 2010-11 (for the period 1st April to 30th June 2010) and includes more up to date data where available. It also covers finance issues including service and corporate budget management.

6. Briefing on Legal Services (Pages 33 - 36)

This report provides information about the role of the in house legal team and steps which have been taken to minimise expenditure on legal advice from external firms of solicitors.

7. Presentation on Information and Communication Technologies (ICT)

The Head of ICT will update Members on projects within the ICT blueprint, other projects with the ICT theme of sustainability and the new dark fibre network.

8. Workplan

Members will consider the workplan for the Effective Organisation Overview and Scrutiny Committee for 2010-11.

9. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972

Democracy Officer

Laura Bootland

Telephone – (01904) 552062

Email: laura.bootland@york.gov.uk

For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting whose contact details are given above.

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

This page is intentionally left blank

About City of York Council Meetings

Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

যদি যথেষ্ট আগে থেকে জানানো হয় তাহলে অন্য কোন অর্ধাতে তথ্য জানানোর জন্য সব ধরনের চেষ্টা করা হবে, এর জন্য দরকার হলে তথ্য অনুবাদ করে দেয়া হবে অথবা একজন দোআবী সরবরাহ করা হবে। টেলিফোন নম্বর (01904) 551 550।

Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin terümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel: (01904) 551 550

我們竭力使提供的資訊備有不同語言版本，在有充足時間提前通知的情況下會安排筆譯或口譯服務。電話 (01904) 551 550。

اگر مناسب وقت سے اطلاع دی جاتی ہے تو ہم معلومات کا ترجمہ مہیا کرنے کی پوری کوشش کریں گے۔ ٹیلی فون (01904) 551 550

Informacja może być dostępna w tłumaczeniu, jeśli dostaniemy zapotrzebowanie z wystarczającym wyprzedzeniem. Tel: (01904) 551 550

Holding the Executive to Account

The majority of councillors are not appointed to the Executive (40 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Committee Minutes

MEETING	EFFECTIVE ORGANISATION OVERVIEW & SCRUTINY COMMITTEE
DATE	6 JULY 2010
PRESENT	COUNCILLORS HEALEY (CHAIR), CRISP, HORTON (VICE-CHAIR), D'AGORNE, GUNNELL AND HYMAN
APOLOGIES	COUNCILLORS FIRTH AND JAMIESON-BALL

1. **DECLARATIONS OF INTEREST**

Members were asked to declare any personal or prejudicial interests they may have in the business on the agenda. Councillor Hyman declared a personal interest in agenda item 3 "Year End Finance and Performance Report 2009-2010" as his wife works in adult education for City of York Council.

2. **PUBLIC PARTICIPATION**

It was reported that there had been no registrations to speak under the Council's Public Participation Scheme.

3. **YEAR END FINANCE AND PERFORMANCE REPORT 2009-2010.**

Members received a report that provided details of council performance for the period 1 April 2009 to 31 March 2010. Consideration was given to three areas:

- Finance – covering the council's financial outturn for 2009-10, including requests for carry forwards and a position statement on the council's reserves.
- Performance – the council's performance against the National Performance Indicator set and 2009-10 Local Area Agreement (LAA) targets.
- Key Projects – projects delivered throughout 2009-10, which supported the council's key priorities.

Officers went through the key issues and responded to Members' questions on the data that had been provided.

Details were given of the strategies that were in place to address staff absence. The Committee would continue to be informed of progress through their monitoring of the Workforce Development Plan, including the breakdown for each directorate. Members stressed the importance of ensuring that PDRs were carried out for all staff and that there was

consistency in the way back to work interviews and sickness reporting arrangements were implemented.

Members questioned officers as to why there had been a fall in the number of disabled people employed by the council and in the number of BME staff. Officers provided more detailed statistics on staff equalities, including a breakdown by directorates.

Members requested that additional information be provided on the following issues¹:

- More detailed figures on staff turnover and the reasons for the increase.
- Reasons behind the reduction in the number of people killed or seriously injured on York's roads.
- A response from the Directorate of Adults, Children and Education as to whether financial constraints were preventing homecare needs from being met.

It was noted that a review was currently taking place as to the content and format of the information that was presented to scrutiny committees. Members recommended that the following items should be presented to the Committee:

- Regular reports on the More for York efficiency savings. The reports should include a timetable for the programme and outcomes. More detailed information should be presented in respect of those efficiencies relating to corporate services.
- The report on finance and performance should include a summary of the corporate position and more detailed information in respect of the Chief Executive's Office and the directorate of Customer and Business Support Services.

Members suggested that a possible topic for a scrutiny review would be expenditure on external legal support. It was noted that work was currently taking place on this issue and it was suggested that the Head of Civic, Democratic and Legal Services be invited to present a briefing to the committee detailing internal and external expenditure on legal support by each directorate and including an explanation of key areas of expenditure in order to focus the scope of the suggested review.

- RESOLVED: (i) That the performance issues identified in the report be noted.
- (ii) That, at the meeting on 14 September 2010, a briefing report be presented in respect of expenditure on external legal support and that the Head of Civic, Democratic and Legal Services be invited to attend the meeting.

- REASONS: (i) To monitor the performance of the service plan areas relevant to the remit of the committee.

- (ii) To enable the Committee to determine whether or not to carry out a scrutiny review on expenditure on external legal support.

Action Required

- 1. Information to be emailed to committee members PL

4. WORKPLAN

Consideration was given to the Committee's Work Plan for 2010-11.

RESOLVED: That the Work Plan be updated to reflect the additions referred to in minute 3.

REASON: To assist in the planning of work for the Committee.

Councillor P Healey, Chair

[The meeting started at 5.00 pm and finished at 6.50 pm].

This page is intentionally left blank

MEETING	EFFECTIVE ORGANISATION OVERVIEW & SCRUTINY COMMITTEE
DATE	14 JULY 2010
PRESENT	COUNCILLORS HEALEY (CHAIR), CRISP, FIRTH, GUNNELL, HYMAN AND R WATSON (AS A SUBSTITUTE FOR CLLR JAMIESON-BALL)
APOLOGIES	COUNCILLORS HORTON, D'AGORNE AND JAMIESON-BALL

5. DECLARATIONS OF INTEREST

Members were asked to declare at this point in the meeting any personal or prejudicial interests they may have in the business on the agenda. No interests were declared.

6. MINUTES

RESOLVED: That the minutes of the meeting of the Effective Organisation Overview and Scrutiny Committee held on 24 May 2010 be approved and signed as a correct record.

7. PUBLIC PARTICIPATION

It was reported that there had been no registrations to speak under the Council's Public Participation Scheme.

8. BUDGET STRATEGY PRESENTATION.

Members received a presentation from the Director of Customer and Business Support Services on current budget issues and the strategy for 2011/12.

Members also considered a briefing report titled "2011-12 Budget Process Planning Framework and MTF Update" which was due to be considered by the Executive at its meeting on 20 July 2010. Members were asked to consider and comment on the report in order that their views could be passed on to the Executive.

The Director of Customer and Business Support Services answered Members queries in relation to specific issues raised in both the presentation and the report.

RESOLVED:

- (i) That the Director of Customer and Business Support Services be thanked for a useful and informative presentation.
- (ii) That the Committee notes the new arrangements with interest and in particular approves the early and enhanced consultation and that these comments be taken into consideration by the Executive at its meeting on 20 July 2010.

REASON:

In order that the Committee is consulted on the budget process Planning Framework and MRFF in line with scrutiny procedures and protocols.

9. WORKPLAN

Members considered a draft workplan for the Effective Organisation Overview and Scrutiny Committee for the remainder of the 2010-11 municipal year.

Members requested that, in addition to the planned work for the 14th September meeting, they would like to receive feedback on the Apprenticeships Scrutiny Review.¹ They also requested a briefing paper on the measures currently being undertaken to limit the external legal costs incurred by Legal Services, in order to identify a suitable remit for a scrutiny review, if a review is deemed necessary.²

In addition, the Director of Customer and Business Support Services expressed the view that it would be beneficial for Members to have an awareness of procurement issues. Due to the number of items of business already planned for the September meeting, Members suggested that a further meeting should be arranged to take place in late September/early October in order that the Committee could receive a briefing on procurement so they could decide if they would like to focus on a specific area of interest.³

Members also agreed to receive an update at the meeting on 23 November 2010 on the changes to, and the subsequent success of, the revised sickness scheme in adult social services.⁴

RESOLVED:

- (i) That the draft workplan be approved with the amendments detailed above.
- (ii) That an additional meeting be arranged to take place in late September/early October for the Committee to receive a briefing on procurement.

REASON: To ensure that a robust and relevant work plan is in place for the municipal year.

Action Required

1. Head of HR and Organisational Development to provide feedback on Apprenticeships Scrutiny Review at meeting on 11 Jan 2011 AW
2. Head of Civic, Democratic and Legal Services to prepare briefing paper on legal costs to present to Members at meeting on 14 Sept 2010. AD
3. Head of Transformation and Procurement to prepare a briefing on procurement for meeting on 6 Oct 2010. TC
4. Head of HR and Organisational Development to provide briefing on changes to, and subsequent success of, revised sickness scheme in Adult Social Services. AW

Councillor P Healey, Chair

[The meeting started at 4.00 pm and finished at 5.00 pm].

This page is intentionally left blank



Effective Organisation Overview & Scrutiny Committee

14 September 2010

Report of the Director of Customer & Business Support Services

Quarter 1 Finance & Performance Monitor for 2010-11

Purpose

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

Background

2. On 27th May the Government announced its plans to abolish CAA and that all related CAA work would cease with immediate effect. Further changes have also been announced in terms of the National Indicator set, with the removal of the Place Survey (18 NPIs) and 23 other NPIs. Around 150 NPIs in the set still remain, but these are now being reviewed by the government, along with indicator frameworks aligned to other public sector organisations.
3. The council has decided to take a proactive approach on this and has already started to review the remaining NPIs to assess which are useful and add value in terms of driving improvement and providing useful context for performance locally. In addition the council's performance management framework is being reviewed to ensure new arrangements are put in place which support more effective improvement & efficiency and remove unnecessary collection/reporting. A report on this will be brought to Executive on the 4th October. As part of this transition, the follow report only includes:
 - NPIs which provide useful context for local performance or demonstrate progress in terms of existing priority improvement.
 - other local data, which demonstrate progress in key service areas (e.g. Library visits, swimming sessions, bus patronage, council tax collection, volume costs etc).

Summary

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

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

Performance - overview

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

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

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

Adults, Children & Education

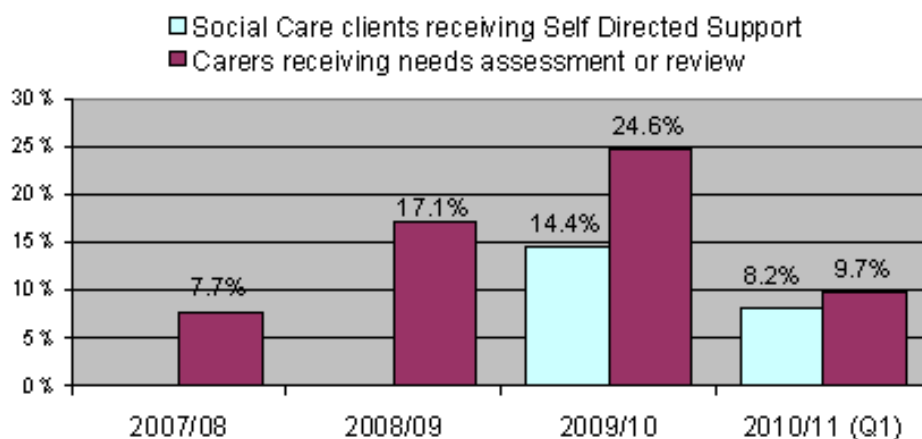
Adult Social Care

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

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

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

Adult Social Care - LAA indicators

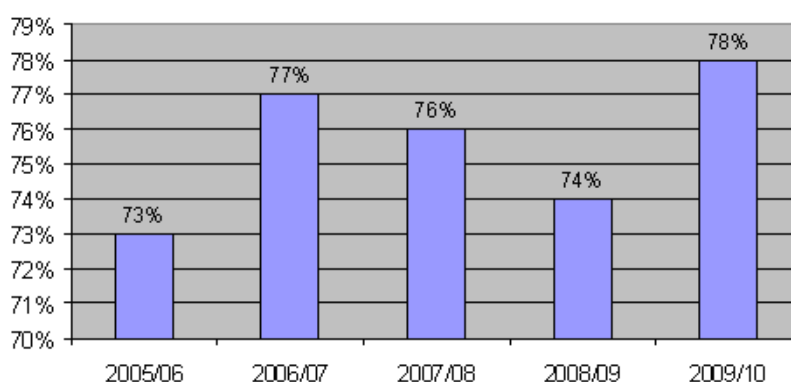


8. *NPIs 132 & 133 – timeliness of social care assessments and packages (Local LAA indicators).* Current performance levels are below target due to an increased number of referrals being received in the first 3 months of the year. This has increased the time taken to work through a number of assessments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

Education

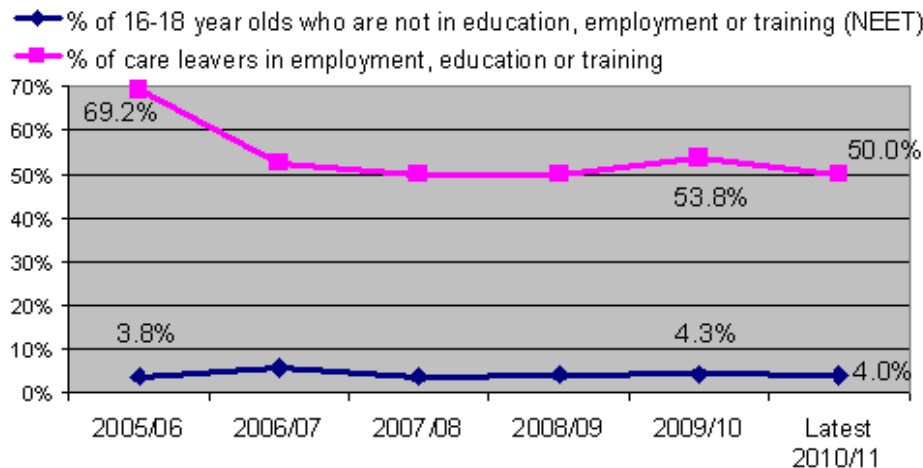
9. *NPI 73 & 76: Literacy & numeracy (KS2).* The % of pupils achieving Level 4 or above in both English and Maths at KS2 has increased by 4 percentage points since the previous academic year. This is 4 percentage points higher than the national average, is the highest result in the region and places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

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



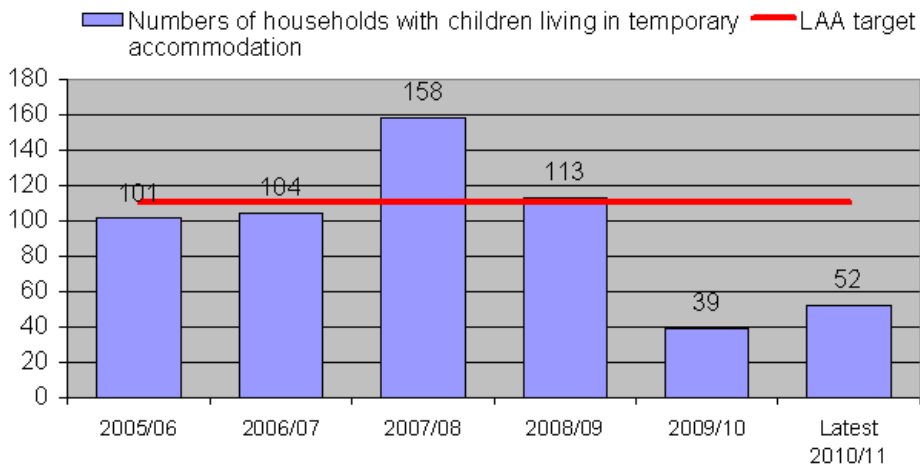
10. *NPI 117: % of 16-18 year old not in education, employment or training (LAA indicator).* Progress on reducing the number of NEETs in York continues, despite the current economic climate. First quarter results show a drop to 4% from 4.3% at the end of 2009-10 (lower is better). Ongoing work on entry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

Young people and the economy



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

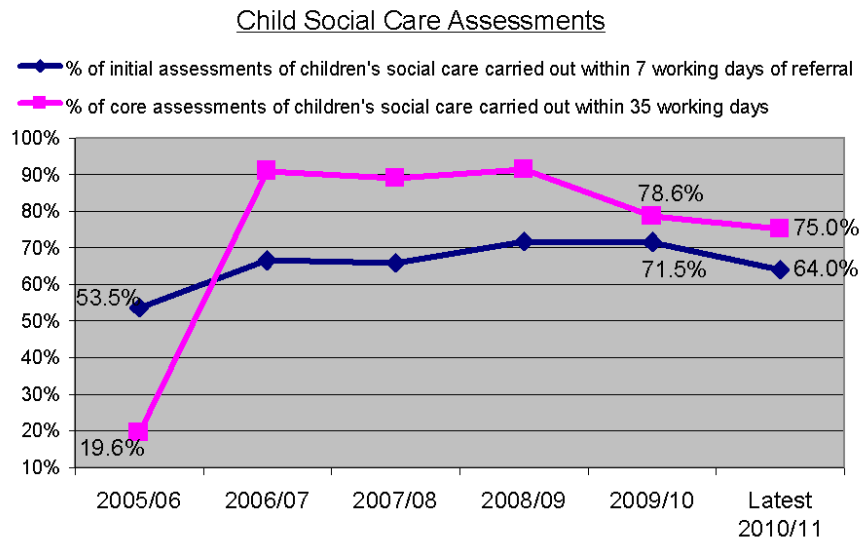
Homelessness & children in York



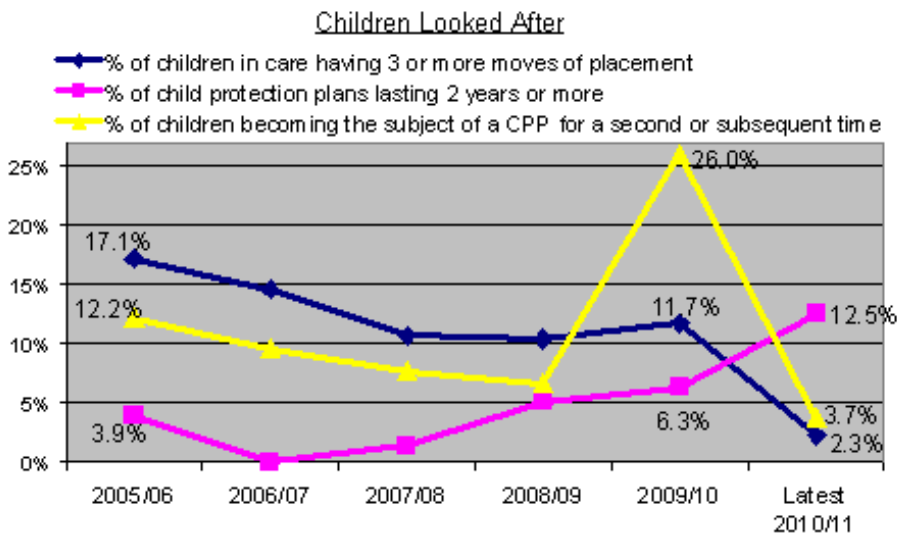
Child Social Care (Note: small cohorts for some child social care indicators can distort results.)

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

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



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



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

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

Numbers and average cost looked after children in York

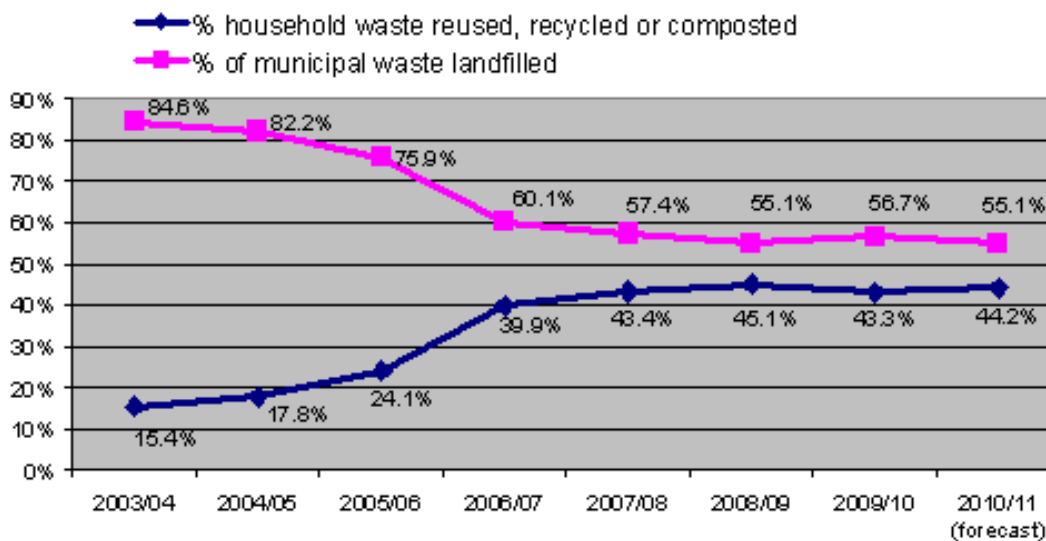
Year	No. of LAC	% change	Budget	Actual	Cost per Child	% change
2006-07	157	+12%	£1,972,780	£2,998,715	£19,100	N/A
2007-08	168	+7%	£3,083,130	£3,345,742	£19,915	+4.2%
2008-09	199	+18%	£3,468,020	£3,833,682	£19,265	-3.2%
2009-10	223	+12%	£3,578,760	£4,501,280	£20,185	+4.5%
2010-11 forecast	219	-2%	£4,775,450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

Communities and Neighborhood Services

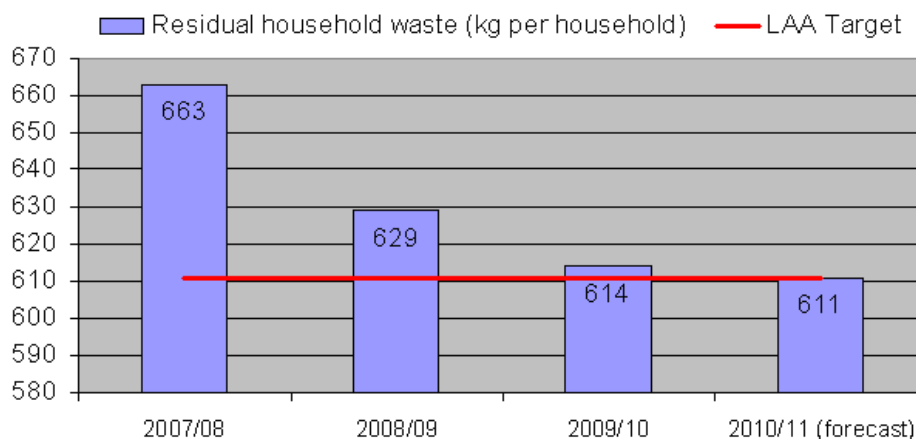
Environment & Cleanliness

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

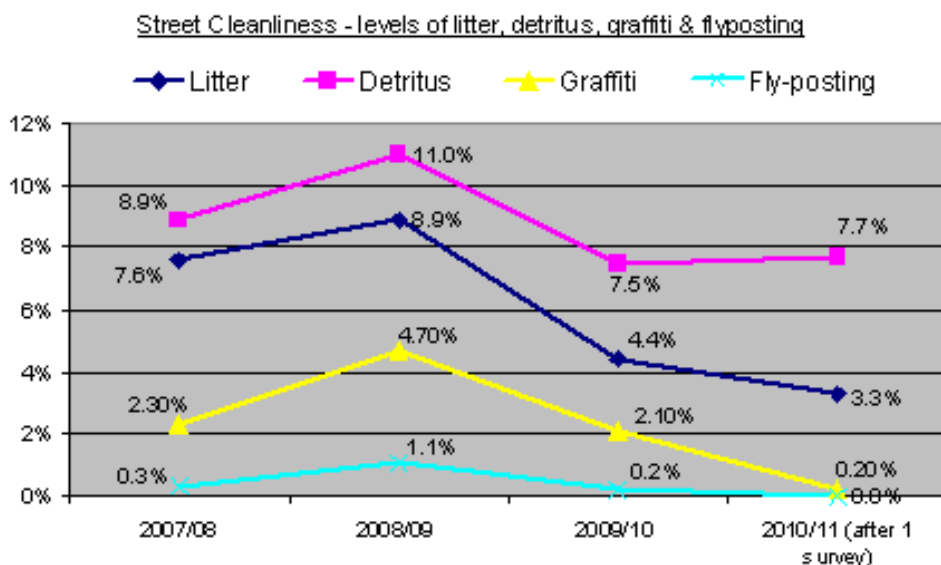
Waste Management in York



Household waste levels



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



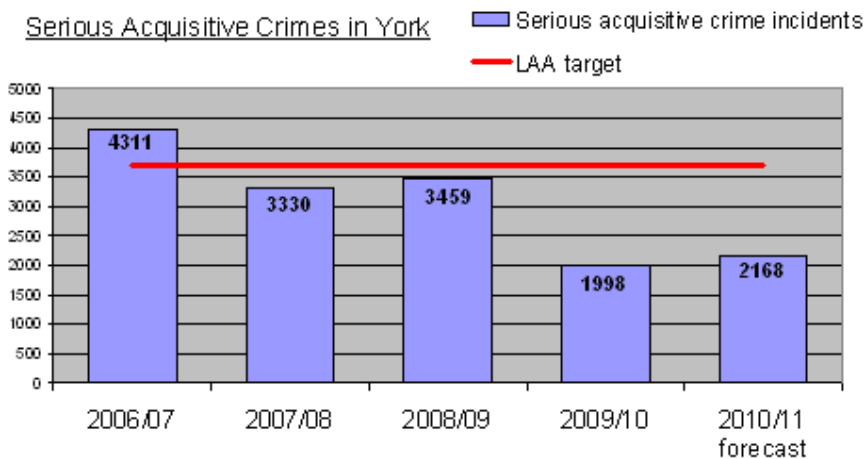
	Litter	Detritus	Graffiti	Fly-posting
2009-10	4.40%	7.50%	2.10%	0.20%
2010-11 (1st survey in June)	3.30%	7.70%	0.20%	0.00%

Community Safety

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

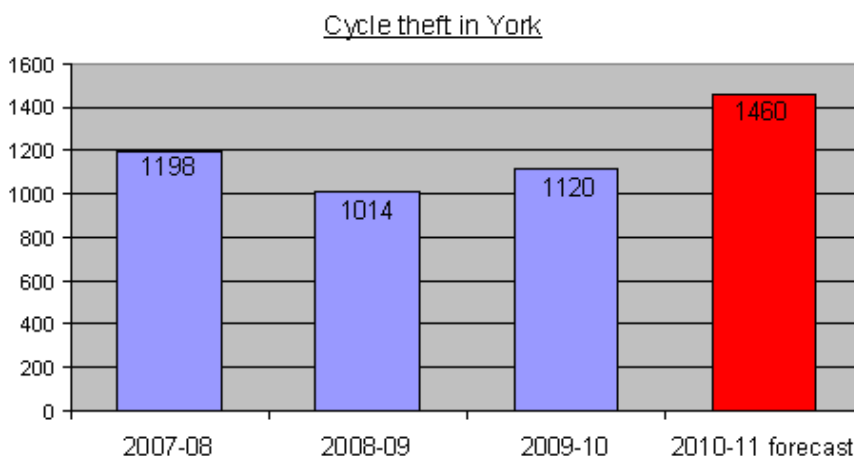
Indicator	2006-07	2007-08	2008-09	2009-10	10-11 Q1 (Forecast)	2010-11 target	Improving?
Total crimes recorded in York	11876	10010	9906	7547	2021 (8084)	10354	No
NI 15: Number of serious violent crimes	No data	No data	151	123	29 (116)	136	Yes
NI 16: Number of serious acquisitive crimes	4311	3330	3459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

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



April 2010 incidents
159
May 2010 incidents
217
June 2010 incidents
166

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



Residents who choose not to cycle into York for fear of their bike being stolen or vandalised
2008 cycling city survey
10.3%
2010 Talkabout panel survey
16.3%

23. Cycle theft incidents at 49 locations across the city is monitored regularly and shows that around two thirds of all thefts occur in city centre locations in the Guildhall and Micklegate wards. Similarly, when examining cycle thefts on the 27 school or University locations across York, 75% occur in 3 locations:

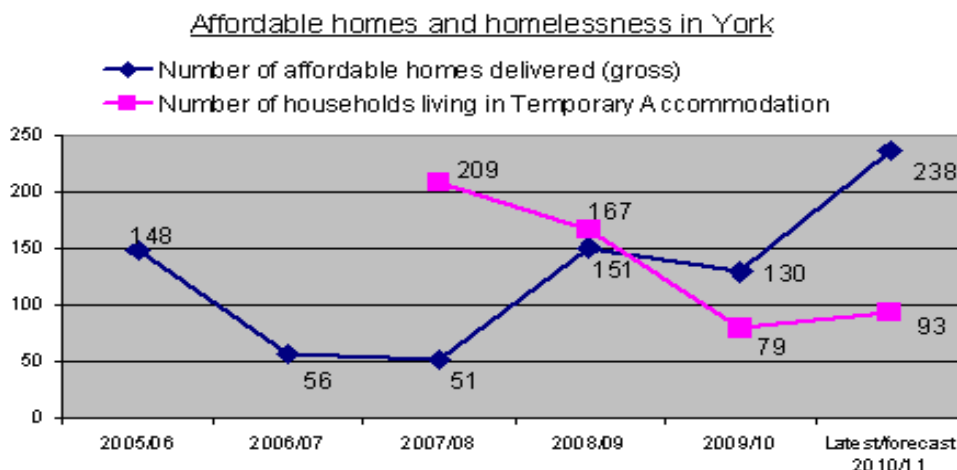
- University of York (48%)
- York College (22%)
- York High (5%)

24. Cycle theft is now the poorest performing area in York’s comparator family group (ranked 15th out of 15) and this is now preventing the council improving on its overall ranked position. A scheme called Operational Spoke, which began in January 2010, UV marks bikes in York to deter and catch cycle thieves, and then help return bikes to their rightful owner. Nearly 5000 bikes are now registered on the online database and related actions include producing stickers for Operation Spoke-marked bikes and on new signs on city centre cycle racks advertising ‘police tracker bikes’ are in operation. York University are also upgrading a number of cycle racks, deploying cycle strips and producing comprehensive packages for new students.

Housing

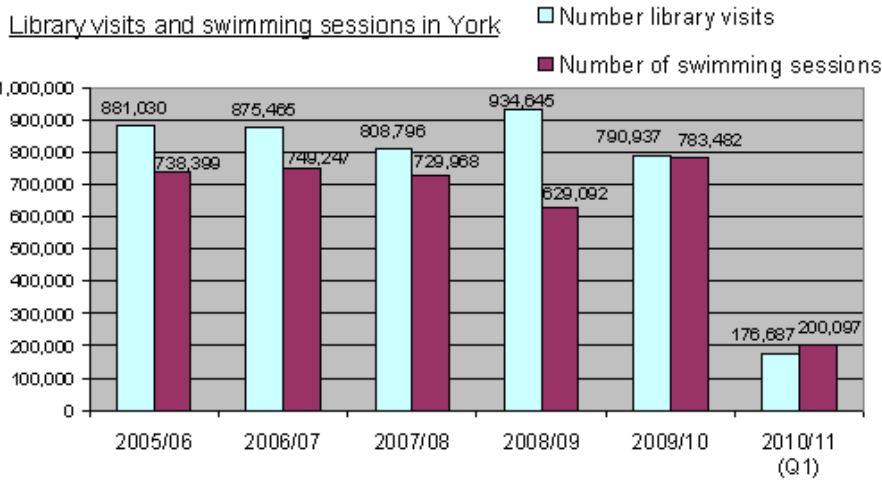
25. *NPI 155: Affordable homes (LAA indicator).* In quarter one 52 new affordable homes have been delivered. 22 of these homes have been delivered on two private developments through planning gain agreements. The remainder have been through various grant-funded routes. The current forecast for the year is 238 against an LAA target of 252 but this will be subject to review in the current housing market and economic climate. If funding from the Homes and Communities Agency is still available, it will allow the council to build up to 21 new family homes for rent in Clifton. Work on this development will start in early in 2011 with the homes completed approximately one year later. Funding for the YorHome scheme expires October 2010 and a report reviewing the future viability of the scheme was considered in August. A funding bid for Ordnance Lane has been submitted to the Homes and Communities Agency and a decision as to whether funding will be granted is still awaited.

26. *NPI 156: Homelessness (LAA indicator).* The number of York households living in temporary accommodation fell by 52% in 2009-10, despite a rise in repossessions and homelessness across the UK. As a result, the improvement target of 75 households set for this year was particularly challenging as the recession starts to deepen. Current performance shows a rise in households living in temporary accommodation (now up to 93). However, the first half of the year is generally busier and a caseworker vacancy has significantly affected staff capacity for this service. Performance is expected to improve throughout the year.



Culture

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



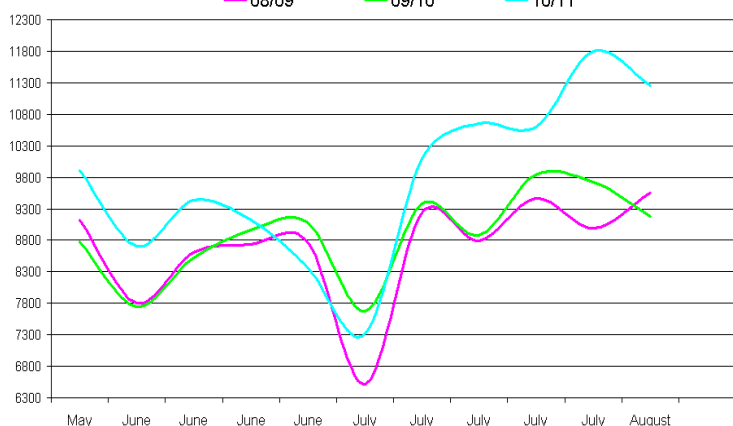
Visits to Central Library / York Explore only

Q1 2009-10
 June = 35460 visits
 July = 38517 visits

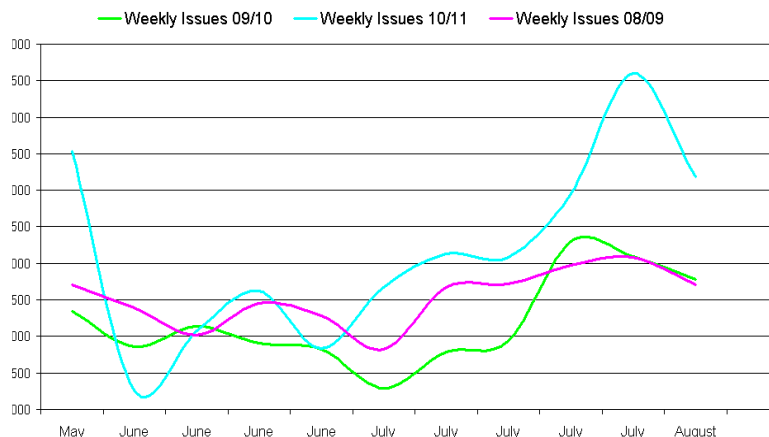
Q1 2010-11
 June = 40171 visits
 July = 46874 visits

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

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



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

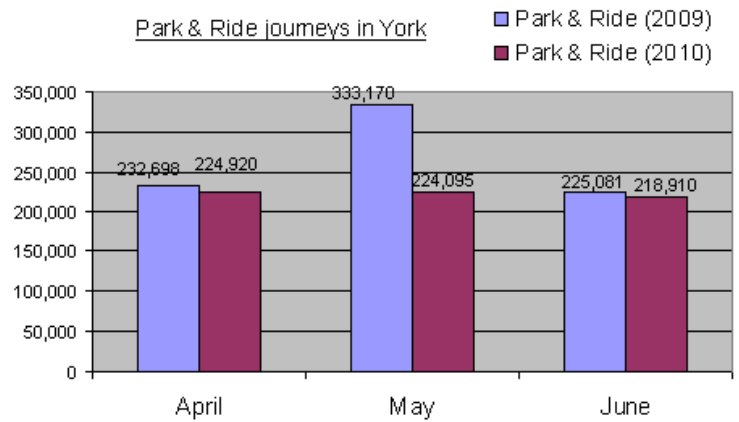
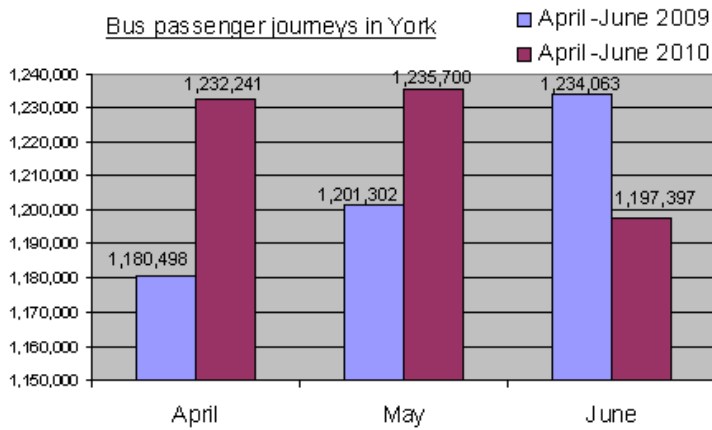


City Strategy

Transport

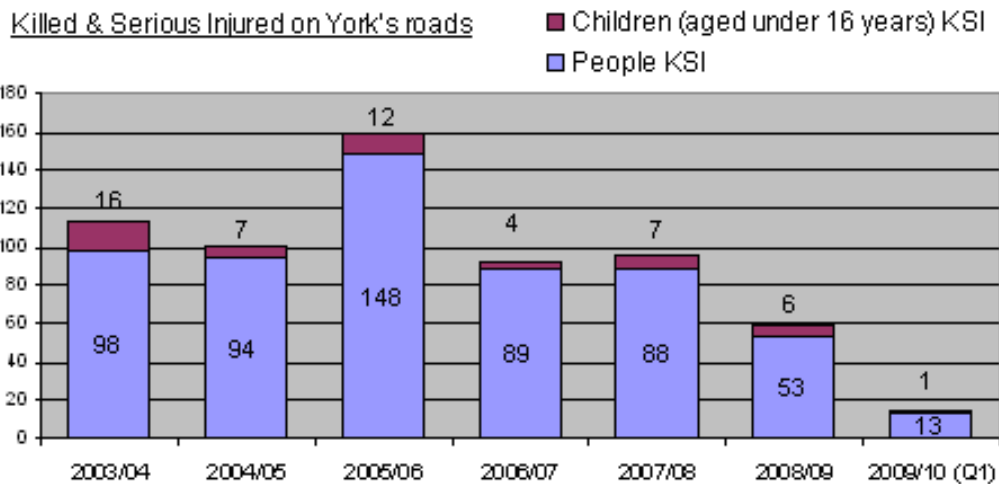
29. *Bus and Park & Ride Passengers:* The overall number of passenger journeys in York improved slightly on the same period last year (currently 3.67m for Q1 compared to 3.61 in 2009). However, the number of Park & Ride passengers continues to decline, with current data showing a 15% decrease (668,000 for Q1 compared to 791,000 in the same

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



	Apr – Jun 2009	Apr-Jun 2010	% change
Askham Bar	135,413	139,201	+2.8%
Grimston Bar	115,612	107,326	-7.2%
Rawcliffe Bar	180,056	156,082	-13.3%
Designer Outlet	140,839	142,276	+1.0%
Monks Cross	119,030	124,389	+4.5%

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

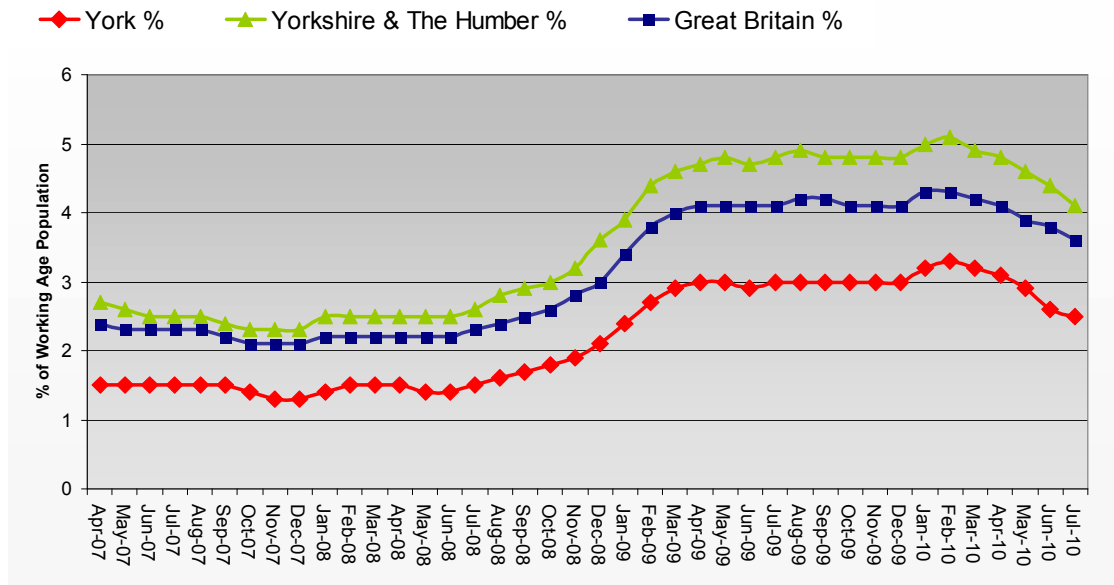


Economy

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

School/College/University leavers who may find it difficult to find employment in the current economic climate.

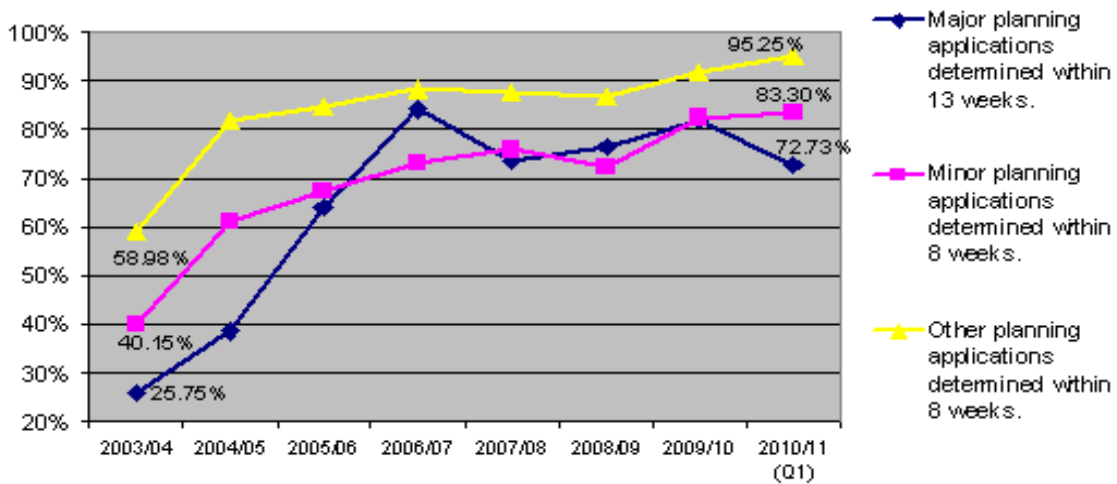
Job Seekers Allowance Claimants



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

32. A number of factors and initiatives have influenced York’s encouraging rates, and further work is underway to ensure this continues. One City is an initiative, which sees City of York Council taking measures to help residents and businesses through the recession. The main aim is to help individuals limit debt, and to support business growth and minimise job losses. Work currently taking place includes:
- advice and information to sign-post businesses to sources of support.
 - an external strategic assessment of the city’s economic outlook and its ability to recover from the recession.
 - an enterprise fund/allowance scheme is offered on a match-funding basis. To date 10 businesses have been supported through the fund. The businesses supported so far range from mobile catering to computing companies.
 - the Business Forum working with 126 businesses to ensure that their needs are centrally involved in shaping the city’s economic development policy; fostering opportunities for continuing commercial success and future growth opportunities.
33. *NPI 157a-c: Processing planning applications.* The number of ‘minor’ planning applications determined within 8 weeks stands at 83.3% for Q1 (a 1% increase on last year). The number of ‘major’ applications determined within 13 weeks declined in Q1 (currently 73% compared to 82% in 2009-10). This was due to 4 of 11 applications in April and May failing to make the 13-week timescale (see graph overleaf). Despite this decline, all 3 indicators are currently performing in the top quartile for unitary authorities.

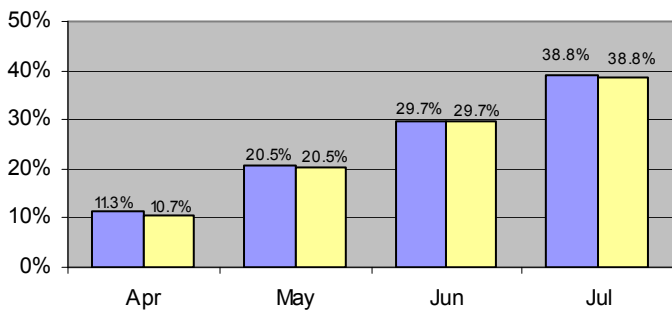
Processing planning applications



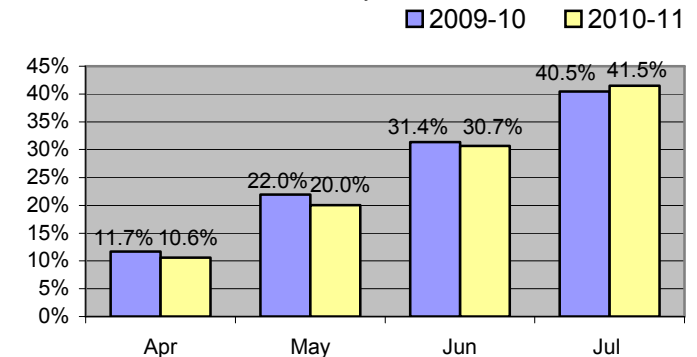
Customer & Business Support Services

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

% of council tax collected in year



% of non-domestic rates collected in year



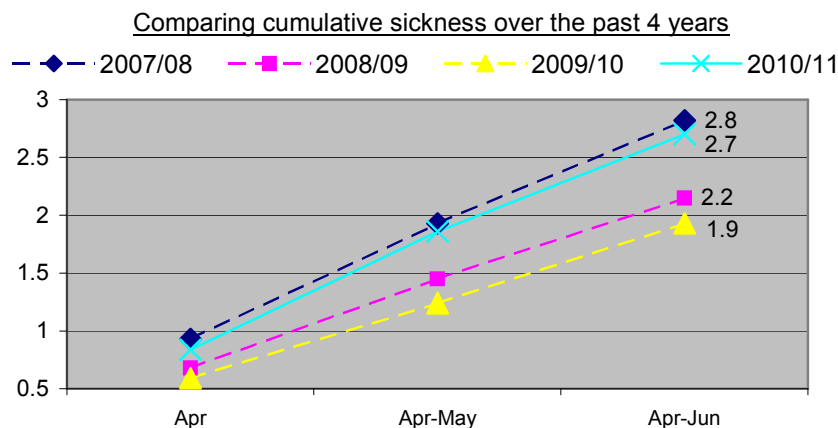
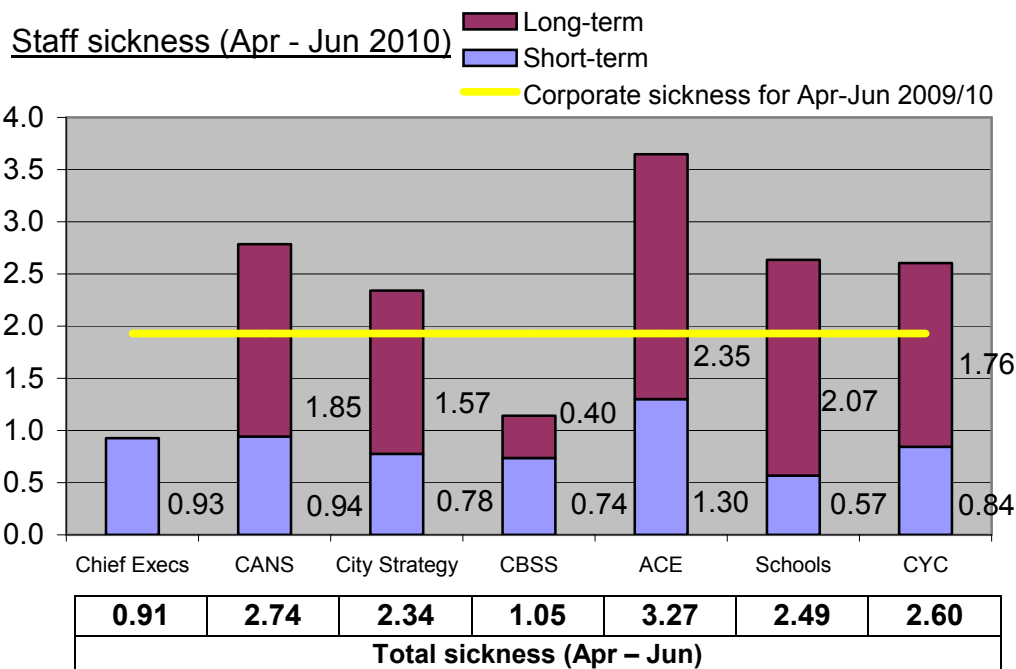
35. *NPI 181: Speed of processing benefits claims.* The average time for processing benefits currently stands at 13 days and continues to show steady improvement due to proactive management of the claim lifecycle at key points through monitoring and reporting. More assessments are now being made at first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

Corporate Health

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

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

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



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

Progress on priority actions

39. Encouraging progress has been made during the first quarter in delivering the 63 actions set out in the corporate strategy and five have already being completed. Key headlines include:
- Holding a youth festival and a busy programme of cultural events for young people over the summer holidays, as part of the “City of Culture” theme.
 - The opening of the new Explore Centre at the central library site, which has been shortlisted for a national award.
 - Progress on the procurement exercise to seek an operator for the Barbican. Detailed solutions were received from bidders in June and the next stages of the procurement will be presented to the Executive on 21 September. This will identify a preferred bidder and include details of a development agreement and lease by 31 October.
 - The Council has offered to contribute £3m towards the provision of a competition standard pool on the University’s Heslington East campus, as part of the York Sports Village. The university has already had stage 1 approval from Sport England for a £1m grant towards the construction of the pool and a synthetic football pitch. A stage 2 application has now been submitted and the university is currently waiting for the final grant offer. Negotiations are being finalised to ensure public access to the pool during 90% of its opening hours. Construction is expected to commence in 2011.
 - Monks Cross has been agreed as the preferred site for the new Community Stadium, with a new athletics facilities provided at the City of York Sports Village on Hull Road. £198k of LABGI (*Local Authority Business Grant initiative*) funding has been secured to move the project forward.
 - Excellent take-up of the ‘*Step Up to Progress*’ courses, which encourage young people not currently in education, employment or training to improve their skills and attend a work placement.
 - A free insulation scheme is being extended across the Hull Road ward, and will be rolled out to the Guildhall ward by the end of the financial year.
 - Recycling facilities are currently being rolled out to an additional 16,600 properties, and more energy-efficient streetlights are being put in place to reduce the council’s overall energy consumption

Progress at Q1 on the council’s corporate strategy actions

Theme	On Target	Not on target	Completed
Thriving City	7	3	0
Sustainable City	10	2	0
Safer City	5	0	0
Learning City	6	1	0
Inclusive city	9	2	0
City of Culture	4	0	3
Healthy City	6	0	2
Effective Organisation	12	0	0
Total	50	8	5

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

Finance - Overview

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

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

44. On 10 June 2010, the new coalition government announced details of £1.166bn in cuts to Local Government funding for 2010-11. The main proportion of this was a reduction to the Area Based Grant (ABG), though other schemes such as the Housing & Planning Delivery Grant (H&PDG) were also abolished. As a result, the council received a £1.182m reduction in ABG and the removal of the H&PDG created a budget pressure of

£365k. There have been subsequent cuts to government grants to schemes provided by Adults, Children & Education of £743k which means the total amount of grant cuts made by the government to date stands at £2,290k. Of this, £1,560k of mitigating actions have already been identified which leaves £730k that is being reported as a pressure against Other Central Budgets. Work will continue to identify mitigating actions for these items.

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

General Fund

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

Adults, Children & Education

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

50. These pressures are offset by vacancy management measures across the service and work is ongoing to identify further actions to reduce the reported position.
51. To date, the directorate has received in-year government grant cuts totalling £1,832k, of which savings have been identified of £1,467k. Difficult decisions have had to be taken in order to reduce expenditure on a wide range of community based schemes within the Early Intervention Fund as well as the Youth Volunteering Project. Full details are being reported to the meeting of the Executive Member on 14 September 2010. The remaining £365k, related to ABG, has been reported as a corporate pressure.

City Strategy

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

Contingency Request

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

Communities & Neighbourhoods

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

Customer & Business Support

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

Office of the Chief Executive

58. The Office of the Chief Executive is currently projecting a minor pressure of £13k. There is a £59k pressure within Marketing and Communications due to a shortfall of income for

boundary sign advertisements and from the Print Unit, however this is offset by vacancy management measures elsewhere in the directorate.

Central Budgets

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

More for York

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

General Contingency

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

Non General Fund

Dedicated Schools Grant

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

Housing Revenue Account

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

Reserves

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

significant breach of this minimum level. This prospect reinforces the need to identify mitigating actions to ensure that the council's expenditure is contained within budget. If the position cannot be recovered, the Director of Customer & Business Support Services will have to recommend to Council that the reserve is reinstated to at least its minimum required level which will have implications on the 2011-12 budget and beyond.

Analysis

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

Consultation

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

Corporate priorities

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

Implications

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

Risk Management

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

- Climate change

Recommendations

71. Members are asked to:

- a. Note the performance issues identified in this report.

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

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

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

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

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

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

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

Authors:	Chief Officer Responsible for the report:			
Peter Lowe Performance & Improvement Team	Ian Floyd, Director of Customer & Business Support Services			
Andrew Crookham Corporate Finance	Report Approved	√	Date	26/8/10
Specialist Implications Officer(s) - None				
Wards Affected: None				
For further information please contact the author of the report				

This page is intentionally left blank



Effective Organisation Overview and Scrutiny Committee

14 September 2010

Report of the Head of Civic, Legal and Democratic Services

Briefing on Legal Services

Summary

1. This report provides information about the role of the in house legal team and steps which have been taken to minimise expenditure on legal advice from external firms of solicitors.

Background

2. The Council has a relatively small in house legal team with seventeen people in "fee earning" roles including qualified solicitors, barristers and legal executives as well as part qualified legal assistants. The team is well respected by other Departments and for the last ten years the team has had Lexcel accreditation which is the Law Society's practice management standard.
3. The legal team provides services to all Council departments but particularly significant areas of work are:
 - Care proceedings and related child care work
 - Adult safeguarding, community care and mental health advice
 - Employment Tribunal work
 - Possession proceedings
 - Anti social behaviour
 - Homelessness advice
 - Some prosecutions
 - Landlord and tenant matters relating to the Council's commercial properties
 - Buying and selling land
 - Procurement issues and contracts
 - Planning and highways advice, agreements and enforcement.
4. All Councils will outsource some of their legal work. It may be necessary to do so either to get the right legal skills or for reasons of capacity. It is very common for example to use barristers to deal with lengthy and complex hearings in care cases both because the time out of the office is difficult to sustain and because experienced barristers

usually have stronger advocacy skills than solicitors whose strengths and experience lie in preparing the cases for hearing.

5. In York however, Officers recognised some time ago that the balance between in house and external provision needed to be reviewed. As a result of this the Corporate Management Team issued an instruction in 2008 that external legal advice should be procured through the in house team. That had the advantages of:

- Ensuring that external advice was not sought when the in house team had the capacity and capability to do it.
- Allowing a much better feel to be gained for the work that was needing to be outsourced.
- Ensuring that the favourable rates which legal services had in place by using its panel of external solicitors were applied to all the outsourced legal work.

Ongoing work then identified three areas of particularly high legal spend.

Contract/Commercial work

6. It was identified that during the three financial years 2006-2008, £1.2m was paid to external solicitors. The biggest single area of expenditure related to advice in respect of equal pay. Other significant areas of expenditure though related to individual pieces of contract and commercial work including Derwenthorpe and the Barbican project amongst many others.
7. During 2009 a business case was prepared for increasing the size of the legal team. This identified (quite conservatively) that £209,000 of commercial legal work had been outsourced in the previous year which could have been handled in house at an estimated cost of £88,000. At the time when the case was being prepared the indications were that there was more work that could be brought in house. This business case was accepted by the Corporate Management Team and a decision was made to recruit two new solicitors to undertake contract/commercial work. These solicitors would have their time charged to the departments and projects they were working on rather than being absorbed within the normal Council recharges system.
8. A recruitment process has been undertaken and the two new solicitors are due to start work in the Autumn. In the meantime however, locum solicitors have been recruited which has enabled work to be retained in house. No new contract/commercial work has been outsourced through legal since April of this year. There are though some matters where previously outsourced work is still to be completed.
9. During the period February to June 2010, locum solicitors have worked approximately 1,000 hours on contract/commercial matters which

would have otherwise been outsourced to external solicitors. By comparing the internal charge out rate against the rates charged by firms on the Council's Panel a saving of approximately £100,000 can be demonstrated over that 5 month period alone.

Employment work

10. A second area for potential savings identified in 2009 related to the settlement of equal pay claims where external lawyers had been used (at a cost in 2008/9 of £193,000) simply because the capacity to handle the volume of work was not available in house. The majority of these cases have now been resolved but a small number of cases which are close to completion remain outsourced while a similar number of newer cases are being handled internally.

Social Services work

11. The volume of work undertaken by the Social Services team has increased significantly in recent years. An increase in the number of cases being initiated together with cases taking longer to complete had led to very substantially increased caseloads.
12. Other aspects of the children's casework have also increased. Similarly, there have been changes in legislation around adult social care and a corresponding increase in legal support to social workers dealing with these cases. As a result the staff in the social services legal team were by 2008 working beyond their capacity. This resulted in the need to outsource some child and adult social cases, and also the need to recruit locum staff. During 2009 a temporary solicitor was appointed which reduced the need for and cost of locum solicitors but there was still a substantial overspend.
13. With the support of colleagues in the former HASS and LCCS directorates and following decisions made by Members as part of the budget process additional funding has been made available to the legal team which has enabled the recruitment of two solicitors and a legal assistant. Had this funding not been available the in house team would not have been able to deal with the ongoing caseload and even more work would have been outsourced or additional locum cover required this year. As it is, no cases have been outsourced and use of locums has been restricted to cover for absent staff.

Future plans

14. As previously mentioned there will always be a need for some external legal advice. The Council's current external panel was created through a competitive tendering process, and the current agreement is in place until April 2011, before which we plan to join with other local authorities to increase our buying power and secure the most competitive arrangements.

Recommendations

That Members note the steps that have been taken to secure that competent and cost effective legal advice is available to the Council.

Reason: The Committee has undertaken its role to monitor performance.

Contact Details

Author	Chief Officer Responsible for the report			
Author's name: Andrew Docherty Title: Head of Civic, Democratic and Legal Services Dept Name: CBSS Tel No: ext 1004	Chief Officer's name: Andrew Docherty Title: Head of Civic, Democratic and Legal Services			
	Report Approved	<i>tick</i>	Date	<i>Insert Date</i>

Background Papers

Report to CMT 23rd September 2009

Annexes

None