



## 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, 23 November 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 - 6)

To approve and sign the minutes of the meeting held on 6 October 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 **Monday 22<sup>nd</sup> November 2010 at 5pm.**

**4. Quarter 2 Finance & Performance Monitor.** (Pages 7 - 22)

This report provides details of the headline performance issues from the Q2 performance monitor of 2010-11. This covers the period 1st April to 30th September 2010. However, more up-to-date data has been provided where it was available. The report covers:

- Finance – Service and corporate budget management.
- 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.

**5. Customer & Business Support Services Finance and Performance Report for Quarter 2.** (Pages 23 - 38)

This report provides Members with the service and financial performance update for April – September 2010, together with an analysis of areas that are reporting exceptions.

**6. 2011/12 Budget Update Report 1.** (Pages 39 - 54)

This report presents information on the current position and the ongoing work that is being conducted in relation to developing the 2011-12 budget.

**7. HASS Attendance Management Project 2007-2009 - Information Only Update Report.** (Pages 55 - 58)

This report informs Members of the approach taken by HASS Attendance Management Steering Group that resulted in a 50% reduction in absence levels in adult social care.

**8. Workplan.** (Pages 59 - 60)

Members will consider the Work Plan 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

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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

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- 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);
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### **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

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City of York Council

Committee Minutes

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

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**18. 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.

Councillor Taylor declared a personal non-prejudicial interest as he is a Committee Member of 'Friends of St, Nicholas Fields' which is referred to on page 14 of the agenda.

**19. MINUTES**

RESOLVED: That the minutes of the meeting of the Effective Organisation Overview and Scrutiny Committee held on 14 September 2010 be approved and signed by the Chair as a correct record.

**20. PUBLIC PARTICIPATION**

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

**21. BRIEFING ON PROCUREMENT.**

Members considered a briefing report which provided an update on the procurement arrangements across the Council.

The Assistant Director for the Office of the Chief Executive introduced the report and advised Members of the following key points:

- Procurement is an essential area for Members to take an interest in.
- Procurement plays a pivotal role in achieving efficiency savings.
- Considerable progress has been made since the Scrutiny review in 2005.
- Currently a high number of individuals have the ability to procure goods and services and the Council has thousands of suppliers registered on its system.

- Work is underway to develop a 'Commercial Hub' to be the commercial arm of the organisation to control all procurement activity.
- Collaboration with other Local Authorities to create a shared commercial hub to reduce the costs of specialist skills and create opportunities for shared procurements.

Members requested sight, via email, of the final report from 2005 for the 'Sustainable Procurement' Scrutiny review in order for them to assess the recommendations made at that time against the current situation. They requested that Procurement be discussed at the November meeting.

RESOLVED: That the report be noted.

REASON: In order that Members are informed on procurement arrangements across the Council.

**22. UPDATE ON MORE FOR YORK.**

Members considered a report which provided an update on the progress of the More for York programme and outlined the savings made to date, set out the agreed investment profile and gave a high level view of progress in each workstream.

The Assistant Director of the Officer of the Chief Executive outlined the report and advised that in light of the Governments spending review, the Council will need to refresh its savings target. A report is due to the Executive in mid November which will set out the scale of the gap between the savings that had already been identified and the savings which will still need to be found.

RESOLVED: That the report be noted.

REASON: In order that Members are kept informed on progress in relation to the More for York Programme.

**23. INTRODUCTORY PAPER ON POSSIBLE SCRUTINY REVIEW - CUSTOMER COMPLAINTS - FEEDBACK AND RESULTING ACTIONS.**

Members received a report which outlined the possible scrutiny review of customer complaints and feedback handling within the Council as agreed at the last meeting of the Committee held on 14 September 2010.

Officers outlined the report and advised of the following:

- The importance of the Council having a consistent complaints procedure in place as complaints can potentially cost the Council money.



- There is no corporate monitoring or management information on performance in this area so there is no evidence base on which to carry out a review.
- New policy is not 'live' yet.
- Members could look at current complaints to influence future policy.
- It would be useful to analyse why repeat complaints occur.

Members agreed that a review should be carried out and that the objectives for part 1 of the Scrutiny Review would be as follows:

1. Analyse current complaints in order to use the information to support the design and implementation of the new Corporate Customer Feedback Policy or to identify changes to it.
2. Reduce the number of complaints to the Ombudsman.
3. Contribute to possible further efficiency savings.
4. Improve the customer experience (customer satisfaction to be measured and monitored).

RESOLVED:

- i. That the objectives for part 1 of the review are as stated above.
- ii. That a Task Group be set up to include Councillors Crisp, Gunnell and Firth.
- iii. That the draft final report be completed by the January 11<sup>th</sup> 2011 meeting.
- iv. That part two of the review commences in 2011/12 with a Task Group being determined at that time.

REASON: To progress this review in line with scrutiny procedures and protocols and inform the Committee's workplan.

## **24. WORK PLAN**

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

Members agreed to amend the workplan as follows:

- Addition of a discussion at the meeting on 23 November to discuss Procurement following the distribution of the 2005 Scrutiny report.

- Addition of the draft final report on Objectives Part 1 for the Customer Complaints Scrutiny Review at the 11 January 2011 meeting.

RESOVED: That the draft workplan be approved with the amendments detailed above.

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

Councillor Healey, Chair

[The meeting started at 5.00 pm and finished at 7.00 pm].



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**Effective Organisation & Overview Scrutiny** 23 November 2010**Joint Report of the Director of CBSS and the Assistant Director for OCE****Quarter 2 Finance & Performance Monitor for 2010-11****Purpose**

1. This report provides details of the headline performance issues from the Q2 performance monitor of 2010-11. This covers the period 1st April to 30th September 2010. However, more up-to-date data has been provided where it was available. The report covers:
  - a) *Finance* – service and corporate budget management.
  - b) *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.

**Background**

2. In Q1 we reported that the Government announced plans to abolish CAA and that a review of the National Indicator Set (NIS) was being carried out across the council to check which might be retained. Since then, the government have announced further changes to support a move away from the existing top-down Local Performance Framework. This includes:
  - removing the statutory requirement to produce Local Area Agreements (LAAs) and notification that Performance Reward Grants for achieving LAA targets will now not be paid.
  - removing the NIS and replacing it with a single list of 'performance data' which local authorities will be expected to provide to central government. The new list is currently being developed in consultation with all councils and is expected to be implemented in April 2011.
3. The new arrangements will place much more emphasis on local authorities to be democratically accountable to local people rather than to central bureaucratic systems. To help do this, councils are being encouraged to make their performance data accessible to citizens in a way that will support more understanding and engagement. The council's performance management framework is being reviewed to take advantage of these new arrangements and to help move towards a city-wide business intelligence approach that supports efficiency & transformation, as well as more localised performance data. A report on this will be presented to Executive in January and the new framework will be in place by April 2011.
4. Given these changes, this Q2 report covers priority areas of improvement areas & delivery which are meaningful to local people. Full details on quarter 2 performance across all indicators have been included in Executive Member profiles, which will be available on the council's intranet in mid November.

## Summary

- There have been some significant achievements over the first 6 months of 2010-11, with good improvements in the number of residents helped to live independently; the speed of child social care assessments; educational attainment in core subjects; waste management; an increase in affordable housing, and a significant reduction in child obesity levels across the city. The number of people in York who are unemployed, homeless and young people not in employment, education or training also continues to buck national trends and shows the city is weathering the recession well.
- The council is forecasting pressures of £3,072k at the mid year point, which represents an improvement of £970k from the Monitor 1 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 and this report outlines a strategy that will ensure the council spends within budget by the end of the financial year.

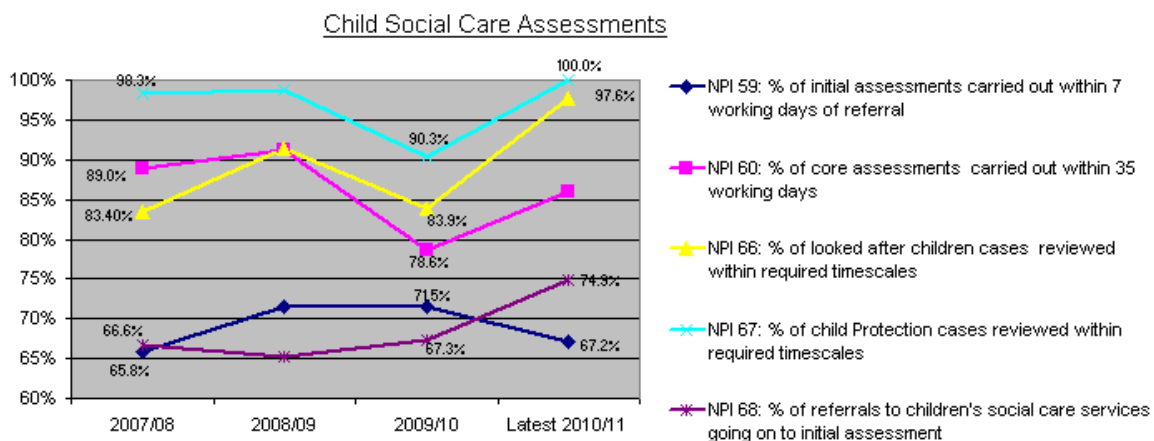
## Performance

### Adult Social Care

- 5 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 6 months of this year, with 875 (13.3%) now receiving self directed support payments compared to 553 (8.54%) for the same period last year. As a result, 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.

### Child Social Care

- 6 Performance has improved for 4 of the 5 key child social care referral and assessment indicators in Q2 (see graph below). The implementation of a Common Assessment Framework, lead practioner activity and integrated 'Front Door' arrangements through More for York, should lead to improved results for initial assessments carried out within 7 days of referral. Review rates of the looked after children cases and the child protection cases are now performing extremely well, at 97.6% and 100% and demonstrate major improvement since last year. Similarly core assessments and the % of referrals going on to initial assessment have both increased by around 8%.



Child Obesity

- 7 Latest data on child obesity in York indicates that we have exceeded the government's 2010-11 target by 3%, with the % of reception children and Year 6 children recorded as obese, reducing significantly on the previous year. Provisional results indicating a 1.2 and 2.8 % point reduction, placing York in the upper quartiles compared to other councils.

Indicator	2007-08	2008-09	2009-10	2010-11 Latest	2010-11 Target	Improving ?	On target ?
NPI 55: % of reception year children recorded as obese	8.4%	8.16%	6.7%	<b>5.5%</b>	8.5%	Yes	Yes
NPI 56: % of children in Year 6 recorded as being obese	15.6%	16.6%	16.7%	<b>13.9%</b>	15.4%	Yes	Yes

Healthy Children

- 8 One of the areas that may be contributing to child obesity improvements is the number young people in York's schools participating in at least 2 hours of high quality PE. This improved for the 3rd year in a row (now 92%) and York is now one of the top performing councils in the England, ranked 17th out of 132 councils.

Indicator	2007-08	2008-09	2009-10	2010-11	2010-11 Target
NPI57: Young people (aged 5-16) participating in at least 2 hours of high quality PE in school	77%	84%	87%	<b>92%</b>	86%

Education

- 9 There have been good improvements in York schools for the number of pupils progressing 2 levels in English & Maths between key stages 1 & 2, with both indicators now performing well in the top 20% of local authorities. Pupils achieving 2 or more A\*-C grades in Science saw by far the biggest increase, with a 9% point increase on 2009-10, well in excess of the challenging 61% 2010-11 target (see table below). York High School, Canon Lee school, Manor school, Millthorpe school and Archbishop Holgate's School all saw excellent increases in their 5+A\*-C results, which has helped to improve our ranking from 45th to 31st nationally. This was largely due to the impact of broadening the KS4 curriculum in many schools and the introduction of BTEC and diplomas.

Indicator	2007-08	2008-09	2009-10	2010-11 Latest	2010-11 Target	Improving ?	On target ?
NPI 84: % pupils achieving 2+ A*-C grades in Science GCSEs	56.5%	57%	58.9%	<b>67.7%</b>	61%	Yes	Yes
NPI 93: % pupils progressing 2 levels in English between KS1 & KS2	84.7%	84.5%	86%	<b>87.7%</b>	88%	Yes	Yes
NPI 94: % of pupils progressing 2 levels in Maths between KS1 & KS2	78.4%	80.7%	84%	<b>87.1%</b>	87%	Yes	Yes

Waste management

- 10 Forecasts based on Q2 indicate that recycling levels will increase by 1% this year and landfill levels will drop by nearly 2% (see table on next page). Extensive work to improve recycling will continue throughout this year, to build on the 3 box kerbside recycling containers already introduced to 67,000 households in the first 2 quarters (including 4,961 additional properties receiving the expanded recycling). Latest data suggests that there has already been a 2.7% increase in recycling rates, where additional kerbside boxes have been rolled out. Work is also continuing to expand full recycling and fortnightly residual waste collection to an additional 11,600 properties by the end of the year, which will then cover 98% of all York households. The average 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.

This represents an 11% fall in domestic waste sent to landfill over the past 3 years (see table below).

Indicator	2008-09	2009-10	2010-11 Forecast	2010-11 Target	Improving ?	On target ?
NPI191 Household waste (per household)	629kg	614kg	<b>590kg</b>	611kg	Yes	Yes
NPI192 % household waste recycled	45.13%	43.26%	<b>44.26%</b>	48.1%	Yes	No
NPI193 % of municipal waste landfilled	55.14%	56.73%	<b>54.93%</b>	51.2%	Yes	No

### Community Safety

- 11 York has experienced major reductions in crime over the past 4 years, with a 24% reduction in 2009-10. The number of 'serious acquisitive' crimes in York (includes various incidents such as burglary and theft from a vehicle) is expected to increase by 4% based on Q2 forecasts. However, this will still place incident levels 40% lower than 2 years ago. Serious violent crime incidents are down by 9%, whilst the assault with injury rate in York is forecast to increase by 9%, bringing incidents back to the same level as 2008-09. York is ranked 4th lowest in its 'most similar' local authority family group for assault with injury rates, which indicates that we are still performing comparatively well, despite the forecast increase. Work to tackle all types of violent crime in York continues through the Night-safe Task group and Operation Style. This partnership-led project was launched on Friday 4th June 2010 and is aimed at reducing disorder that occurs due to alcohol and drugs.

Indicator	2008-09	2009-10	2010-11 Forecast	2010-11 Target	Improving ?	On target ?
Total Crimes recorded in York	9906	7547	<b>7940</b>	10354	No	Yes
NPI15: No of serious violent crimes	151	123	<b>112</b>	136	Yes	Yes
NP16: No of serious acquisitive crimes	3459	1998	<b>2086</b>	3696	No	Yes
NPI20: Assault with injury crime rate	1239	1140	<b>1246</b>	956	No	No

### Transport

- 12 There were 7.39m bus passenger journeys in York between April and September 2010 (excluding Park & Ride). This is slightly higher than the same period last year (see table below). Park & ride passengers increased in Q2 and the total for the first 6 months of this year is now on a level with the same period last year. This is despite the disruptions to the Grimston Bar site earlier in the year (which was affected by roadworks at Hopgrove roundabout and on Hull Road) and the ongoing reduction in passengers using the Rawcliffe Bar site as a result of the Aviva office on Shipton Road closing.

#### *Bus passenger numbers in York*

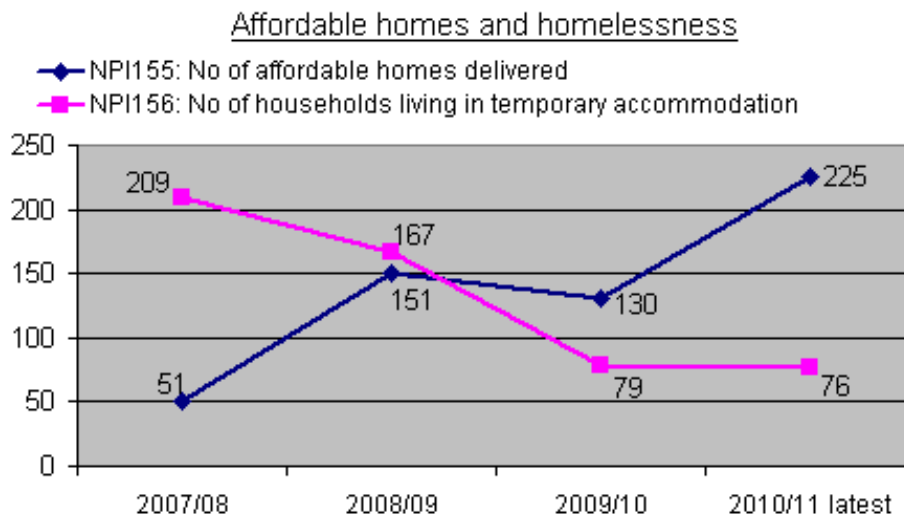
	Apr	May	Jun	Jul	Aug	Sep	Change since 2009
<b>2009</b>	1,182,709	1,203,513	1,236,274	1,297,499	1,217,444	1,229,886	+22,000 (+0.3%)
<b>2010</b>	1,232,241	1,235,700	1,197,397	1,283,812	1,215,271	1,224,645	

### Economy

- 13 Unemployment in York was 2.9% in September 2010, which is 2.5% below the regional and 1.5% below the national average, and represents a decrease of 0.5% 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 3439 in September – again, a small decrease from the previous month. 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%). The number of young people in York who are not in employment, education or training (NEET) remains one of the lowest in the North of England and current data indicates York is performing at similar levels to last year. However, this could improve further with over 100 young people now on pre level 1 training programmes.

Housing

- 14 The number of affordable homes delivered in York is expected to increase to 225 based on Q2 projections, which represents a 73% increase on last year. Homelessness data in York also continues to improve, with 76 households reported as being in temporary accommodation, compared to 167 when the recession started (a 54% reduction).

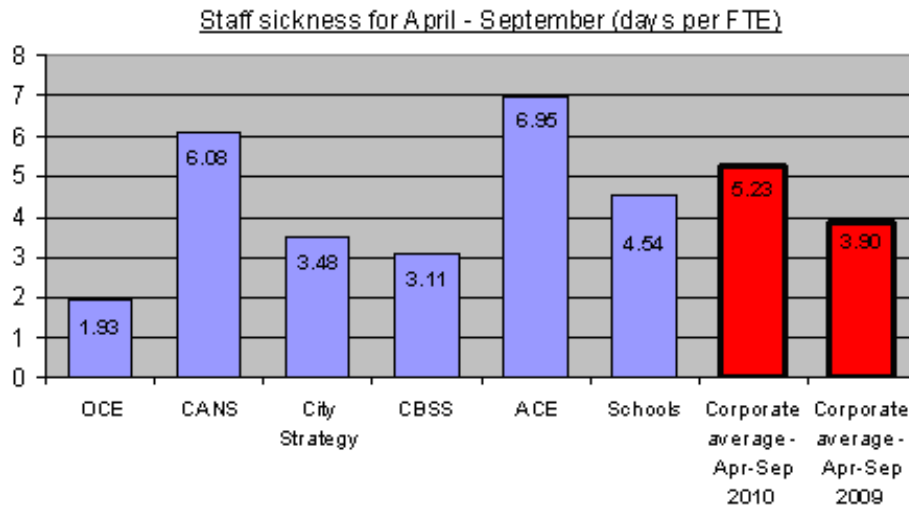


Corporate Health

- 15 Overall performance for Corporate Health is mixed (see table below). Staff sickness continues to increase on 2009-10 performance, currently standing at 5.23 days for the period April – September (1.3 days higher than the 3.9 days reported for the same period last year). Nearly 70% of all absence was recorded as long-term sickness, with the majority (94%) of these occurring in CANS, Adult Social Care and schools. The proportion of sick leave taken due to stress/anxiety related illness remains unchanged and is around the average for local government.

Corporate Health Performance	Apr – Sep 2010	Change from 2009-10
Number of days lost per FTE	5.23 days per FTE	1.3 day increase on same period Long-term sickness ratio is 20% higher than last year
Long term lost per FTE	1.67 days per FTE	
Short term lost per FTE	3.56 days per FTE	
Staff Turnover	6.05%	Increase on 5.53% this time last year
H&S: Major injuries to employees	4	Increase (3 this time last year)
H&S: Minor injuries to employees	14	Decrease (20 this time last year)
H&S: Injuries to non-employees	7	Decrease (11 this time last year)

- 16 The council continues to treat the management of sickness as a priority and new attendance management procedures introduced recently are now seen as ‘best practice’ across local government and are expected to have a positive impact on future attendance levels. They should also increasing productivity and help develop a more flexible and responsive workforce. In addition, HR continue to develop local actions plans with Directorate Management Teams which include specific interventions that identify and address absence trends and hotspots. Specific work is currently also underway in relation to attendance levels in schools.



- 17 Staff turnover across the council increased slightly from 5.5% to 6% for the first 6 months of this year (480 leavers from 7970 employees). Over 50% of these were in schools, with 176 staff leaving in August as a result of contracts ending at the end of school term.

### Priority actions and key achievements

- 18 Good progress has been made during the first 2 quarters of this year in delivering the 72 actions set out in the corporate strategy. Key headlines include:
- *Green Flag and silver gilt.* The city achieved its 5<sup>th</sup> Green Flag for parks & open spaces and was awarded the silver gilt from Yorkshire in Bloom. Work is now underway to develop a three-year development plan for Britain in Bloom.
  - *Cycling City* – The council held a number of successful events, including the City Centre Cycle race in July and the Festival of Cycling in September, which attracted over 12,000 people. In addition, improvements have now been made to Blossom Street, including the installation of a new pedestrian crossing, changes to traffic lights and an advanced green signal system for cyclists that is the first of its type in the UK.
  - *'One City' initiative:* This citywide project aims to help residents and businesses through the recession by supporting business growth, minimise job losses and helping residents to limit debt. Over the past 6 months the council has undertaken a strategic assessment of the city's economic outlook and its ability to recover from the recession, established an enterprise fund to support 12 businesses ranging from mobile catering to computing and engaged 126 businesses through the local Business Forum. In addition, 1,800 students have been helped to develop enterprise skills as part of the Green Griffin Challenge.
  - *Community Stadium:* In July 2010, the council selected Monks Cross South as the preferred site for the stadium. It also identified the Heslington East site as the preferred location for the replacement athletics facility. Work is now underway to submit the planning application in the new year, so work can start on the new stadium in 2011-12.
  - *Barbican:* Legal agreements are due to be finalised at the end of October 2010 and the building is due to open in April 2011, subject to planning and licensing.
  - *York Sports Village Swimming Pool:* The University is now completing procurement for this project and finalising the facility design as part of preparing the planning application. The project is awaiting approval of funding from Sport England, which is



linked to a £3m grant from the council. Current projections indicate that the facility will be open by April 2012.

- *Clean & efficient:* The council has started to introduce route optimisation software to make bin rounds and other vehicle routes more efficient. A 4-week trial to test out the software has already started, and aims to reduce vehicle mileage, fuel use, and speed up the time taken to collect the city's refuse. The same software has also been applied to streamline routes used by mechanical sweepers.
- *School Modernisation:* The new sites at Rawcliffe and Clifton are almost complete and planning permission for 'English Martyrs' and 'Our Lady' schools have now been approved. Work on these sites is due to be complete by November 2011.
- *Care Computers:* Computers for 'Looked After Children' were delivered to 78 households in York, together with the provision of safe access to the Internet.
- *Recognition for Youth Offending:* A recent inspection of Youth Offending work in York by the Criminal Justice Joint Inspectorate, found the council's services to be of a 'very high standard' and amongst the highest performing in the country.
- *Capable Guardians:* The council has continued to introduce 'capable guardian schemes' into wards with high crime rates. These involved working with local people to tackle anti-social behaviour in their neighbourhoods. Schemes in Westfield, Dringhouses & Woodthorpe, Heworth and Clifton wards are now fully operational and the Guildhall & Hull Road schemes will be operational shortly.
- *Sporting Giants:* This is an Olympic inspired project that gives all primary schools in York the chance to study biomechanics, Olympic sports, build a giant 3 metre high puppet as part of the preparations for the opening of the Olympic Games in 2012. A pilot programme took place in the Joseph Rowntree schools throughout the summer and was extremely successful. It is now being rolled out to all primary schools across York.
- *Independent Living:* The council and local GPs have signed up to joint vision for older people, which will help develop more integrated commissioning of services delivered by Adult Social Care and the Primary Care Trust. As part of this, the roll out of a 'personalisation agenda' to all Adult Social Care customers has now been completed, which empowers them to stay in their own homes, keeping well and out of hospital.
- *York Enterprise:* A new team and website was set up in July 2010, to provide local business with a single point of contact to encouraging investment and grow the York economy. York Enterprise will build on the previous work and activities undertaken by [york-england.com](http://york-england.com).

### Finance Overview

- 19 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 £3,072k which is an improvement of £970k on the position reported at Monitor 1 and is highlighted in Table 1 (paragraph 22).
- 20 Despite large 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, and 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).

- 21 Despite the challenges they are facing, directorates are working hard to contain these pressures and have identified strategies to reduce their reported positions to ensure council expenditure falls within budget by the end of the financial year. This strategy is outlined in paragraph 27.
- 22 An overview of the current position is summarised on a directorate by directorate basis in Table 1 overleaf. Progress against More for York savings targets are now being reported against the relevant directorate. The main movements from the Monitor 1 report are:
- Adults, Children & Education – an improvement of £565k which is primarily due to improved progress against the More for York social care workstreams and a reduced forecast pressure related to the Independent Residential and Nursing Care service.
  - Communities & Neighbourhoods – an improvement of £393k primarily due to in year savings and vacancy management measures across the directorate.

Directorate	Gross Exp'ture Budget	Gross Income Budget	2010-11 Net Budget	Mon 1 Variance	Mon 2 Variance	Movement
	£'000	£'000	£'000	£'000	£'000	£'000
Adults, Children & Education	164,099	-82,103	81,996	+2,875	+2,310	-565
City Strategy	37,430	-29,357	8,073	+937	+940	+3
Communities & Neighbourhoods	88,261	-46,595	41,666	+803	+410	-393
Customer & Business Support Services	78,755	-74,104	4,651	-92	-107	-15
Office of the Chief Executive	10,489	-6,206	4,283	+13	+13	-
<b>DIRECTORATE BUDGETS</b>	<b>379,034</b>	<b>-238,365</b>	<b>140,669</b>	<b>+4,536</b>	<b>+3,566</b>	<b>-970</b>
Asset Rental Adjustments	0	-21,166	-21,166	-	-	-
Other Central Budgets	4,905	-18,575	-13,670	+221	+221	-
General Contingency	565	0	565	-565	-565	-
Treasury Management	13,561	-1,793	11,768	-150	-150	-
<b>GROSS BUDGET</b>	<b>398,065</b>	<b>-279,899</b>	<b>118,166</b>	<b>+4,042</b>	<b>+3,072</b>	<b>-970</b>

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

Table 1: Monitor 2 Reported Pressures.

- 23 The table assumes that the remaining contingency of £565k is used to offset other reported pressures, the pay award provision is held corporately in light of unresolved national negotiations, and that the final tranche of VAT refunds received from the Fleming and Conde-Nast cases, totalling £509k, offsets in-year government grant funding cuts that have not been met by corresponding savings.
- 24 For comparative purposes, Table 2 overleaf compares the current reported pressures with the Monitor 2 and final outturn positions for 2009-10. At the time of Monitor 2 in 2009-10, it was noted that the council was facing extraordinary pressures for a mid year position (£1,842k), and a significant proportion of that report outlined a strategy designed to bring expenditure within budget by the end of the financial year. The 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 six months of the year. In comparison to Monitor 2 in 2009-10, the current position is £1,230k worse off, which as

highlighted already has been driven by increasing demand on services as well as well unprecedented in year grant cuts from Central Government.

Directorate	2010-11 Net Budget	09-10 Mon 2 Variance	09-10 Outturn	10-11 Mon 2 Variance
	£'000	£'000	£'000	£'000
Adults, Children & Education	81,996	+2,455	+2,532	+2,310
City Strategy	8,073	+591	+267	+940
Communities & Neighbourhoods	41,666	+669	-40	+410
Customer & Business Support Services	4,651	-377	-530	-107
Office of the Chief Executive	4,283	+56	-20	+13
<b>DIRECTORATE BUDGETS</b>	<b>140,669</b>	<b>+3,394</b>	<b>+2,209</b>	<b>+3,566</b>
Asset Rental Adjustments	-21,166	-	-	-
Other Central Budgets	-13,670	-1,622	-1,922	+221
General Contingency	565	-359	-359	-565
Treasury Management	11,768	+429	+34	-150
<b>GROSS BUDGET</b>	<b>118,166</b>	<b>+1,842</b>	<b>-38</b>	<b>+3,072</b>

N.B 09/10 Outturn inclusive of approved carry forwards

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

- 25 It is clear that due to the council's relatively low reserve levels (see paragraph 50), coupled with the recent Spending Review announcements, the reported position is unsustainable and as such requires corrective action to be taken before the end of the financial year. As a result, Directors will be continuing to identify actions that will reduce expenditure, by approximately £3,000k, in line with the strategy outlined in paragraph 27 and Table 3 below:

Directorate	2010-11 Net Budget	10-11 Mon 2 Variance	Contingency Movement	10-11 Expenditure Reduction	Projected 10 11 Variance
	£'000	£'000	£'000	£'000	£'000
Adults, Children & Education	81,996	+2,310	-	-1,300	+1,010
City Strategy	8,073	+940	-400	-350	+190
Communities & Neighbourhoods	41,666	+410	-	-400	+10
Customer & Business Support Services	4,651	-107	-	-100	-207
Office of the Chief Executive	4,283	+13	-	-50	-37
<b>DIRECTORATE BUDGETS</b>	<b>140,669</b>	<b>+3,566</b>	<b>-400</b>	<b>-2,200</b>	<b>+966</b>
Asset Rental Adjustments	-21,166	-	-	-	-
Other Central Budgets	-13,670	+221	-	-800	-579
General Contingency	565	-565	+400	-	-165
Treasury Management	11,768	-150	-	-	-150
<b>GROSS BUDGET</b>	<b>118,166</b>	<b>+3,072</b>	<b>-</b>	<b>-3,000</b>	<b>+72</b>

Table 3: Outline Strategy.

- 26 The table assumes the following key actions, that will reduce expenditure by £3,000k, occur before the end of the financial year:
- i) City Strategy is allocated £400k from General Contingency on a non-recurring basis to deal with Economic Downturn pressures.
  - ii) Following the conclusion of national pay negotiations for 2010-11, it is expected that there will be a £800k underspend on Other Central Budgets.
  - iii) Adults, Children & Education deliver additional savings of at least £1,300k.
  - iv) City Strategy deliver additional savings of at least £350k.
  - v) Communities & Neighbourhoods deliver additional savings of at least £400k.
  - vi) Customer & Business Support Services deliver additional savings of at least £100k.
  - vii) Office of the Chief Executive deliver additional savings of at least £50k.
- 27 It is important to note that at least £2,060k of in year savings have already been identified, both to counter in year grant cuts and to proactively seek to reduce directorate expenditure, and therefore credit should be extended for these efforts, though this alone is not enough. Clearly the savings targets are on an unprecedented scale, however the council can only spend what it can afford. Therefore it is vital that this strategy is achieved by the end of the financial year to ensure the council enters the 2011-12 financial year, and the extremely difficult challenges it will face posed by the recent Spending Review, on as sound a financial footing as is possible.
- 28 The actions being taken by directorates will be continually monitored by CMT and through discussion with Executive Members to ensure that progress is made against the strategy outlined above. The next report due to be brought before the Executive is the Monitor 3 report on 15 February 2011 at which point it is hoped appropriate progress against the strategy can be reported.

### **Directorate Financial Performance**

- 29 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 23).

#### Adults, Children & Education

- 30 Adults, Children & Education are currently reporting financial pressures of £2,310k, an improvement of £535k from the £2,875k pressure reported at Monitor 1. Progress against the £1,200k More for York social care savings is now being reported against the directorate, of which £864k remains 'at risk' of being achieved, though has improved by £211k since Monitor 1.
- 31 Elsewhere in the directorate, £1,021k in pressures are being projected in Adult Social Services, an improvement of £328k from Monitor 1 primarily due to a revised projection of costs in the Independent Residential & Nursing Care service. 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 (£1,077k).

- ii) The cost of using agency staff to cover staff sickness in Elderly Persons Homes (£255k).
- 32 There are a further £425k of pressures in Children & Young People's budgets (£26k improvement from Monitor 1), which are in the process of being addressed, though the causes of which include:
- i) Pressure on home to school transport budgets (£164k), where the additional savings target allocated to the service during the 2010-11 budget process is unlikely to be achieved.
  - ii) £162k pressure on Schools Repair & Maintenance buyback including additional costs related to Children's Centres on school sites and work on school extensions.
- 33 The pressures across the directorate are being offset by redirection of grants and 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.
- 34 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 ABG, has been reported as a corporate pressure.

#### City Strategy

- 35 City Strategy are reporting financial pressures of £940k, which is a slight deterioration of £3k from the £937k pressure reported at Monitor 1. It should be noted that the figure is now inclusive of £256k of 'at risk' More for York savings related to Property Services that have emerged since the last report. A further significant movement is an additional £170k pressure on the Yorwaste Dividend budget, now totalling £400k, due to predictions that only a nominal dividend will be paid in 2010-11.
- 36 Elsewhere in the directorate, underlying pressures related to the Economic Downturn are improving marginally with Parking income showing a forecast shortfall of £288k (previously £306k) and shortfalls in building control income of £175k (previously £188k), income from the Commercial Property portfolio of £176k (previously £188k) and planning applications of £122k (previously £150k) all contributing to the reported position.
- 37 The directorate has already identified £252k in vacancy management measures and £67k in other savings in order to manage its pressures.
- 38 Members will be aware that the rate of VAT is increasing from 4th January 2011 from 17.5% to 20%. This increase reduces the value of income that the council receives from its off-street parking charges. To mitigate this loss of income it is proposed that the charges are amended from Monday 10th January 2011.
- 39 It is proposed that off-street parking charges for non minster badge holders will increase by 10p per hour to £2.10 per hour at short stay car parks, £1.80 per hour at standard stay car parks and £0.80 per hour at Foss Bank. It is proposed that all other charges remain stable (on-street and minster badge holders). It is also proposed that customers who pay by mobile phone will not be charged the increased rate.
- 40 A breakdown of the current and revised charges is shown in Annex 1. It is anticipated that these increases will fund the estimated lost revenue due to the VAT rise.

*Contingency Request*

- 41 A contingency request has been made for £400k in order to support income budgets suffering from the effects of the Economic Downturn.

Communities & Neighbourhoods

- 42 Communities & Neighbourhoods are currently predicting financial pressures of £410k, which is an improvement of £393k from the £803k pressure reported at Monitor 1. The improvement is primarily due to the identification of in year savings and the introduction of vacancy management measures across the directorate. All More for York workstreams are currently on target to deliver their agreed savings.
- 43 The directorate's income generating services remain the main contributory factor to the reported pressure with shortfalls in income projected for Commercial Waste of £217k (previously £248k), the Library Service of £173k (no movement) and the Performing Arts service of £130k (previously £134k). A further pressure of £143k related to increased utilities and repairs costs at travellers sites underpins the reported position.

Customer & Business Support

- 44 Customer & Business Support are currently projecting an underspend of £107k, which is a £15k improvement from Monitor 1. 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 (£106k). 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

- 45 The Office of the Chief Executive is currently projecting a minor pressure of £13k, which represents a nil movement from Monitor 1. The source of the forecast variation is a £49k 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. More for York workstreams in the directorate are on target to meet their agreed savings.

Other Central Budgets

- 46 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.
- 47 A pressure of £221k 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.

Dedicated School Grant (DSG)

- 48 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)

- 49 The budgeted balance on the HRA is estimated to be £8,764k and the latest forecast identifies a surplus of £271k, a deterioration of £112k from Monitor 1, leaving a projected working balance of £9,035k. The main reason for the projected surplus is a number of vacancy management measures across the service.

#### **Reserves**

- 50 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 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**

- 51 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**

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

#### **Corporate priorities**

- 53 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**

- 54 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

- 55 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

- 56 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, and approve the use of the strategy designed to reduce the current forecasted pressures

*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 41, approval is requested for a non-recurring release from Contingency of £400k to support services currently suffering the effects of the Economic Downturn.

*Reason: To ensure the City Strategy budget is sufficiently funded.*

- d. Agree to the proposal to amend car park charges as shown in Annex 1.

*Reason: To ensure that the increase in VAT rate does not negatively impact council revenue.*

<b>Authors:</b>		<b>Chief Officers Responsible for the report:</b>	
Ian Floyd, Director for Customer & Business Support Services Keith Best, Assistant Director for Customer & Business Support Services (Financial Services) Tracey Carter, Assistant Director for OCE (Policy, Performance & Partnerships)			
<b>Report Approved</b>	<i>tick</i>	<b>Date</b>	<i>Insert Date</i>
	✓		
<b>Specialist Implications Officer(s) - None</b>			
<b>Wards Affected:</b> <i>None</i>		<b>All</b>	<i>tick</i>
<b>For further information please contact the author of the report</b>			

Annex 1      Current and Proposed Parking Charges



## Parking Tariffs from 1st April 2010

### a) Off-Street Car Parks

Note			Daytime Charges (0800 - 18:00)						Evening	24 hour	
			< 30 Mins	Upto 1 hr	1-2 Hours	2-3 Hours	3-4 Hours	4-5 Hours	Over 5 hours	6.00pm to 08.00am	Charge using mobile phone
Short Stay	1	Resident	N/A	£1.70	£3.40	£5.10	£6.80	£8.50	£1.70 per additional hour	free	
		Non-Res	N/A	£2.00	£4.00	£6.00	£8.00	£10.00	£2 per additional hour	£2.00	
Standard Stay	2	Resident	N/A	£1.10	£2.20	£3.30	£4.70	£6.00	£10.00	free	£10.00
		Non-Res	N/A	£1.70	£3.40	£5.10	£7.10	£9.00	£10.00	£2.00	£10.00
Foss Bank	3		70p per hour								
Bishopthorpe Rd	3		N/A	£0.20	£0.40	£0.60	Maximum stay of 3 hours			free	
East Parade	3		£0.20	£0.40	£3.40	£5.10	Parking for over 2 hours is only allowed after 3pm.				

**Note 1** - Bootham Row, Esplanade, Castle and Piccadilly (Piccadilly closes at 6:30pm and so there is no evening charge)

**Note 2** - Castle Mills, Haymarket, Marygate, Monk Bar, Nunnery Lane, Peel Street, St. Georges, Union Terrace. The £10 ( over 5 hours fee) allows parking until 8am the next day.

Castle Mills closes at 8:30pm and charges only apply till 8:00pm, Peel Street - charges only apply on Mon - Sat from 8:30 - 18:00. Sunday is free.

**Note 3** - There are no resident discount or evening charges at Foss Bank, Bishopthorpe Road or East Parade. The charges only apply until 18:00. Foss Bank closes at 18:00.

### b) Coach Parking

	Summer (1/4/10 - 31/10/10)			Winter (1/11/10 - 31/3/11)	
	<1 Hour	<3 Hours	Over 3 hrs	<1 Hour	Over 1 Hr
Union Terrace and St George's Field Coach Parks	£5.00	£8.00	£11.00	£5.00	£8.00

### c) On Street Parking

			Daytime Charges				Evening	Streets Included
			< 30mins	<1 Hour	1-2 Hours	2-3 Hours	6.00pm to 08.00am	
Standard Rate	4	Resident	N/A	£1.70	£3.40	£5.10	free	Carmelite St, Dundas Street, Lawrence Street, Lord Mayor's Walk, North Street, Palmer Lane, Piccadilly, Skeldergate, Tanner's Moat, The Crescent, Toft Green, Walmgate.
		Non-Res	N/A	£1.70	£3.40	£5.10	£2.00	
Micklegate	4 & 5	Resident	£0.20	£0.40	£3.40	£5.10	free	
		Non-Res	£0.20	£0.40	£3.40	£5.10	£2.00	
Priory Street	4 & 5	Resident	N/A	£1.50	£3.40	£5.10	free	
		Non-Res	N/A	£1.50	£3.40	£5.10	£2.00	
City Centre Footstreets		Resident					free	Blake St, Duncombe Place, Fossgate, Goodramgate, Lendal, Piccadilly, St Deny's Road, The Stonebow, Walmgate.
		Non-Res					£2.00	
Respark Shared Use Areas		Non-Permit Holders	N/A	£0.60				

**Note 4** - There is no resident discount available on-street except that parking after 6pm is free for residents. Parking for over 2 Hours is only allowed after 3pm

**Note 5** - No charges on Sundays between 8am and 1pm in Micklegate and Priory Street

### d) On-Street Parking for large vehicles

	< 2 Hours	2- 5 Hours	5-12 Hrs	Market Traders with Permit
Foss Islands Road	£3.30	£5.00	£8.00	£1.60

## Proposed Parking Tariffs from 10th January 2011

### a) Off-Street Car Parks

Note			Daytime Charges (0800 - 18:00)								Evening	24 hour
			< 30 Mins	Upto 1 hr	1-2 Hours	2-3 Hours	3-4 Hours	4-5 Hours	Over 5 hours	6.00pm to 08.00am	Charge using mobile phone	
Short Stay	1	Resident	N/A	£1.70	£3.40	£5.10	£6.80	£8.50	£1.70 per additional hour	free		
		Non-Res	N/A	£2.10	£4.20	£6.30	£8.40	£10.50	£2.10 per additional hour	£2.00		
		Non-Res	N/A	£2.00	£4.00	£6.00	£8.00	£10.00	£2 per additional hour	£2.00		
Standard Stay	2	Resident	N/A	£1.10	£2.20	£3.30	£4.70	£6.00	£10.00	free	£10.00	
		Non-Res	N/A	£1.80	£3.60	£5.40	£7.20	£9.00	£10.00	£2.00	£10.00	
		Non-Res	N/A	£1.70	£3.40	£5.10	£7.10	£9.00	£10.00	£2.00	£10.00	
Foss Bank	3		80p per hour									
			70p per hour									
Bishopthorpe Rd	3		N/A	£0.20	£0.40	£0.60	Maximum stay of 3 hours			free		
East Parade	3		£0.20	£0.40	£3.40	£5.10	Parking for over 2 hours is only allowed after 3pm.					

**Note 1** - Bootham Row, Esplanade, Castle and Piccadilly (Piccadilly closes at 6:30pm and so there is no evening charge)

**Note 2** - Castle Mills, Haymarket, Marygate, Monk Bar, Nunnery Lane, Peel Street, St. Georges, Union Terrace. The £10 ( over 5 hours fee) allows parking until 8am the next day.

Castle Mills closes at 8:30pm and charges only apply till 8:00pm. Peel Street - charges only apply on Mon - Sat from 8:30 - 18:00, Sunday is free.

**Note 3** - There are no resident discount or evening charges at Foss Bank, Bishopthorpe Road or East Parade. The charges only apply until 18:00. Foss Bank closes at 18:00.

### b) Coach Parking

	Summer (1/4/10 - 31/10/10)			Winter (1/11/10 - 31/3/11)	
	<1 Hour	<3 Hours	Over 3 hrs	<1 Hour	Over 1 Hr
Union Terrace and St George's Field Coach Parks	£5.00	£8.00	£11.00	£5.00	£8.00

### c) On Street Parking

			Daytime Charges				Evening	Streets Included
			< 30mins	<1 Hour	1-2 Hours	2-3 Hours	6.00pm to 08.00am	
Standard Rate	4	Resident	N/A	£1.70	£3.40	£5.10	free	Carmelite St, Dundas Street, Lawrence Street, Lord Mayor's Walk, North Street, Palmer Lane, Piccadilly, Skeldergate, Tanner's Moat, The Crescent, Toft Green, Walmgate.
		Non-Res	N/A	£1.70	£3.40	£5.10	£2.00	
Micklegate	4 & 5	Resident	£0.20	£0.40	£3.40	£5.10	free	
		Non-Res	£0.20	£0.40	£3.40	£5.10	£2.00	
Priory Street	4 & 5	Resident	N/A	£1.50	£3.40	£5.10	free	
		Non-Res	N/A	£1.50	£3.40	£5.10	£2.00	
City Centre Footstreets		Resident					free	Blake St, Duncombe Place, Fossgate, Goodramgate, Lendal, Piccadilly, St Deny's Road, The Stonebow, Walmgate.
		Non-Res					£2.00	
Respark Shared Use Areas		Non-Permit Holders	N/A	£0.60				

**Note 4** - There is no resident discount available on-street except that parking after 6pm is free for residents. Parking for over 2 Hours is only allowed after 3pm

**Note 5** - No charges on Sundays between 8am and 1pm in Micklegate and Priory Street

### d) On-Street Parking for large vehicles

	< 2 Hours	2- 5 Hours	5-12 Hrs	Market Traders with Permit
Foss Islands Road	£3.30	£5.00	£8.00	£1.60



CBSS Management Team Meeting

21st October 2010

**CBSS FINANCE & PERFORMANCE REPORT FOR Q2 - 2010/11****Purpose of Report**

1. To provide CBSS DMT with the service and financial performance update for April – September 2010, together with an analysis of areas that are reporting exceptions.

**Headlines**

2. The report identifies the following headlines:
  - The service areas now reflect the organisational review structure.
  - The primary reason for the improvement in the projected outturn is from cost reductions within Operational IT.
  - 5 out of 8 recordable indicators are showing improvement on last year. NNDR collection rates and reduction in prior year balances show improvement on the same period last year.
  - Council Tax and Housing Benefit processing times have improved by 3 days on the same period last year.
  - Council Tax collection rates and percentage reduction in prior year balances show a slight decline on the same period last year.
  - Staff sickness levels are well below the council average but over 27% of absence is due to stress/anxiety/depression. This is above the council average of 21%.

**Budget Overview – Revenue Budget**

3. The projected outturn position for CBSS for 2010/11 based on the latest information to 30th September 2010 is an underspend of £107k. The position has improved since September by £32k. The table below summarises this position, and Annex 1 provides further details.

Service area	2010/11 Expenditure Budget	2010/11 Income Budget	2010/11 Net Budget	Projected outturn	October variance	September variance
	£'000	£'000	£'000	£'000	£'000	£'000
Director	315	55	260	260	0	0
Financial Services	9,480	8,654	826	785	-41	-41
Benefits & Subsidy	48,894	49,018	-124	-121	3	-20
Customer Services	7,403	5,286	2,117	2,117	0	0
Human Resources	3,089	2,941	148	148	0	0
Civic, Democratic, & Legal Services	3,161	836	2,325	2,362	+37	+52
Operational IT	5,168	7,361	-2,193	-2,299	-106	-67
IT Development Plan	1,133	0	1,133	1,133	0	0
<b>Directorate Total</b>	<b>78,643</b>	<b>74,151</b>	<b>4,492</b>	<b>4,385</b>	<b>-107</b>	<b>-75</b>

Note that '+' indicates an increase in expenditure, or shortfall in income and '-' indicates a reduction in expenditure or an increase in income.

**Financial Services -£41k**

4. As part of the organisation review Financial Procedures and the client side for Shared Services are now included within this Department (previously reported within Customer Service and Governance). Overall there is little change in the projections previously reported. The main budget pressure is within the Creditors team (+£23k) which is due to additional hours being worked in the first half of the year. The Income collection teams within Financial Procedures have projected staffing underspends of £33k although these form part of the MFY savings targets and are not included within the reported position.
5. As previously reported the Audit Commission fees have reduced as a result of the cessation of CAA inspections and a rebate against the IFRSA work (-£71k), and the Client side of the Shared services has a reported overspend of £7k reflecting a proportion of the increased fee from Veritau.
6. Within the Accountancy teams there is no reported variance, although there are staffing underspends of £41K which are earmarked to contribute towards the MFY Finance blueprint savings target.

**Customers & People +3k**

**Benefits Subsidy +£3k**

7. The projected outturn has slipped by £23k since the previous monitor which reflects the budget pressure from increased homeless cases being placed in B&B against which there is a high subsidy loss. There are a number of preventative measures already in place to minimise the use of B&B accommodation and more options are being considered by the Housing team, especially with reference to young adults. The position regarding the increasing trend of DHP (Discretionary Housing Payment) claims is also being monitored carefully, although to date no budget pressure is emerging.

**YCC, Local Taxation and Benefits administration £0k**

8. There is no change in the anticipated outturn for YCC of a nil variance, although there is a high level of activity in respect of delivering M4Y work streams and savings. There is an underlying staff underspend of £74k from vacant posts in the Council tax administration team during the first half of the year, which is being offset against the vacancy provision target and LHA licence fees. However due to the requirement to meet M4Y savings target a nil variance is being reported.

**Human Resources £0k**

9. Human Resources is projecting a nil variance; again there is only a small change in the position since the last monitor. HR currently has an underspend from savings forecast on staffing budgets across the service area, together with receipt of external funding, for example for the staff sickness absence scheme, for which the work will be undertaken by existing staff. However, a decision has been taken to use some of the underspend to fund fixed term staffing resources until the HR restructure has been implemented. The remainder will be put towards the More for York savings target (-£47k).
10. In addition, there are a number of adverse variances which have offset this underspend. For example, in Payroll Services, additional staff worked within the team for the first 3 months of the financial year resulting in a pressure (+£5k). This situation has now been resolved as the establishment is being more closely managed.

11. The service area has a target to save £73k in 2010/11 as part of the More for York blueprinting process. The balance of these savings will be found during the year.

**Legal and Governance -£69k**

**Civic, Democratic, Electoral & Legal Services +£37k**

12. The change in position overall for this service area is a reduction in overspend from £52k to £37k. This is mainly due to an underspend being identified on the Members Allowances (-£22k). Within the rest of Democratic Services an overspend on the printing budget is still projected (+£14k). The Head of Civic, Democratic & Legal Services has expressed concern that the increasing size of committee reports and the relevant distribution lists has led to this overspend. Action will be taken by Democracy Services to enforce the Reporting Protocol in an effort to reduce this overspend by the year end.
13. Within Electoral Services, the unfunded costs of the Hull Road By-Election are still projected at £10k. Further small overspends in the area total £7k.
14. For the Civic Services budgets, an overspend of £17k is projected, due most notably to a pressure on the Mayoralty budgets (+£8k). Further small overspends in the area now total £9k.
15. Within Legal Services there are a number of pressures which are ongoing from 2009/10, particularly in relation to the budgets for postage, solicitors practising certificates, photocopying and books and publications (+£25k). There is also a likely shortfall on the external fee income generated from planning applications and S106 agreements due to the economic downturn (+£6k). At this time, a staffing pressure is also projected due to external cover for a maternity leave absence (+£27k). However, it is projected that the arrangements for recovery of the new Commercial Lawyers will mostly cover these pressures (-£52k) and therefore only a small variance is projected at this time (+£6k).
16. The position for Legal Services assumes that budget of £115k will be transferred from the ACE Directorate to fund the additional Social Care Solicitors. This growth was agreed as part of the 2010/11 budget process. It also assumes that a corporate provision will be made available to fund a number of late Pay & Grading appeals within the team, which have been resolved recently.

**IT -£106k**

17. Overall there is now a projected underspend of £264k for this service area, of this it is anticipated that £158k will be used as a contribution towards the IT M4Y savings target leaving a net underspend of £106k. Since the previous monitor the projections have improved by £39k due to ongoing maintenance costs for three systems being reduced (-£39k). Other underspends of £225k relate primarily to ongoing support and maintenance contracts being re-aligned to fall in line with the financial year, resulting in a one-off saving of £133k. Further details are provided in Annex 1.

**IT Development Plan £0k**

18. The projects which form part of the IT Development plan are being reviewed, therefore at this stage a nil variance is being reported. The associated capital program is £1,140k, with slippage from 2009/10 of £754k, making a total capital budget of £1,894k for the current year.

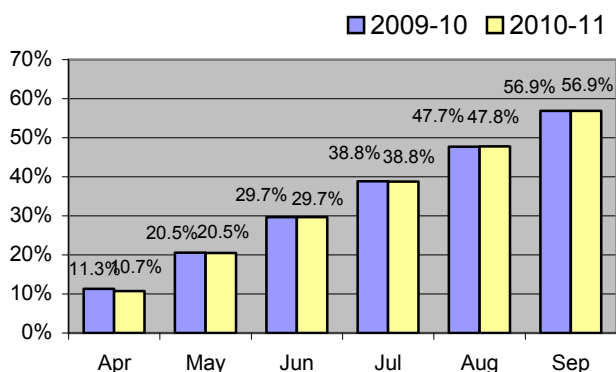
**Performance Indicators**

19. Annex 2 shows past and current performance for the 8 indicators, which have data available at this stage of the financial year. The following provides more detailed analysis of the key indicators.

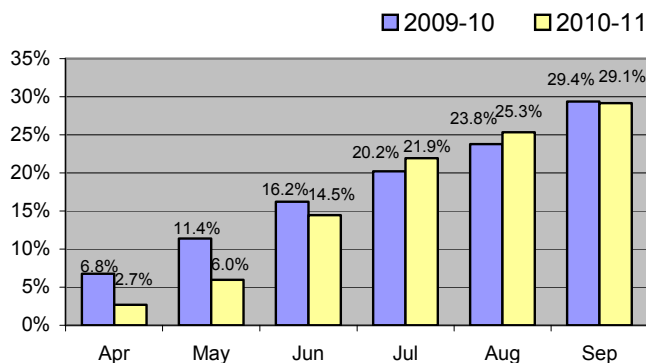
**Revenues & Benefits**

20. Council Tax collection stands at 56.87% (0.17% below target) and compared to 56.91% for the same period last year.

% of council tax collected in year

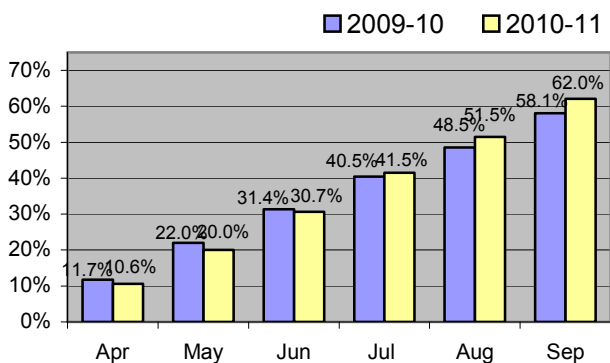


% reduction in council tax prior year's balances

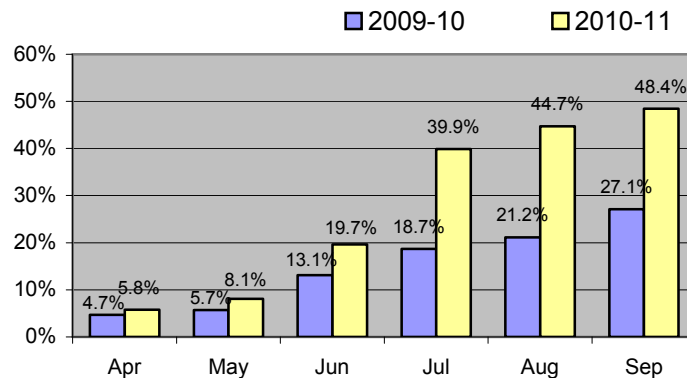


21. NNDR collection stands at 62.04% (0.66% ahead of target) and compared to 58.05% at the same period last year. The trend should be favourable in coming months due to 1100 bill payers benefiting from the Small Business Relief concessions introduced by the Government in October 2010 (doubling of relief for period to 31st March 2011.) Rate payers are also seeing benefit from reduced 2010-11 bills following successful rateable value appeals.

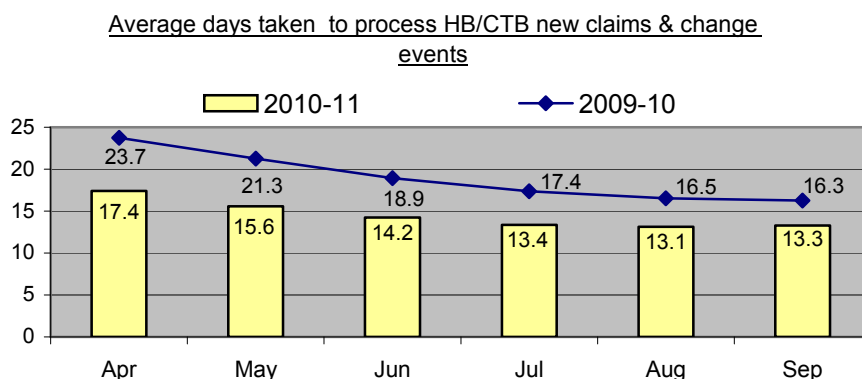
% of non-domestic rates collected in year



% reduction in non-domestic rates prior year's balances



22. The number of days taken to process HB/CTB new claims and change events remains steady at 13 days (see graph on next page). The amount of Housing Benefit overpayments recovered shows improvement on Q1. Procedures and processes are in place to maintain and build on this level of performance. Staff refresher training is also taking place.



### Customer Contact

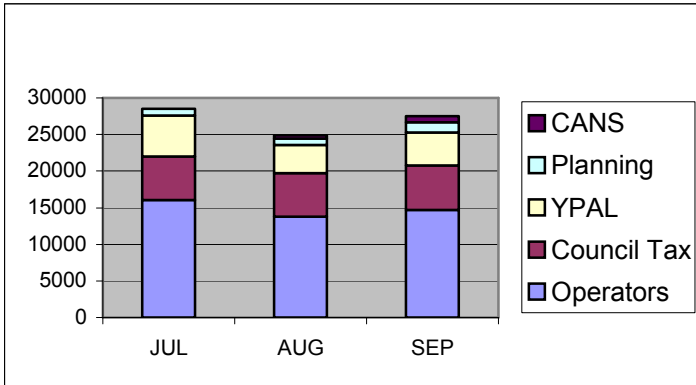
23. The table below shows that 85.36% of answered calls to CBSS were answered within 20 seconds, an improvement on the 73.19% achieved in Q1. This is still lower than all other directorates. Calls to YCC account for 65% of calls to CBSS and the 80% achieved by YCC has brought down the overall CBSS total.

	All calls	Answered calls	No within 0-20 secs	% within 0-20 secs
Director	168	168	151	89.88%
Civic Democratic & Legal Services	5272	5235	4807	91.75%
Customer Service & Governance	15375	15361	14343	93.36%
YCC	80904	77791	62310	80.10%
Benefits Phone Pod	5941	5883	5565	94.6%
Financial Services	1557	1554	1518	97.68%
Transformation & Efficiency	1051	1051	1043	99.24%
Human Resources & Organisational Development	8588	8565	8227	96.04%
Information Communication & Technology	5024	5022	5012	99.8%
<b>Total for CBSS</b>	<b>123880</b>	<b>120630</b>	<b>102976</b>	<b>85.36%</b>

Totals for other directorates				
ACE	CANS	City Strategy	Chief Exec's	Total for council
95.07%	95.79%	95.64%	96.51%	95.22%

**York Contact Centre**

24. In the period July to September YCC answered 96% of calls (77,791 from a total of 80,904 received.) 19,294 service requests were also recorded across all areas. Overall 80% of calls from July to September were answered within 20 seconds, a significant improvement on the 63% achieved in Quarter 1 and bringing YCC's average for the first 6 months of this year to 72%. Further work continues to consolidate progress made in performance including closer working relationships with the Neighbourhood Services Refresh Programme which goes live on 4<sup>th</sup> October 2010, close monitoring of customer service availability and call quality monitoring.

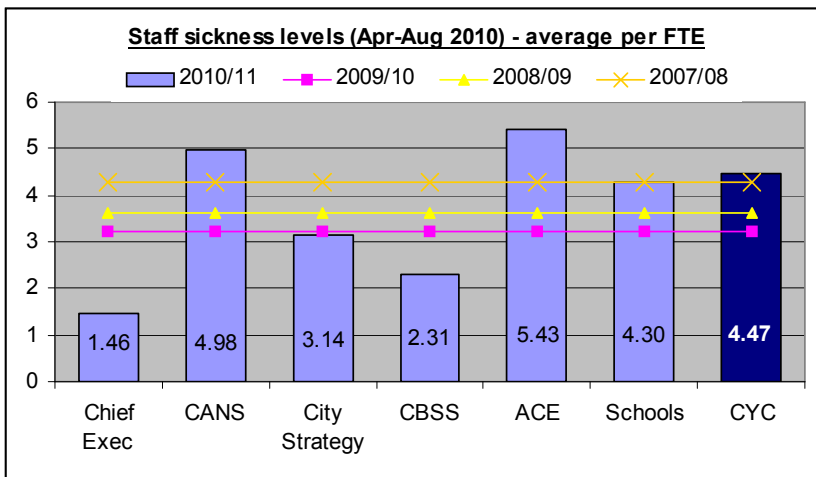


	<b>Jul</b>	<b>Aug</b>	<b>Sep</b>
CANS	0	459	842
Planning	917	884	1413
YPAL	5596	3830	4487
Council Tax	5912	5896	6053
Operators	16083	13817	14715
<b>Total</b>	<b>28508</b>	<b>24886</b>	<b>27510</b>



**Human Resources**

25. Staff sickness in CBSS April - August was 2.31 days per fte, the second lowest in CYC with OCE the lowest (1.46 days). The 2.31 days are fairly evenly distributed between short and long term sickness with 1.05 days long term and 1.26 days short term. The main causes of absence are stress/anxiety/depression (27.85%) and muscular-skeletal problems (27.81%). CBSS has the highest percentage of stress related absence of any directorate and this equates to 0.64 days per fte. This compares to a CYC average of 0.24 days per fte.



Cost of sickness

26. In response to the Executive's request for information about the cost of sickness the data provided by HR shows lost productivity costs rather than additional costs to the council. The table below shows lost productivity costs per fte in CBSS for each of the past 3 months. For August CBSS has the second lowest cost per fte in the council. City Strategy is lowest at £44.81 per fte.

Month	Days lost/FTE	Total cost (pm)	Cost per FTE (pm)
Jun-10	0.47	£17,656.43	£46.47
Jul-10	0.78	£28,855.35	£76.62
Aug-10	0.45	£17,298.21	£46.55

**Directorate Priority Actions**

27. A review of progress on all 23 directorate priority projects/actions shows that:

- 16 of these are on track to be delivered within the agreed timescales. 1 has already been completed.
- 6 actions are experiencing slippage (see table below.)

Action	Lead Responsibility	Comments from lead on progress to date
Review and update Customer and Business Support Services Business Continuity Plans and Directorate Business Impact Analysis document	Head of IT	Phased work programme in progress 1) Work with Emergency Planning Team to secure new Corporate templates before applying to CBSS plans. 2) Update existing directorate and departmental services plans 3) Establish new plans as required to ensure directorate wide coverage. need to raise awareness and importance within some areas of CBSS.
Implementation of new Corporate HR/Payroll System	AD - Customers & People & Head of IT	Go live Phase 1 moved to June 2011 to allow for effective dual testing of payroll system and more BPR work to be completed. Phase 2 on track for Oct 2011.
Expand the integration and use of EDRMS within all Service areas prior to move to new Council Headquarters late 2012.	AD - Customers & People & Head of IT	Wip - Limited progress has been made to date and some back scanning and active in line scanning has taken place/is part of BAU activities within of some of the CBSS functions including HR files, some of ICT paper based records, Debtors, Over payments, Legal and the Recovery Team.
Review and refresh of the Income Policy in light of fees and charges review (see transactional Services Blueprint) to reinforce governance and maximise efficient channels available for collection	AD - Customers & People	Due to need to reflect outcomes of M4Y work, the 2011/12 budget process and to conduct effective consultation - this has been deferred to Jan 2011.
Deliver against the HR Blueprint (including the Resourcing Strategy, new HR/Payroll system and restructuring the HR establishment)	AD - Customers & People	Slippage in resourcing efficiency savings, mitigation action being implemented. Restructure consultation ongoing.
Implement next steps of the Pay and Grading Review	AD - Customers & People	All job descriptions now collected and pay modelling due to commence.

**Implications**

**Financial**

28. There are no financial implications other than those laid out within this report.

**Other Implications**

29. There are no significant human resources, equalities, legal, crime and disorder, information technology or property implications within the report.

**Risk Management**

30. There are no risk management implications within the report.

**Actions arising from the monitor report**

31. DMT is asked to:

- note and comment on the financial performance reported.
- review the performance information and progress on priority actions and decide whether any corrective action needs taking.

**Contact Details**

**Author:**

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**Chief Officer Responsible for the report:**

Ian Floyd  
*Director of Customer & Business Support*  
*Services*

**Report**  
**Approved**

**Date**

**Specialist Implications Officers: None other than those included in the report**

**Wards Affected: N/A**

All

**For further information please contact the author of the report**

**Annexes:**

- Annex 1: Financial Revenue
- Annex 2: Performance Indicator update

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**Summary of Variances for Customer and Business Support Services**

**ANNEX 1**

**October 2010**

Service area	Budget 10/11	Actual to October 2010	Projected Outturn	Projected Variance	Comments	September Variance	August variance
	£'000's	£'000's	£'000's	£'000's		£'000's	£'000's
<b>Director of CBSS</b>	260	58	260	( )		( )	
<b>Total for Director</b>	<b>260</b>	<b>58</b>	<b>260</b>	<b>( )</b>		<b>( )</b>	
<b>Finance</b>							
Corporate Accountancy	31	392	(27)	(58)	Since the previous monitor report non-staff budgets have been reviewed which has identified several small reductions amounting to £4k. The underlying projected underspends relate to 3 staff vacancies offset against agency staff costs and the vacancy provision. It is anticipated that these underspends will form part of the M4Y blueprint savings and an adjustment is included below to reflect this..	(52)	(55)
Service Accountancy	239	533	256	17	The change since the previous monitor relates to further reductions in the agency staff costs in the CANS finance team, where there is a projected overspend of £49k. Projected staff underspends in the ACE finance team are primarily due to services transferring into the team from the LSC & Health which are bringing additional funding.	31	46
M4Y Budget to be taken out	(85)		(44)	41	Currently £41k of the M4Y saving has been achieved and it is anticipated that the full £85k will be delivered by the end of the financial year	24	10
<b>Sub total relating to Finance Blueprint</b>	<b>185</b>	<b>924</b>	<b>185</b>	<b>( )</b>		<b>3</b>	
Financial Procedures	527	789	517	(10)	The position has improved since last monitor due to the consolidation of the income collection teams, which has realised £33k of savings. However these form part of the MFY program and are reversed out below. The underlying staff overspend in the creditors team continues as previously reported.	20	
M4Y Budgets taken out	(33)			33	Currently £33k of the M4Y savings have been achieved for this service area. There are other MFY targets which are "at risk" and not included here.		
<b>Sub total</b>	<b>494</b>	<b>789</b>	<b>517</b>	<b>23</b>		<b>20</b>	<b>20</b>
Audit, Fraud & Data Mgt	168	246	175	7	This budget pressure reflects half of a 2% increase in the Veritau fee. There has been a small change since the previous month due to the subscription costs for data protection notification of £500 payable to the Information Commission.	7	7
<b>DA Fees</b>	<b>(20)</b>	<b>10</b>	<b>(91)</b>	<b>(71)</b>	This budget underspend is primarily due to CAA Inspections being ceased. There is also a rebate of £15k on the IFRSA work.	<b>(71)</b>	<b>(68)</b>

Service area	Budget 10/11 £'000's	Actual to October 2010 £'000's	Projected Outturn £'000's	Projected Variance £'000's	Comments	September Variance £'000's	August variance £'000's
<b>Total for Finance</b>	<b>827</b>	<b>1,969</b>	<b>786</b>	<b>(41)</b>		<b>(41)</b>	<b>(39)</b>
Benefits & Subsidy	(124)	24,199	(121)	3	The change of £18k is due to the increase in homeless cases requiring temporary accommodation in B&B, currently the numbers have reduced although it is anticipated there will be further increases during the winter months. The Budget pressure against B&B accommodation is offset against several underspends against other benefits budgets.	(20)	(11)
<b>Customers</b>							
<b>AD Customers and People</b>	<b>361</b>	<b>49</b>	<b>361</b>		No budget variance is anticipated against this cost centre	<b>1</b>	
YCC, Local Taxation and Benefits administratic	1,940	687	1,916	(24)	Due to some of the budgets within this service area being reviewed the forecast currently allows for all vacant posts to be filled until a decision is made in respect of performance levels and the requirement to deliver MFY savings. The underlying underspend is from the part year effect of posts held vacant offset against the full year vacancy provision. There are also budget pressures from some MFY temporary staffing arrangements and LHA software maintenance costs. As this service area has significant M4Y savings targets to achieve it is anticipated that the underspend will contribute towards these.	(31)	(36)
M4Y Budget to be taken out	(185)		(161)	24	Currently £192k of M4Y savings targets have been achieved from the budgets currently held within this service area. It should be noted that other savings have been achieved in addition to this from other directorate budgets in connection with M4Y savings.	31	
<b>Customer Services Total</b>	<b>2,117</b>	<b>736</b>	<b>2,117</b>	<b>( )</b>		<b>1</b>	
<b>Human Resources</b>							
Out posted Teams	769	357	703	(66)	The funding received in relation to HR work in ACE is the main contributor to the underspend on these budgets (-£60k).	(69)	( )
Corporate Teams	648	356	664	16	There is a net underspend on the Corporate staffing teams due to vacancies (-£45k), however redundancy costs of £59k result in a net pressure on these budgets of £16k.	14	19
Senior Management	(1,596)	334	(1,596)	(1)	A minor underspend is projected on salaries.	(1)	(3)
Payroll Services	11	558	16	5	The variance is due to additional staff being in post during the first 3 months of the year. This situation has now been resolved. There is also a small overspend projected on postage.	3	(4)
Health & Safety	334	133	332	(2)	The underspend is due to a saving from backfilling a vacant post.	(1)	(1)
Training & Development	54	70	54		No variance is anticipated on these budgets		2
Projected Total	<b>221</b>	<b>1,806</b>	<b>174</b>	<b>(47)</b>		<b>(55)</b>	<b>(60)</b>
More for York Savings	<b>(73)</b>		<b>(26)</b>	<b>47</b>	Savings will be found during the year, as per the blueprint actions.	<b>55</b>	<b>54</b>
<b>HR Total</b>	<b>148</b>	<b>1,806</b>	<b>148</b>				<b>(6)</b>
<b>Total</b>	<b>2,265</b>	<b>2,542</b>	<b>2,265</b>			<b>1</b>	<b>(6)</b>

Service area	Budget 10/11	Actual to October 2010	Projected Outturn	Projected Variance	Comments
	£'000's	£'000's	£'000's	£'000's	
<b>Legal &amp; Governance</b>					
<b>Civic Democratic &amp; Legal Services</b>					
Civic Services	355	200	373	18	The small projected overspend is caused by a number of factors: a pressure on the Mayoralty budgets (£8k), additional civic support staff hours (+£3k), repair and advertising costs within the Mansion House (+£5k), the rental costs for the Guildhall franking machine (+£2k).
Democracy and Scrutiny Services	1,380	541	1,374	(6)	Within Members Services, an underspend is now reported on Members Allowances (-£22k), although offset by a projected overspend on the Members Delivery Service (+£3k). The Democracy Services print budget is expected to overspend by £13k based on the current rate.
Electoral Services	228	101	245	17	The costs of the Hull Road By-Election are projected at £10k. Further variances are also anticipated due to the increased costs of storing the polling booths (+£2.5k), a shortfall on income from freedom of the city applications (£1k) and printing within the elections team (+£3.5k).
Legal Services	65	589	71	6	Legal Services are now reporting a small overspend £6k. Larger pressures do exist within the budget on items such as books and publications, photocopying, postage and professional certificates (+£25k) as well as the income from external fees such as S106 agreements (+£6k). There is also a staffing pressure from use of agency cover for maternity leave (+£27k). However, based on current forecasts the income generated from the new Commercial Lawyers will mostly cover these pressures (-£52k).
Magistrates, Probation and Coroners	297	127	299	2	It is now anticipated that these budgets will return a small variance, due to expenditure on overheads. For the Coroners Service, it is difficult to accurately predict the outturn at this early stage as the expenditure on professional fees depends on the volume and nature of the caseload during the year.
<b>Total</b>	<b>2,325</b>	<b>1,559</b>	<b>2,362</b>	<b>37</b>	
<b>IT</b>					
Operational IT	4,362	2,503	4,123	(239)	The position has improved by £39k since the previous monitor due to the ongoing maintenance costs for 3 systems being less than anticipated (Integrated transport system, Careworks YOT Migration and the Commercial waste system) The underlying reasons for the underspend are as previously reported and primarily relate to the re-alignment and reduction of support and maintenance costs - £167k, and the funding of the Office upgrade being phased over several years, resulting in a saving this year of £40k. £134k of this saving will contribute towards M4Y savings targets.
IT Recharges	(6,412)		(6,412)		These budgets reflect the amount of budget recharged out to services and should bring the service total back to £0, although currently they need to be reviewed to reflect the organisation restructure. There is zero budget variance against them.
Business Support, Web and Systems team	15	247	(10)	(25)	Staffing underspend from vacancies in the systems team, will go towards M4Y saving
M4Y Budget to be taken out	(158)			158	This is part of a corporate wide IT M4Y savings target, has increased by £24k for systems team vacant post
<b>Total</b>	<b>(2,193)</b>	<b>2,750</b>	<b>(2,299)</b>	<b>(106)</b>	
IT Development Plan	1,133	14	1,133		The IT projects are currently under review, and therefore at this stage no variance is being reported
<b>Total for Legal &amp; Governance</b>	<b>1,265</b>	<b>4,324</b>	<b>1,196</b>	<b>(69)</b>	
<b>TOTAL</b>	<b>4,492</b>	<b>33,093</b>	<b>4,385</b>	<b>(107)</b>	

September Variance	August variance
£'000's	£'000's
17	18
16	6
17	4
( )	
2	
<b>52</b>	
(200)	(200)
(1)	(4)
134	134
<b>(67)</b>	<b>(70)</b>
<b>(15)</b>	<b>(43)</b>
<b>(75)</b>	<b>(98)</b>

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## CBSS Performance indicator data

<b>Corporate Health</b>										
Code	Indicator definition	2007/08	2008/09	2009/10	2010/11 Q1	2010/11 Q2	Year-end Forecast	2010/11 target	On target?	Improving from 09/10?
NPI 14	Reducing avoidable contact - the proportion of customer contact that is of low or no value to the customer	N/A	24.10%	13.0%	No data Q1	No data Q2	N/A	Not set	N/A	N/A
NPI 179	Value for money – total net value of on-going cash-releasing value for money gains that have impacted since the start of the 2008-9 financial year	N/A	£2753k	£5,811	No data Q1	No data Q2	N/A	Not set	N/A	N/A
BVPI 12	Staff sickness rate in CBSS	Old directorate structure	Old directorate structure	5.5 days per FTE (Resources)	1.05 days	2.31 days	5.5 days per FTE	Not set	N/A	Stable
COLI 56	% of staff expressing satisfaction with their jobs	No survey	71%	No survey	No data Q1	No data Q2	N/A	Not set	N/A	N/A

<b>Council Tax, NNDR and Benefits</b>										
Code	Indicator definition	2007/08	2008/09	2009/10	2010/11 Q1	2010/11 Q2	Year-end Forecast	2010/11 target	On target?	Improving from 09/10?
BVPI 9	% of council tax collected	97.30%	97.19%	97.46%	38.76% (Apr-Jul)	56.87% (Apr-Sep)	97.80%	97.80%	Yes	No
BVPI 10	% of non-domestic rates collected in year	98.30%	97.52%	98.27%	41.48% (Apr-Jul)	62.04% (Apr-Sep)	98.40%	98.50%	Yes	Yes
BR1	% reduction in non-domestic rates prior year's balances	22.30%	51.63%	37.49%	47.93% (Apr-Jul)	48.43% (Apr-Sep)	42.00%	42.00%	Yes	Yes
CT 1	% reduction in council tax prior year's balances	37.79%	45.94%	46.42%	22.76% (Apr-Jul)	29.13% (Apr-Sep)	N/A	42.00%	Yes	No
NPI 180	Changes in Housing Benefit/ Council Tax Benefit entitlements within the year	N/A	1,363 per 1000 caseload	1900 per 1000 caseload	Not collected - deleted	Not collected - deleted	N/A	1100 per 1000 caseload	N/A	N/A
NPI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events DWP DSO	19 days (old rules)	15	13.72 days	13 days	13 days	N/A	12 days	Yes	Yes
BVPI 79bi	The amount of Housing Benefit overpayments (HB) recovered as a percentage of all HB overpayments.	60.85%	69.04%	75.70%	65.90%	80.2	78.00%	78.00%	Yes	Yes
BVPI 79bii	HB overpayments recovered as a percentage of the total amount of HB overpayment debt outstanding at the start of the year, plus amount of HB overpayments identified during the year.	22.71%	24.49%	27.60%	7.80%	16.30%	30.00%	30.00%	Yes	Stable
BVPI 79biii	Housing Benefit (HB) overpayments written off as a percentage of the total amount of HB overpayment debt outstanding at the start of the year, plus amount of HB overpayments identified during the year.	5.00%	5.00%	7.00%	2.10%	0.40%	5.00%	5.00%	Yes	Yes

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## **Effective Organisation Overview & Scrutiny Committee**

**23rd November 2010**

### **Report of the Director of Customer and Business Support Services**

### **2011-12 Budget Update I – Spending Review Implications**

#### **Summary**

1. The purpose of this report was to provide Executive with an update on the 2011-12 budget process, with particular emphasis placed on the impacts of the recent Spending Review and an overview of forthcoming plans for the More for York programme.

#### **Spending Review Assessment**

2. On 20 October 2010, the Chancellor of the Exchequer for the new Coalition Government outlined his heavily anticipated Spending Review for the remaining four years of Parliament. Following on from the emergency budget of 10 June 2010, the announcement signalled yet a further radical shift in public expenditure plans with some unprotected departments being expected to deliver in the region of 30% in savings over the period. Overall, unprotected budgets have on average been reduced by 19% which, in real terms, will return public spending to 2008-09 levels. Three principles underpinned the announcement:
  - i) Growth – to enable a private sector led economy,
  - ii) Fairness – increasing social mobility by protecting health and school expenditure and reforming welfare,
  - iii) Reform – driven by decentralising power from Central Government and consistent with announcements on a move to more localised decision making.
3. The decentralisation of power to the local level, as driven by the reform principle, ensures that many of the announcements made in the Spending Review have a direct impact on Local Government and as a result, City of York Council. Many will present painful challenges, however there are potential areas of opportunity as well as reassurances over some significant areas of council expenditure. The following list outlines the most relevant financial headlines from 20 October:
  - i) Local Government funding to be cut on average by 7.1% per annum,
  - ii) a Council Tax freeze in 2011-12 funded by Central Government for each year of the review period at a rate of 2.5%,

- iii) devolution of control to the local level including un-ringfencing of grants from 2011 resulting in £4bn of grants being incorporated into Formula Grant,
  - iv) reduction in the number of core grants from 90 to 10, with a simplified Schools grant and new Public Health grant.
  - v) interest rates on Public Works Loan Board (PWLB) Loans increased to 1% above UK Government Gilts,
  - vi) capital funding to councils will fall by 45% over the four years.
4. Updates are being released by Central Government departments regularly which are being monitored by officers and the following passages seek to assess the financial headlines and most currently available information and how they affect the council and the city.

Local Government Funding

5. The key headline from the announcement was that Local Government funding would be reduced on average by 7.1% per annum over the four year period of the review. This reported figure is in real terms, i.e. including the effects of inflation and when converted to cash terms, the average reduction moves closer to 5%, or 20% in total for the period.
6. However, the reported figure isn't all specifically relevant to grant passed onto Local Government, nor are the funding reductions profiled evenly. The table below shows the profiling of the cuts over the four years, equating to a cumulative reduction of 23.6%:

	2011-12	2012-13	2013-14	2014-15
% Reduction	-10.7%	-6.4%	-0.9%	-5.6%

7. From the table, it is clear that the cuts are front-loaded meaning that the biggest hit to the council will be in 2011-12 when it will receive a 10.7% cut in funding. The council's Formula Grant base in 2010-11 was £44.57m (£5.7m in Revenue Support Grant, £38.9m in redistributed business rates) and the table below shows the impact of these cuts on that base:

	2011-12	2012-13	2013-14	2014-15
% Reduction	-4.78	-2.55	-0.32	-2.07

Figures in £m

8. The Department for Communities & Local Government (DCLG), responsible for distribution of the Formula Grant, have subsequently announced that the Local Government settlement will be on a 2 + 2 basis meaning that funding for 2013-14 and 2014-15 is likely to be revised. This fits with the timeline for the Government's fundamental review of Local Government finance, and equally the announcement on 28 October by Eric Pickles, Secretary of State for DCLG, that part of the review will centre on allowing councils to retain the business rates they collect.

### Council Tax Freeze

9. The Spending Review guaranteed that councils who freeze Council Tax in 2011-12 will receive a grant the equivalent to a 2.5% rise in each of the four years of the review period, i.e. when the council implements a Council Tax rise the funding is recurring so to freeze in one year has an impact on funding in all subsequent years hence the Government being prepared to fund over the period. Acceptance of this does however present a future challenge for when the funding, as is being predicted, is removed from the system after 2014-15.
10. The council's 2010-11 net budget is £117.3m, of which it is predicated that approximately £72.8m is collected in Council Tax. On this basis, it can be assumed that should a Council Tax freeze be implemented in 2011-12, the council will receive a grant of approximately £1.82m per annum through to 2014-15, subject to any changes in the Council Tax base.

### Simplified Grants

11. Another key announcement was that in order to achieve devolution of control from Central Government, the majority of existing specific grants and Area Based Grants (ABG) will be rolled into Formula Grant. This will leave a much more simplified grant system of 10 core grants including a refined Dedicated Schools Grant, with the national schools budget receiving a 0.1% real terms increase in funding (0.6% per a reduction on a per pupil basis once increased pupil numbers are factored in).
12. This schools funding also includes a sum of £2.5bn (by 2014-15) to fund the new pupil premium, and the funding required to support new 'free schools'. The consequences of this are likely to mean that, although average per pupil funding across the country is not subject to significant reductions, there could be some significant redistribution of resources at individual school level. Grants supporting other Local Authority education and children's services (including Surestart) are expected to be merged into a new Early Intervention Grant, although the actual level of this grant is not yet clear. A new Public Health Grant will also be introduced from 2013-14.
13. This key change presents both challenges and opportunities. The main drawback of a specific grant is that it has to be fully spent on the designated purpose, so removing the ringfence means that local discretion is available on its usage. If Members wish to spend that money on other priorities, this offers the opportunity to do so. However, moving the grants into Formula Grant removes any previous protection they would have had and one can therefore assume that they will be subject to the cuts outlined in the earlier section of this report.
14. On the information available to date, approximately £14.3m of grants that have either previously been specific or ABG will be rolled in Formula Grant. Grants in this list include Supporting People (£7.1m in 10-11 but already scheduled for reductions) and Preserved Rights (£1.4m in 10-11). A further £1bn will be available nationally to support social care at local

authority level (significantly front loaded with £0.5bn in 2011-12) and this will also be delivered through Formula Grant. In addition the NHS has been allocated funding growing to £1 billion by 2014-15 within their settlement to fund new ways of providing services in partnership with Local Authorities, including reablement services.

15. On the assumption that they will be subjected to the same percentage cuts outlined in paragraph 6, a further reduction in funding of at least £1.53m could be expected.

#### Tying The Funding Strands Together

16. Paragraphs 5 to 14 provide a technical assessment of some of the key announcements from the Spending Review. From the information currently available, the council could lose in the region of £6.3m in funding, however this could be reduced to in the region of £4.5m should Members wish to freeze Council Tax in 2011-12.
17. This is clouded however due to the fact that the Formula Grant distribution model is under review, which would alter the baseline from which any grant reductions may be taken. Furthermore, the impacts of flooring will no doubt have an impact on the level of grant reduction that the council will receive. To illustrate with a simple example, York receives a relatively low proportion of its net budget from Formula Grant (38%), in comparison to Wakefield MDC (56%). Assuming a straight 10.7% reduction in 2011-12, Wakefield would lose more of its base funding than York, and therefore it may be that a higher reduction in grant is taken from council's like York to soften the reduction to council's like Wakefield.
18. York's precise settlement is scheduled to be released in late November or early December and information will be provided to Members to inform 2011-12 budget decisions in due course.

#### Capital & Borrowing

19. Two further announcements that will have a major impact on the council's strategic financial direction was that on average, capital funding to Local Government will be reduced by 45% and that interest rates on new Public Works Loan Board (PWLB) Loans (where the council borrows its money from) have been increased to 1% above UK Government Gilts.
20. This presents two interlinked challenges; firstly, the available grant from Central Government will be reduced, so in order to maintain capital programmes pressure is placed on local authorities to generate more capital receipts, or to borrow more. This latter option presents the second challenge in that as it costs more to borrow, pressure will be placed on revenue budgets to fund the increased interest costs (at current rates, £10m in new borrowing would create an additional revenue pressure of £75k per annum).

Other Policy Shifts

21. The main policy focus apart from deficit reduction since the new Government came to power has been the localism agenda, with proposals to extend the range of providers of services and develop new ways of working such as social enterprises. The reduction in ring fencing should enable Local Authorities to have more freedom and flexibility in how they spend funds, which may also lead to wider reforms and different ways of working. Additional freedoms are likely to be developed with the Decentralisation and Localism Bill in areas such as housing, planning and governance.
22. There were numerous policy shifts that will have an impact on the council and the city in the future, however many of these will not materialise until 2012-13 and beyond:
  - i) Community Budgets – building on the Total Place piloting introduced under the previous government, 16 pilots including Hull and Bradford, have been introduced with a view to rolling the scheme out nationally from 2013-14. The pilots will decide which departmental budgets to pool locally under the broad theme of families with complex needs. In future there may be opportunities to pool budgets to support work on health, policing, worklessness and child poverty, with these decisions being taken at the local level.
  - ii) Benefit Reform – the Spending Review announced a new Universal Credit that will incorporate Housing Benefit, which is currently administered by the council. Furthermore, Council Tax Benefit will be localised by 2013-14. The introduction of a cap on benefits payments to households will impact the council as responsibility for policing whether this is breached or not is likely to fall on Local Authorities.
  - iii) Pay and Pensions – there is a commitment to continue with defined benefit schemes whilst re-balancing the cost between the employee and the taxpayer. This will result in a staggered and progressive increase in employee contribution rates, with a level of protection for the lower paid and higher increases for the higher paid. There will also be a £3.3bn saving from freezing public sector pay starting in 2011-12, although this cannot be enforced on local government.
  - iv) Performance Framework – the Government is ending the previous top-down performance framework for local authorities which will see the removal of reporting on a multitude of performance targets.
  - v) Housing Finance – the Government is pursuing its policy of reforming the Housing Revenue Account and replacing it with a devolved system of self financing for council housing. The implications of this for York as a housing stock operator are that whilst subsidy will no longer have to be paid over to the Government, a proportion of housing debt will be allocated to the council. The Government is also proposing that rents for new council housing tenants will be more closely linked to private sector levels by rising upto 80% of the market rate, and whilst this will not effect existing tenants, it is expected that this will have corresponding Benefit implications. Furthermore, it has subsequently

been announced that Private Sector Renewal funding has now ceased and the ongoing implications of this are being assessed as part of the 2011-12 budget process.

- vi) Transport Budgets – revenue funding from Central Government could be reduced by upto 40%. The Access York scheme has been included in the group of schemes which the Department for Transport will conduct further analysis on and invite best and final funding bids from the Major Schemes pot. Councils will be challenged to consider the cost, scope and possibility of local funding when bidding.
- vii) Tax Increment Financing – a method to use future gains in business rates to finance current improvements (which theoretically will create the conditions for those future gains). Further detail will be provided in the Local Government resource review from January 2011.

### Spending Review Summary

- 23. It is clear from the earlier sections that the Spending Review will present many difficult challenges to York, both in terms of the funding it receives and how it will be shaped in the future, however opportunities can be harnessed by the devolution of power afforded from Central Government.
- 24. As a result, the council will have to focus its efforts on meeting the challenges and maximising opportunities through the work of the More for York programme. In February the programme became the single mechanism for managing the delivery of all Council savings and efficiencies, in order to ensure clarity and cohesion in their delivery and monitoring.
- 25. To achieve savings of this size it will be necessary to fundamentally review what services are delivered by whom and to continue to maximise efficiency, drive out waste and increase productivity.
- 26. The council is already well positioned to deal with these challenges and the next section of the report will outline the plans for the More for York programme in 2011-12 and beyond.

### **More for York Update**

- 27. The More for York programme is set to deliver £6.9m of savings in the 10-11 financial year. This work continues to provide a recurring benefit to the council over and above the 10-11 savings into 11-12. It is projected that the continuation of existing work streams will deliver an additional £2.6m of new savings in 11-12 financial year.
- 28. In considering the approach to be taken for addressing the potential 2011-12 budget gap, CMT agreed the approach should focus on service reviews throughout the authority and that these reviews should:
  - i) Continue the drive for efficiency in all service areas.
  - ii) Consider statutory and non statutory services and service levels.



- iii) Assess alternative service delivery models and their ability to generate savings.
  - iv) Review the potential impact upon customers and staff.
29. The proposals generated to date are as result of a series of workshops including Departmental Management Teams and the More for York team. This is work in progress but the following sets out by directorate the approaches and work to date:

#### Customer and Business Support Services (CBSS)

30. Continuing on from the delivery of £3.5m of savings in 10-11, CBSS intends to deliver further efficiencies in 11-12 of £500k. These savings will be delivered by:
- i) Extend the level of savings and scope of existing blueprints.
  - ii) Improvements to the productivity and effectiveness of the York Customer Centre leading to the inclusion of customer services currently delivered by other teams across the Council. Focus on the further expansion of our online services and promotion of our telephone services which are both more cost effective channels of contact.
  - iii) Potential consolidation of the Health and Safety function across the authority.
  - iv) Review and consolidation of training arrangements across the Council.
  - v) Further stretch of the organisational review targets to reduce management tiers across the Directorate.
31. In addition CBSS proposals will seek to integrate further the individual support services (e.g. Finance, Legal, HR, ICT and Customer services) so that they work closely and operate where possible to consistent standards. Further options in terms of how the services can develop, and be provided over the medium term will also be reviewed. This will include a review of opportunities/options for the provision of service functions to other organisations to generate income, and working with other public sector organisations, and an initial scoping report will be brought to Members on this in near future.

#### Communities and Neighbourhood Services (CANS)

32. The CANS work programme is made up of 3 main elements in 2011-12:
- i) Extension of existing programme to introduce mobile working and more efficient process This will remove waste and duplication from the Cleaning services, Parking Admin and Enforcement, Household Recycling Centres, Waste Strategy.
  - ii) Development of area based working which will enable the Council to work with partners and community based organisations to make the most of the public sector spend in each area. This work will focus on the Council and its partners operating in 'virtual teams' allowing efficiency savings to be made through the improved coordination of

work and for the use of partner resources to be focussed on local priorities.

- iii) Improved management of the Council Fleet to reduce costs and reduce CO2 emissions via:
  - a. Improved purchasing, utilisation and maintenance of vehicles.
  - b. Home to School transport– renegotiation of bus contracts, reduction in the use of taxi services.
  - c. Reduced use of non CYC owned fleet.

### City Strategy

33. The City Strategy proposals focus around the main areas of work:

- i) Facilities Management - determining how York should provide its facilities management and how this will operate when the Council moves to West Offices. Subject to agreement by Members certain aspects of FM could be sourced differently.
- ii) Commercial Property Portfolio - Ensure the financial return from these assets is maximised wherever possible to generate an enhanced level of income whilst taking into account service objectives as appropriate.
- iii) Shared Services – Explore potential joint working opportunities with other authorities on archaeology, economic development and building control. In addition work will be taken forward to look at sharing property assets with public sector partners in the city and any appropriate sub regional partners.

### Adults Children and Education (ACE)

34. The proposals for ACE are an extension of the 10-11 programme to identify opportunities to improve the efficiency of all services. Work will concentrate upon:

- i) Work with partners to reshape the future of care for older people and drive down overhead costs to provide quality, personalised care packages that promote independence and meet the changing needs of an ageing population.
- ii) Ensure the effective functioning of the Reablement Service, which is responsible for assisting older people on the road to recovery with regaining their independence. This service is also pivotal in avoiding long-term care costs should older people not make an effective recovery.
- iii) Merge the Youth Offending Teams and the Young Peoples Services removing duplication.
- iv) Children's Residential and Respite Facilities - Maximise income from existing spare capacity by selling services to other Local Authorities.

### More for York Summary

35. It is expected at this stage that the plans outlined above will generate savings of c£9m. Further detailed work is currently being undertaken and will continue over the coming weeks. It has to be stressed this is an initial estimate of potential savings, and cannot be relied upon with complete certainty at this point in time.

### **Trade Union Facility Time**

36. Many workstreams in the More for York programme are now entering into their critical phases and as a result the corresponding requirement for trade union involvement is increasing. UNISON have specifically requested an additional 2 FTE's to work on the programme which will enable a much faster pace of change and allow the council to realise workstream savings earlier, over a two year period covering three financial years. There is an associated cost for the support of £13k in 2010-11, £54k in 2011-12 and £41k in 2012-13. This report seeks approval in 2010-11 for the £13k of costs to come from the existing investment fund, if resources allow, and to treat the 2011-12 and 2012-13 costs as a new investment which would require corresponding further savings to be identified in order to ensure the programme meets its savings target.

### **Implications on the 2011-12 Budget and Beyond**

37. The 2010-11 budget report approved by Council in February contained a Medium Term Financial Forecast (MTFF) which outlined a guideline financial plan for the council upto 2015-16. This was characterised by a period of low Council Tax and pay and price rises (1%-2%), 0% grant increases, and a general trend of increasing pressure on council services due to demographic changes as well pressures such as funding the pension fund deficit. The result was an approximate £10m budget gap each year that would have to be funded from efficiencies and other savings.
38. Following the change in Government, the emergency budget in June and subsequent policy announcements, the early strategy used for planning the 2011-12 budget was revised and based on the following key assumptions:
- i) 0% Council Tax, with support provided by Central Government at 2.5%
  - ii) Formula Grant to be reduced by 7% per annum (25% over 4 years).
  - iii) Specific grants and ABG to be reduced by in between 7% and 10% per annum, but to be funded by reprioritisation of existing resources, or reduction in service.
  - iv) Pressures classed as 'unavoidable' to be funded corporately including any pay and pension costs, Treasury Management and investment to support the Waste PFI project.
  - v) Further to these assumptions, directorates have been working throughout the summer to assess needs for investment in services,

including areas that are causing issues in 2010-11 such as the rising demand in adult social care and issues related to the Economic Downturn.

- vi) The resultant gap to be funded by More for York programme savings and, if necessary, further service savings.

39. Following the results of the Spending Review, it has been necessary to amend assumptions accounting for the unexpected front loading of grant cuts in 2011-12, however the underlying strategy implemented earlier in the year remains robust. The table below shows the current position:

	<b>£m</b>
<b><u>Unavoidable Growth</u></b>	
Pay and Pensions	4.44
Treasury Management	1.00
Waste Management	0.75
	<u>6.19</u>
<b><u>Available Resources</u></b>	
Formula Grant (Loss to 10-11 Base)	4.78
Council Tax Grant Assistance	(1.82)
More for York - FYE 10-11 Savings	(2.60)
More for York -Service Reviews *	(9.00)
	<u>(8.64)</u>
<b>Initial Resources Available</b>	<b>(2.45)</b>
Initial Directorate Growth Bids (Appendix 1)	5.30
<b>Shortfall after Directorate Growth Bids</b>	<b>2.85</b>
Specific Grants:	
- Potential Losses in Other Grants	-
- Potential Reductions in Spending on Services Funded from Grants	-

\*Please note this is an initial estimate

40. The table shows that after accounting for unavoidable growth items, the loss to the existing Formula Grant base (paragraph 7), the Council Tax Grant assistance (paragraph 10) and if the full £9m projected savings from the new More for York (paragraphs 24 and 43) were to be achieved, then prior to consideration of initial directorate growth bids (for detail, see Appendix 1) and specific grants, approximately £2.45m is available. In addition to More for York proposals, it is clear that key components in the budget strategy will be the extent to which additional growth is allocated for specific areas, and also that a fundamental review of spending currently funded from specific grants is required.
41. The un-ringfencing of a host of specific grants offers the opportunity to review whether related spending is in line with local priorities. Any "savings" achieved in this expenditure could be used to maintain/invest in services considered to be a higher priority.

42. It should be reiterated that any losses related to grants are still to be verified and the position will become clearer when grant settlement information is released in late November/early December, however it should be assumed that what is presented here is a prudent estimate. Furthermore, it should be noted that work is ongoing to verify the full amount of savings available from the More for York programme and clarity will be provided as the budget process develops into the new year.
43. The following summary table takes the current available information and updates the MTFF:

	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
<b><u>Unavoidable Growth</u></b>				
Pay and Pensions	2.00	1.50	1.50	1.50
Treasury Management	1.00	1.00	1.00	1.00
Waste Management	0.75	0.75	0.75	-
	<b>3.75</b>	<b>3.25</b>	<b>3.25</b>	<b>2.50</b>
<b><u>Available Resources</u></b>				
Formula Grant (Loss to 10-11 Base)	2.55	0.32	2.07	-
Council Tax Grant Assistance	(1.82)	(1.82)	(1.82)	1.82
	<b>0.73</b>	<b>(1.50)</b>	<b>0.25</b>	<b>1.82</b>
<b>Initial Budget Gap</b>	<b>4.48</b>	<b>1.75</b>	<b>3.50</b>	<b>4.32</b>
Projected Directorate Pressures	5.00	5.00	5.00	5.00
Potential Loss to Grants Being Un-ringfenced	1.20	0.20	1.00	-
<b>Final Projected Budget Gap</b>	<b>11.41</b>	<b>5.45</b>	<b>9.75</b>	<b>11.14</b>

44. It is clear, even at this early stage that the ramifications of the Spending Review will not be confined to 2011-12 and as such, reinforces the need for the continuation of the More for York programme to identify savings and efficiencies over this period.
45. Furthermore, it is important to reiterate that the More for York programme has effectively become the vehicle by which the whole financial strategy with regard to budgetary reductions will be delivered, through one integrated programme, which seeks to maximize efficiency, challenge service delivery, and given the financial challenges ahead will also need to raise options in terms of the levels of service that are delivered.
46. A further report is scheduled to be presented to the Executive on 14 December 2010 which will provide further clarity on the information outlined in this report, and if available, details of the 2011-12 grant settlement.

### **Analysis**

47. All the analysis of emerging financial issues is included in the body of the report.

## **Consultation**

48. The council's budget process has numerous consultation strands. There has been extensive consultation with Trade Union groups on the ongoing implications of the council's financial situation. Equalities advice is being sought, and implications noted, at all stages of the budget planning process. Furthermore, members of the public and business leaders will be consulted on the pressures the council is facing in the run up to setting the budget in February.

## **Corporate Priorities**

49. This is the second in a series of reports for the 2011-12 budget process and demonstrates that early and comprehensive planning of the budget process is key to ensuring that the council meets its corporate priorities and underpins being an Effective Organisation.

## **Implications**

50. 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.
- Equalities - there are no specific equality implications to this report, however equalities issues are being accounted for at all stages of the budget process.
- Legal - there are no legal implications to this report.
- Crime and Disorder - there are no specific crime and disorder implications to this report.
- 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**

51. There are a number of risks associated with the emerging issues outlined in this report, in particular with regard to the actual levels of grant cuts and levels of savings to be delivered by More for York. Clarity will be provided before the end of the year on the precise losses from grants and work is ongoing on the More for York savings proposals.

## Recommendations

52. Members of the Effective Organisation Overview & Scrutiny Committee are asked to note the recommendations that were made to the Executive, namely:

- a. to note the current position and the ongoing work that is being conducted in relation to developing the 2011-12 budget.

*Reason: So that the 2011-12 budget process can be completed in a timely manner.*

- b. to recommend to Council the approval of the use of £13k of investment costs in 2010-11, for Trade Union facility time, as requested by UNISON, and subject to the acceptance of recommendation c.
- c. to recommend to Council the approval of £95k for new investment costs for Trade Union facility time, as requested by UNISON, over the period 2011-12 and 2012-13, that are to be met by additional savings to be identified.

*Reason: So that the pace of change of the More for York programme is maintained, and that savings can be realised earlier.*

## Contact Details

### Chief Officer Responsible for the report:

Ian Floyd, Director of Customer and Business Support Services

Keith Best, Assistant Director of Customer and Business Support Services (Financial Services)

Report Approved  Date November 2010

For further information please contact the author of the report

### Appendices:

Appendix 1 – Detail of Initial Directorate Growth Bids

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**Detail of Initial Directorate Growth Bids**

<b>Adults, Children &amp; Education</b>	<b>£000's</b>
Increased Demand - Complex Needs	460
Direct Payments - Continued Take Up	900
Mayfield Court Supported Living	194
Older People Population Increase	1,997
<b>Total Requests</b>	<b><u>3,551</u></b>

<b>City Strategy</b>	
Reduced Yorwaste Dividend	230
Cessation of Housing & Planning Delivery Grant	145
Commercial Portfolio - Income Pressure	170
Income Service Pressure - Parking Income	275
Flooding - Response to New Legislation	50
Concessionary Fares - Unavoidable Price Increases	350
Key Account Management	35
Increased Contribution to Future Prospects Core Funding	50
<b>Total Requests</b>	<b><u>1,305</u></b>

<b>Corporate Services</b>	
Contingency Growth	400
<b>Total Requests</b>	<b><u>400</u></b>

**Overall Total Requests** **5,256**

NB There are also several potential growth pressures in Communities & Neighbourhoods.

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Effective Organisation Overview & Scrutiny Committee      23 November 2010

**Report of the Assistant Director Adult Provision & Modernisation**

**HASS Attendance Management Project 2007-2009:– Information Only Update Report**

**Summary**

1. To inform the Organisational Effectiveness Scrutiny Committee of the approach taken by the HASS Attendance Management Steering Group that resulted in a 50% reduction in absence levels in adult social care.

**Background & Context**

2. Absence levels within HASS adult social care were unacceptably high with an 06/07 outturn of 21.1 days lost per FTE employee compared with a corporate average of 12.2 days and an average of 13 days for other adult social care providers. In 2007 there appeared to be a number of factors generally contributing to these high levels of absence:
  - a. Operational managers lacked confidence in managing absence
  - b. Low staff morale
  - c. Insufficient focus on the largest causes of absence , slips, trip and falls, stress and musculoskeletal injuries
3. A project was launched and co-ordinated by an Attendance Management Steering Group which had the following membership:
  - Head of Corporate Services (Chair)
  - Senior HR Business Partner
  - Assistant HR Adviser (HR project link)
  - Corporate HR link (to be identified)
  - HASS Health and Safety representative
  - Line Management representative from Housing, Adult Services and Learning Disabilities (to be agreed)
  - Trade Union representative
  - Employee Group representative (to be agreed)
  - Occupational Health representative (attendance on an ad hoc basis)
  - HSE representative (attendance on an ad hoc basis)
  - Corporate HR link specifically in relation to the incorporation of Leadership and Management Standards (attendance on an ad hoc basis)

4. The key activities of the steering group in September 2007 were as follows:
  - i. To Coordinate the overall approach to attendance management to include ;
    - Receive any planned activity to address attendance and focus on individual service areas
    - Review the use of AHP and the development of the DELPHI system
    - Implementation of corporate policies and the ability to contribute to development of corporate policy
    - Contribute to the re-tendering of the Corporate Occupational Health Service and monitoring our ongoing use and quality of service we received.
    - Manage the work in conjunction with the HSE for a healthy workplace
    - Adopt a coordinated approach on sickness absence. Thereafter the HR project coordinator will provide regular information and support when considering appropriate action.
    - Receive regular performance reports and monitor progress on absence levels
    - Consider training and development issues
    - This project will take an evidence based approach and draw on the regional Sickness Absence Consortium research.
5. At that time HASS DMT approved the funding to release one FTE Assistant HR Advisor to focus on Attendance Management initiatives within HASS.
6. Concern was also raised by the Health and Safety Executive (HSE) around sickness absence related to stress within HASS and so the process of rolling out the HSE Stress Management Standards as a pilot within HASS also formed part of this project.
7. The project formally commenced on 1st October 2007, and presented a progress report to DMT on 1<sup>st</sup> May 2008, on 4<sup>th</sup> September 2008 and a final report in January 2009.
8. The outturn for 2007/8 to 31/3/08 was 13.66 days lost per FTE employee which was a reduction of 35%. The majority of the reduction came in long term absence and the reduction was attributed to:
  - HR working closely with individual managers to tackle long term absence.
  - Increased monitoring and control of short term absences.

- Increased management information, resulting in quick notification of absence issues, for example, trigger points.
- Targeted focus on mandatory training (eg. Manual handling)

9. The table below outlined the operational sickness absence work undertaken by the HR team in Quarter 2 and 3 of 2008.

	<b>1<sup>st</sup> July-31<sup>st</sup> December 2008 (Quarter 2 and 3)</b>
<b>Referrals to Occupational Health</b>	58
<b>Ill Health Retirements</b>	1 (At tier 3 level)
<b>Absence hearings resulting in dismissal</b>	2
<b>Short term sickness – trigger point advice to managers</b>	21
<b>Supported phased returns to work following LTS</b>	14

10. Whilst the number of activities shows some indication of the HR workload, the complexity and amount of HR input required varied from case to case.
11. By January 2009, 81 employees were logged by HR in the formal short term absence procedure. Managers were being supported by HR in the management of this process, with the aim to increase the attendance of those staff by identifying any underlying issues. Following awareness raising work and focus group sessions held in July 2008, some major pieces of work were conducted into some of the immediate issues raised. These included investigations into bullying and harassment and issues relating to the working culture.
12. One element of the overall work focussed on the steps taken to implement the HSE Stress Management Standards, which included the following actions:
- Considered the data available (including questionnaires and the focus groups held with front line staff) to indicate any potential problem areas
  - Identifying causes of stress and finding solutions in staff focus groups
  - More detailed action plan in response to focus group members
  - Evaluation of the action plans and whether the actions resulted in positive outcomes
13. The levels of stress related absence increased slightly as expected following the awareness raising sessions but quickly began to reduce perhaps as a result of the awareness raising and solution focused staff forums.

### Consultation

14. n/a

### Options

15. n/a

### Corporate Strategy

16. The project was designed to demonstrate progress on achieving the council's corporate strategy (2008-12) and the priorities set out in it.

### Implications

17. Any implications arising from the issues raised in this information report will be addressed within any associated decision making reports required in the future.

### Risk Management

18. There are no risks associated with this information report.

### Conclusions

19. This report is for public and Member information only.
20. The 2008/09 absence levels outturned to 10.86 fte days lost per employee, below the sector average and a 50% reduction on the 2006/07 levels.
21. The key component of the approach to absence management was the investment in dedicated HR time to support operational managers in implementing the Councils attendance management policies.
22. The extent of the input required to support operational managers has lessened in 2010 but there are signs that absence levels in 2010/11 have risen further on the 2009/10 outturn of 12 days lost per fte employee. However, the expected impact of the swine flu epidemic in the 2009/10 figures was less than expected.

### Contact Details

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**Report Approved**  **Date** 15 November 2010

**Wards Affected:** *List wards or tick box to indicate all*

**All**



## Effective Organisation Overview & Scrutiny Committee Work Plan 2010-11

Meeting Date	Work Programme
6 July 2010 @ 5pm	<ol style="list-style-type: none"> <li>1. 2009/10 Year End Outturn Report</li> <li>2. Workplan</li> </ol>
14 July 2010 @ 4pm	<ol style="list-style-type: none"> <li>1. Budget Strategy Report</li> <li>2. Workplan</li> </ol>
14 September 2010 @ 5pm	<ol style="list-style-type: none"> <li>1. Presentation on Customer Services (Pauline Stuchfield)</li> <li>2. First Quarter Monitoring Report</li> <li>3. Briefing on Legal Services - measures to address external legal costs (Andrew Docherty)</li> <li>4. Presentation on ICT (Roy Grant)</li> <li>5. Workplan</li> </ol>
6 October 2010 @ 5pm	<ol style="list-style-type: none"> <li>1. Briefing on Procurement (Tracey Carter)</li> <li>2. Update on 'More for York' (Tracey Carter/Stewart Halliday)</li> <li>3. Workplan</li> </ol>
<b>23 November 2010</b> <b>@5pm</b>	<ol style="list-style-type: none"> <li><b>1. Report on Implementation of Recommendations from Apprenticeships Scrutiny Review</b> (Pauline Stuchfield / Mark Bennett)</li> <li><b>2. Report on changes to and success of revised sickness scheme in Adult Social Services</b> (Pauline Stuchfield / Graham Terry)</li> <li><b>3. Second Quarter Monitoring Report</b></li> <li><b>4. Second Quarter CBSS Monitoring Report</b></li> <li><b>5. 2011/12 Budget Update I</b> (Andrew Crookham)</li> </ol>
<b>11 January 2011</b> <b>@5pm</b>	<ol style="list-style-type: none"> <li><b>1. Briefing on Equalities</b> (Evie Chandler)</li> <li><b>2. Workforce Plan Monitoring Report</b> (Pauline Stuchfield / Jenny Parkin)</li> <li><b>3. Draft Final Report from Review of Customer Services</b></li> <li><b>4. 2011/12 Budget Update II</b> (Andrew Crookham)</li> <li><b>5. Workplan</b></li> </ol>

**22 February 2011**

- 1. Third Quarter Monitoring Report**
- 2. Workplan**