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## Effective Organisation Overview & Scrutiny Committee

30 June 2009

### Report of the Director of Resources

## Year-end Performance and Financial Report for 2008/09

### Summary

- 1 This report provides details of how the council has performed in 2008/09 (covering the period April 2008 to March 2009). It also presents requests for budget carry forward and a reserves position statement. Three areas of performance are covered in this report:
  1. **Finance** - which covers the financial out-turn for 2008/09.
  2. **Performance** - which examines how well the council is performing against the National Performance Indicator set and LAA targets.
  3. **Key projects** - providing an update on how well the council is delivering improvement in the key projects that support the council's key priorities.
- 2 2008/09 is the first year that the council has reported performance under a new set of national performance indicators, which cover more outcome-based performance compared to the old best value indicator (BVPI) set. Priority based improvement is very encouraging with over three quarters of the Local Area Agreement indicators improving and nearly two-thirds hitting or exceeding their 2008/09 targets. The council's first Place Survey results are also very good (55% performing in the top quartile), which could be seen as positive endorsement from York's citizens on what it's like to live and work in the city. Overall York has improved on more indicators than in 2007/08 and performance compares much better against other authorities (e.g. 43% of national indicators in top quartile compared to 30% of BVPIs in 2007/08). There's also plenty of exceptional performance to celebrate, where York's performance is amongst the best in the country (e.g. educational attainment and waste management).
- 3 Effective financial management has ensured that these improvements have been achieved within the Council's overall budget for 2008/09. The Council remains the second lowest spending unitary authority per head and therefore the performance improvements demonstrate excellent value for money for the citizens of York. A 2008/09 Annual Report will be published on the council's website in early July, which will summarise (in a more public friendly version) most of the key points made in this report, including a draft statement of accounts.

### Background

- 4 The first nine pages of this report cover the main headlines for 2008/09 and the rest of the report studies each directorate in more detail. Below is a summary of the key finance and performance headlines and corporate health.

## **FINANCE**

### **Out-turn overview**

- 5 The General Fund budget for 2008/09 is £116,203k, however utilisation of balances and trading account profits reduce the call on council tax and indirect grants to £110,471k. The out-turn position is that there will be a net underspend of £1,478k in the year, of which Treasury Management activity has contributed £1,099k, and of which Directorates have identified and requested that £472k will be needed to be carried forward into 2009/10. There are two service areas where corrective action could not bring spend back in line with budget due to external pressures, Children's Services (non DSG) and City Strategy. The Children's Services overspend includes several issues where there is a continuing pressure into 2009/10 and work is currently underway to address these areas.
- 6 The finance regulations require that where an overspending has occurred in one financial year it is carried forward into the following year, and is a first call on that year's budget. Taking this course of action would immediately put Children's Services into an even more difficult position, and it is recommended that this process is not followed.
- 7 In looking ahead, if the council is to maintain its track record of providing high quality services then it will need to continue to robustly address its financial pressures that currently exist. This will remain a key priority for future budget processes, and the pressures will be incorporated into the financial plan.
- 8 Following the decision of the House of Lords in the Conde Nast and Fleming cases that VAT claims could be backdated to 1973, rather than be excluded under a 'three-year capping' rule, the Council submitted a claim to HMRC for cultural exemption for VAT on museums' admissions for the period from when it was introduced in January 1990, to July 2002, when the Museums Trust was established. The success of the claim and the exact sum to be rebated was unknown when the last monitor was presented to Members. A net sum of £1,817k, including interest, was received in the last few weeks of the year. This rebate has been transferred to the general reserve and is not included in the out-turn position shown in paragraph 11. While this transfer will provide headroom in the council's reserves and balances above the recommended minimum balances, such headroom will, as Annex 1 demonstrates, cease to exist during 2011/12, which is within the lifetime of the financial plan.

### **Reserves**

- 9 The level of revenue reserves at 31 March 2009 is projected to be £8,414k before any adjustment is made for net variations in the current year, as shown on the following table. The 2008/09 budget process recommended a minimum threshold level of £5,361k.

## Summary of Revenue Reserves

		2008/09 £'000
<b>General Fund Reserve</b>		
Balance at 1 April		(11,426)
Less:		
Committed in Annual Budget	1,992	
Underspend in previous year released in year	1,513	
Transfer to Invest for Efficiency	1,000	
Supplementary Estimates granted in year	1,519	6,024
		<u>(5,402)</u>
Add:		
NNDR Rebates	(18)	
Additional LABGI grant	(691)	
Final LABGI grant - not expected until 2009/10	(186)	
Transferred funds from insurance reserve	(300)	
Backdated VAT claims rebate	(1,817)	(3,012)
		<u>(8,414)</u>
<b>Balance at 31 March 2009</b>		<b>(8,414)</b>
Balance on Trading Activities Reserve at 31 March 2009		(332)
<b>Balance on Revenue Reserves at 31 March 2009</b>		<b>(8,746)</b>
Balance on Venture Fund at 31 March 2009		(2,276)

- 10 This shows the General Fund reserve has reduced to £8,414k at the end of the current financial year. A report will be brought to Members in July reviewing the level of earmarked reserves, and making recommendations. A preliminary review shows that the sum held in the insurance reserve could be reduced and it is therefore proposed that £120k be transferred into the general fund reserve in 2008/09 to meet the remaining uninsured costs of York High School fire (see paragraph 42d) and that a sum of £400k be transferred with effect from 1 April 2009. From 2009/10, with the implementation of the new FMS, the opportunity has been taken to include the former compulsory competitive tendering (CCT) accounts within general fund, as it is no longer a requirement that separate financing arrangements exist. In line with this it is proposed that the trading activity reserve is incorporated in the general fund reserve with effect from 1 April 2009. Annex 1 sets out the position with the underspend, the VAT rebate (see paragraph 8), the further use of the insurance reserve and the transfer of the trading activity reserve included, and forecasts forward over the lifetime of the financial plan.
- 11 It is important that reserves are looked at across the lifetime of the Council's Financial Strategy, rather than simply one or two years ahead. Annex 1 shows that by the end of 2012/13 the level of reserves will be just above the minimum threshold by £140k, leaving little room for further calls. However, an approach has been made to the Council to help YOT since it has lost some income streams, and there is a request for a further release of £550k also being considered on this agenda. If the latter is approved there will be no headroom in reserves from 2011/12 and the position at the end of 2012/13 will be a shortfall of £410k. It is important that the Council seeks to ensure Reserves over the lifetime of the Financial Strategy are sufficient. Further consideration of Reserves will take place as part of developing the Financial strategy. This will be informed also by the economic position, and there may need to be an increase in the recommended level of Reserves to recognise the increased economic risks.

## The General Fund

- 12 The table following summarises the information currently available, together with a forecast for those activities that fall under the remit of the Executive. It shows that service areas overspent by £346k compared to £620k at monitor 3. Central budgets underspend by £483k and Treasury Management activity underspent by £1,099k.

### Summary of Budgets and Variations

Variance 2007/08 £000		Currently Approved Budget			Out-turn £000	Variance Out-turn to Net Budget £000
		Gross Exp. £000	Income £000	Net Budget £000		
	<u>Service Area</u>					
+414	Children's Services (non DSG)	71,611	(42,296)	29,315	30,074	+759
	York High School Fire	-	-	-	120	+120
+47	Leisure and Culture	13,289	(4,211)	9,078	9,050	-28
-16	Economic Development	6,009	(3,401)	2,608	2,606	-2
-49	City Strategy	37,753	(19,304)	18,449	18,726	+277
-377	Neighbourhood Services	23,328	(7,155)	16,173	15,963	-210
+3	Chief Executive's Department	11,844	(5,578)	6,266	6,239	-27
-170	Property	9,287	(8,759)	528	605	+77
-1,363	Resources	59,491	(54,973)	4,518	3,884	-634
-110	Housing General Fund	11,343	(9,906)	1,437	1,418	-19
-939	Adult Social Services	61,499	(22,877)	38,622	38,655	+33
<b>-2,560</b>	<b>Total of Service Areas</b>	<b>305,454</b>	<b>(178,460)</b>	<b>126,994</b>	<b>127,340</b>	<b>+346</b>
	<u>Centrally Held Budgets</u>					
-	Notional Interest	(14,947)	-	(14,947)	(14,947)	-
-	Contribution from Cap Fin Acct	-	(6,215)	(6,215)	(6,215)	-
-1,449	Other Central Budgets	3,870	(691)	3,179	2,696	-483
-2,340	Treasury Management	11,300	(4,316)	6,984	5,885	-1,099
-200	General Contingency	208	-	208	-	-208
229	Trading Profit variance in year	-	-	-	(34)	-34
<b>-6,320</b>	<b>Non DSG General Fund Total</b>	<b>305,885</b>	<b>(189,682)</b>	<b>116,203</b>	<b>114,725</b>	<b>-1,478</b>

- 13 This is an improvement of £488k from the third monitor position and an explanation of key parts of the movements are set out in paragraphs 36 to 68.
- 14 Although the out-turn is an underspend this is mainly due to a number of one-off occurrences. In overall terms the council faces a number of on-going budget pressures and future budget rounds will need to identify appropriate actions to control and mitigate them.

## Non General Fund

- 15 There is a projected overspend of £130k against a budget of £86,389k on the Dedicated School Grant (DSG) functions. Under the terms and conditions of the DSG any in-year underspend must be carried forward to be added to next year's DSG allocation, any overspend can only either be funded from the general fund or carried forward and deducted from the following financial year's DSG. The proposal is to take the latter course of action and charge it against the 2009/10 DSG.

- 16 The HRA current working balance budget is £7,238k. The out-turn working balance is expected to be £7,514k, £276k more than the current budget. This is a small improvement from the third monitor which was forecasting an increase of £181k.
- 17 The trading activity of Neighbourhood Services underspent against the budgeted surplus of £-708k by £-234k, of which £200k is being transferred to the transport reserve. The balance of £-742k is transferred to the general reserve.

## PERFORMANCE OUT-TURNS

- 18 Overall York has improved in 60% of the 107 national indicators (which can be measured against a 2007/08 baseline) with 56% achieving target. Over three-quarters (76%) of the 30 LAA indicators (which can be measured against a 2007/08 baseline) have improved, with 61% achieving their 2008/09 target. The table at Annex 2 provides the headline results across the council and it's key partners.
- 19 For a breakdown of the key indicators monitored corporately during 2008/09 see Annex 3. Comparative performance for the national indicators (where available) is summarised below. This is usually not available until December, so the council has used comparative data from the PwC (Price Waterhouse Cooper) benchmarking site to check how well York has done compared to other local authorities in the consortium. The table below shows the quartile position for the 124 national indicators where comparator data was available.

<b>York against All Councils</b>										
	LCCS	HASS	City Strategy	Neighbourhoods	Comm Safety	PCT	Corporate	Place survey	Total	as a %
Top quartile	24	5	9	3	2	N/A	0	10	53	43%
2nd Quartile	12	2	3	5	0	N/A	1	3	26	21%
3rd Quartile	11	5	4	4	3	N/A	2	5	34	27%
Bottom Quartile	8	1	1	1	0	N/A	0	0	11	9%
<b>Total</b>	<b>55</b>	<b>13</b>	<b>17</b>	<b>13</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>124</b>	<b>100%</b>
<b>York against Unitaries</b>										
	LCCS	HASS	City Strategy	Neighbourhoods	Comm Safety	PCT	Corporate	Place survey	Total	as a %
Top quartile	21	5	6	4	2	N/A	0	10	48	39%
2nd Quartile	16	2	5	2	0	N/A	1	3	29	23%
3rd Quartile	10	4	4	5	3	N/A	2	5	33	27%
Bottom Quartile	8	2	2	2	0	N/A	0	0	14	11%
<b>Total</b>	<b>55</b>	<b>13</b>	<b>17</b>	<b>13</b>	<b>5</b>	<b>0</b>	<b>3</b>	<b>18</b>	<b>124</b>	<b>100%</b>

*Note: 1) Around 50% of all local authorities are members of the PwC benchmark club. However, the number of councils compared to different national indicators varies 2) Some national indicators measure actual numbers, rather than as a ratio of York's population. This can cause distorted comparator results when measuring York's performance against larger authorities.*

- 20 These comparisons do not represent all councils across the country, but there are now enough consortium members to make comparisons meaningful. There may however, be variations in quartile positions when the full comparator data is released by the Communities and Local Government (CLG) in December 2009. Accepting this proviso, it's nevertheless encouraging to see that the transition from the old best value PIs to the new national indicator set highlights a much better picture for York, with more indicators in the top quartile and above average (see table below).

<i>Using all councils</i>	<b>2007/08 (BVPIs)</b>	<b>2008/09 (NPIs)</b>	<b>Var</b>
% of indicators improving	<b>56%</b>	<b>60%</b>	4%
% of indicators in top quartile	30%	43%	13%
% of indicators in second quartile	24%	21%	-3%
% of indicators in third quartile	21%	27%	6%
% of indicators in bottom quartile	25%	9%	-16%

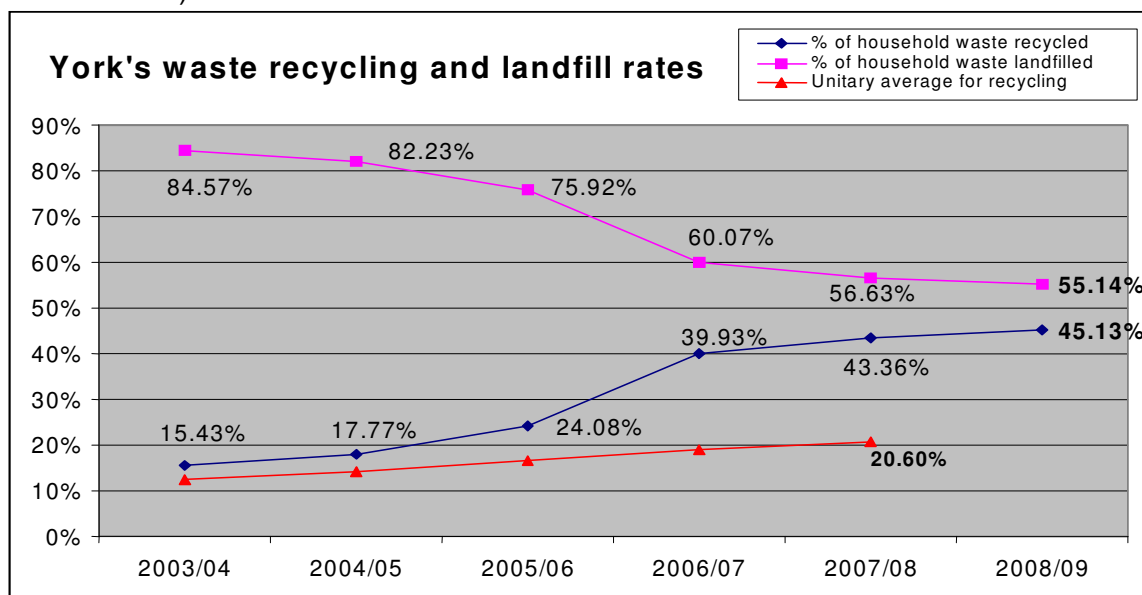
### Performance in Corporate Priority Areas

- 21 50% of indicators relating to a Corporate Strategy theme (2007-11) have met or exceeded their 2008/09 target with 61% improving on 2007/08 performance. The table below shows improvement progress against each theme using the new National Indicators.

	<b>Number of Indicators which have met or exceeded target</b>	<b>Number of Indicators showing an Improvement</b>
<b>Affordable housing</b>	1 of 2 (50%)	2 of 2 (100%)
<b>Cleaner streets</b>	0 of 4 (0%)	0 of 4 (0%)
<b>Economic prosperity</b>	4 of 7 (57%)	5 of 9 (56%)
<b>EF Transport</b>	0 of 3 (0%)	1 of 3 (34%)
<b>Healthy Lifestyles</b>	3 of 7 (43%)	5 of 8 (63%)
<b>Life Chances</b>	10 of 15 (67%)	13 of 15 (87%)
<b>Skills &amp; employability</b>	4 of 11 (36%)	8 of 14 (57%)
<b>Waste &amp; recycling</b>	3 of 3 (100%)	3 of 3 (100%)
<b>Environmental Impact</b>	3 of 4 (75%)	3 of 4 (75%)
<b>Reduce violent, aggressive &amp; nuisance behaviour</b>	5 of 7 (71%)	3 of 7 (43%)

- 22 Particular success has come in the following priority themes:

- *Decrease the tonnage of biodegradable waste and recyclable products going to landfill:* All 3 indicators relating to this theme have improved and hit targets for 2008/09: residual household waste per head, household waste recycled/composted & municipal waste sent for landfill (see paragraph 55a for more details).



Note: landfill and recycling figures for 2008/09 add up to 100.27% due to rules changing on measuring municipal/ household waste.

- *Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city:* 87% of the indicators relating to this theme have improved since 2007/08. This includes reducing the number of first time entrants into the youth justice system, improving the time taken to carry out assessments, narrowing the achievement gap for disadvantaged children, and improving the stability of children looked after.

#### Other Performance Indicator headlines for 2008/09

- Benefits* - Working age people on out of work benefits stands at 7.1%, placing York in the top quartile compared to other authorities. Also, the average time taken to process housing benefit/council tax benefit claims has reduced by 4 days. This has been achieved despite a 6.7% increase in the total number of claimants for 2008/9, with half of these applying in the quarter January to March
- Direct social care payments* - the number of social care clients receiving direct payments and individual budgets has increased by 82%. This puts York in the top quartile compared to other unitary authorities.
- Independent living* – the number of adults (all ages) who are assessed or care planned directly through social services and funded to live independently increased by 11% in 2008/09.
- Affordable homes* - excellent progress has been made in the number of affordable homes available in York, with 151 homes being delivered throughout 2008/09.
- Perceptions of ASB* - just 11.2% of citizens surveyed expressed concern about anti-social behaviour in York. This puts York high into the top quartile.
- Services for disabled children* - has performed extremely well with 65% of parents assessing the level of services provided by the council to be achieving the 'core offer' standards. This places York top of the 30 authorities who piloted this survey in 2008/09.
- Learning gap* – the inequality gap in the achievement of a Level 3 qualification by the age of 19 (LAA Indicator) has shown good progress and has hit the LAA target. The gap for 2008/09 was 25% compared to 30.3% in 2007/08. This is top quartile performance.

#### Place Survey results

- 23 Under the government's new Comprehensive Area Assessment (CAA) framework, 18 'resident perception based' national performance indicators were introduced to gather local views on what it's like to live and work in a local authority area. These indicators are measured through the Place Survey, which takes place every 2 years. The first ever survey took place in 2008/09 and the results will substantially influence the 2009 CAA process, for which results are published in November 2009. York has received its provisional results, but the CLG is not formally publishing the full results (including full comparative quartiles) until the end of June.
- 24 York's provisional Place Survey results are set out in the table in Annex 4. Given that the vast majority have been measured for the first time in 2008/09, it's not

possible to assess improvement from 2007/08. This can make the results for some indicators seem low without comparison with other national results. Therefore, a *'preliminary comparative assessment'* has been carried out through the PwC benchmarking site (comparing York against 46 councils) and this is showing very positive results:

- 13 of 18 (73%) are performing above average (including all 4 LAA Place Survey targets).
- 10 of 18 (56%) are performing in the top quartile (including 2 LAA targets).
- None are in the bottom quartile.

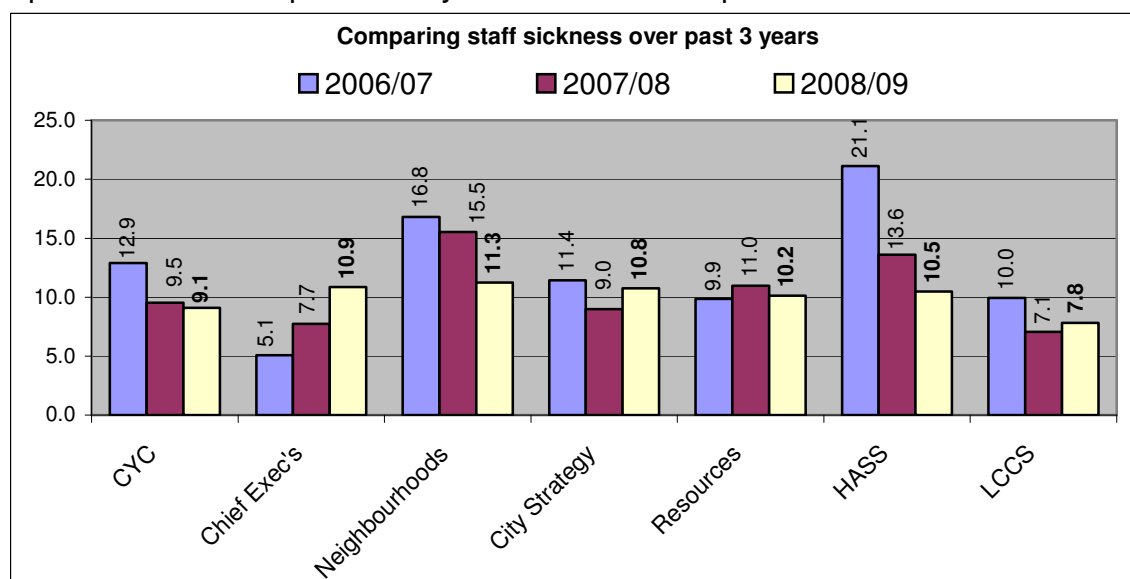
25 A report will be brought to Executive members in July to present the formal comparative results (based on the 'All England' authorities). This will provide a more detailed analysis of the Place Survey results, including a breakdown by the 6 equality strands and ward area.

### Corporate Health Indicator Performance

26 Overall performance for Corporate Health has improved in most areas, continuing a positive trend from 2007/08 - in particular, reductions in staff absence levels and health & safety incidents.

### Staff sickness absence

27 Attendance levels continue to improve across the council with staff taking an average of 9 days per FTE, compared to 9.54 days in 2007/08 (see graph below). This represents a 5% drop over the year and a 30% drop since 2006/07.



28 York has now moved into the third quartile (based on PwC benchmark authorities), which is a good improvement given that the council was in the bottom quartile just 3 years ago and 45th out of 46 in ranking for all unitary authorities.

### Health and Safety

29 All three reported H&S incident categories continued to decline sharply in 2008/09, building on the improvements made in 2007/08. The reduction in major injuries is now becoming a sustained improvement, with just 4 incidents reported in 2008/09, less than half the 9 reported in 2007/08. Minor injuries were also much lower (42



incidents compared to 56 in 2007/08), which represents a 25% decrease. Non-employee (or public) incidents were down by nearly 29% with 7 incidents occurring outside school curriculum activity time. These results represent major improvement in Health & Safety and shows that the council is successfully dealing with an area of corporate health that was identified as a priority in the Corporate Improvement Plan.

#### Customer First Statistics

- 30 Four of the six Customer First measures improved on performance achieved in 2007/08 and 5 are operating above target standard levels. The most notable improvement was in the time taken to deal with stage 2 & 3 complaints, which improved by 3% and 16% respectively. The number of customers needing further help that were seen within 10 mins also improved by 2%, achieving 99% across the council throughout 2008/09. LCCS in particular performed extremely well here, with 100% of 38,200 customers seen within the designated 10 minute period.

#### Prompt payment of invoices

- 31 The % of invoices the council pays within 30 days has improved to 97.4%. This area of performance is particularly important in the current economic climate, as local businesses rely on prompt payments from the council to maintain a healthy cash-flow. When comparing the council's performance with other authorities, this places York high into the top quartile and represents good improvement from 4 years ago when it was processing 92% within 30 days.

#### Equalities

- 32 A programme of priority Equalities Impact Assessments (EIAs) was completed in 2008/09 and this has helped the council to achieve level 2 of the government's Equalities Standard. An engagement strategy for the city has also been developed, which will help to identify and incorporate the views of different stakeholders in future service improvements. To build on this in 2009/10 extensive work will be carried out to gather more disaggregated data so the council can better understand performance and feedback across all 6 equality strands, and from all 22 wards in York.
- 33 The number of ethnic minority staff the council employs as a % of the total workforce has reduced to 3.16%, (from 3.44% in 2007/08). The % of council employees who have a disability has remained stable at 2.09%. However, this compares poorly with the number of working age people with disabilities who live in York, which stands at nearly 12%. However, it's likely that the council employs slightly more disabled people, as it's common for staff not to declare a disability when they start working for the council.

**The remaining pages of this report cover Executive activity and each directorate in more detail with annexes showing the key indicators used in this report.**

## **Collection Fund**

- 34 The Collection Fund is a statutory account and receives all Council Tax and National Non-Domestic Rate (NNDR) income, together with any residual income from pursuing remaining arrears from the community charge. There is a legal requirement that an estimate of the year-end position is made during January to enable the council taxes of the billing authority (CYC) and the major precepting authorities (North Yorkshire Police and Fire Authorities) to be set including either a reduction (if there is calculated to be a surplus available) or an increase (if there is a deficit to recover) for the projection. The projection made in January 2009 was that there would be a £293k surplus at 31 March 2009, of which £236k was the Council's share. This sum was used when setting the 2009/10 council tax level.
- 35 The provisional out-turn gives a surplus of £371k and this reflects the level of collection (97.2% compared to 97.3% in 2007/08). The increased year-end surplus means that there will be £63k (CYC's share of the additional surplus) available for distribution to York Council Tax payers in 2010/11, or £0.95 per band D.

## **Executive**

### **Finance**

#### Centrally Held Budgets

- 36 These are budgets where the reporting responsibility has been reserved to the full Executive, and so any movement on them is considered as part of this report.

#### Notional Interest Income and Contribution from Capital Finance Account

- 37 These are balancing items to entries in service accounts and will always out-turn at budget.

#### Other Central Budgets

- 38 These budgets cover a variety of funding held centrally and details are shown in the table below.

	Net Budget £'000	Out-turn £'000	Variance £'000
Pensions and redundancy payments	1,353	1,248	-105
Specific provision for pay and grading	1,425	1,425	-
Miscellaneous, including contribution to week 53 reserve, rent reviews and provision for bad/doubtful debts	401	23	-378
<b>Total</b>	<b>3,179</b>	<b>2,696</b>	<b>-483</b>

- a The costs of pensions and redundancies are a consequence of the 2008/09 budget savings and retirements under the Council's early retirement policy, but show a net underspend in the year of £-105k.
- b There was an underspend on in-year expenditure against the budget for pay and grading, after making an accrual for estimated costs of appeals decisions. However, in order to maximise the use the Council could make of capitalisation

powers for equal pay it was necessary to transfer the balance of the budget to the equal pay provision.

- c The forecast at the third monitor included a sum for costs across all services for debt write-off. In the out-turn this cost is included within departmental service expenditure, and is not shown as a corporate charge. Of the remaining miscellaneous items budgets only £125k was required. Offsetting this there has been additional income in the year (£-102k) which has arisen from a write-back to revenue of unclaimed sums held in various corporate suspense accounts for more than six years.

### Treasury Management

- 39 This activity has produced a surplus (underspend) of £1,099k. This is in line with the general forecasts for the year.

	Net Budget £'000	Out-turn £'000	Variance £'000
Interest Paid	4,708	4,975	+267
Provision to repay debt	4,644	4,268	-376
Increase in interest receivable	(2,368)	(3,358)	-990
<b>Total</b>	<b>6,984</b>	<b>5,885</b>	<b>-1,099</b>

### Trading Activities Variance in Profit

- 40 The general fund is balanced assuming that £708k would be returned from profit on the trading activities at Neighbourhood Services. This activity has produced a surplus (underspend) of £34k more than this (see also paragraph 17).

## ***Learning, Culture and Children's Services Directorate***

### **Finance**

#### Children and Young People's Services

- 41 The out-turn position is an overspend of £879k compared to a budget of £29,315k. Significant variances between budgets and out-turn are shown on the following table.

	Net Budget £'000	Out-turn £'000	Variance £'000
Children and Families	11,546	12,197	+651
Lifelong Learning and Culture	391	469	+78
Partnerships and Early Intervention	1,754	1,568	-186
Resource Management	7,360	7,406	+46
School Improvement and Staff Development	555	554	-1
School Funding and Contracts	7,709	7,786	+77
Pay and Grading review	-	94	+94
<b>Total Services</b>	<b>29,315</b>	<b>30,074</b>	<b>+759</b>
York High School fire uninsured costs	-	120	+120
<b>Total</b>	<b>29,315</b>	<b>30,194</b>	<b>+879</b>

- 42 The Director of Learning, Culture and Children's Services is reviewing budgets and is developing a plan with a view to bring expenditure back in line with budget.

- a The greatest pressures are within Children's Social Care where there is a net overspend of £678k. This results from the significantly increased demand being experienced for these services (i.e. the Looked After Children population has risen by 35 to 201, an increase of 21%). An example of this is three new and unexpected residential and two short-term children's home placements. Efforts are being made to enable some children to be returned to York.
- b Other areas where there have been overspends totalling £651k include home to school transport, underachievement of income, additional IT software costs and additional staffing costs to cover maternity & sickness within Adult & Community Education and a net overspend on school internal contract budgets, mainly within the Repair & Maintenance Buyback. In addition the directorate has incurred net additional costs of £94k following the implementation of the new corporate pay and grading system for APT&C staff due to staff now being entitled to additional allowance payments for contracted shift, evening and weekend working.
- c Savings of £-664k have been identified to partially offset the overspends. The underspends have come from the Integrated Children's Centres revenue grant only needed to be partially used in the year due to delays in recruitment (£-185k), an underspend on the Broadband budget (£-121k) due to the delay in the implementation of a new broadband contract and management action to delay recruitment and expenditure in the year (£-233k). Finally the Schools Forum has exceptionally agreed that an additional £100k can be charged to Schools Budget (hence the DSG) for the increased fostering costs.
- d Following the fire at York High School last year expenditure totalling £1,000k has been incurred. Of this, £755k was funded by the claim on the council's insurers and £125k was funded from the corporate policy excess fund. This leaves a sum of £120k as a directorate overspend which mainly relates to uninsured costs associated with the transport arrangements for displaced pupils and providing alternative (non education) activities in the period immediately following the fire. Previous monitor reports did identify that there would be an uninsured element, but at the time this was not quantifiable.

Leisure and Culture

43 The latest forecast is for an underspend of £28k against a budget of £9,078k. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Lifelong Learning and Culture	9,078	9,050	-28
<b>Total</b>	<b>9,078</b>	<b>9,050</b>	<b>-28</b>

- a A net underspend within the Library Service of £99k, mainly due to the sale at auction of a number of high value obsolete stock items (-£118k); a shortfall against core library income budgets (+£48k) and other net savings (-£29k). As the stock sale income was always intended to support the first phase of redeveloping the central library into a library learning centre, the service are requesting that £100k be carried forward to 2009/10 to support the project.

- b A net £39k overspend on Parks & Open Spaces, mainly due to significant remedial action required following an extensive survey of trees across all parks and open spaces in the city.
- c Net minor variations produce a further overspend of £32k.

#### Requests for Carry Forward

44 One request has been made to carry forward unspent budgets from 2008/09 into 2009/10:

- a Library obsolete book stock sales £100k. The library service has generated a sum of £118k in 2008/09 from the sale at auction of a number of high value obsolete stock items. It was always the intention to use this one-off income to part fund the transformation of the Central Library in to a new Explore Library Learning Centre. The overall project for the scheme is based on a budget of £500k (£200k from Aviva, £200k for CYC capital resources and £100k from library book sales). The Executive are asked if they are willing to support a carry forward in this instance given the nature of the sales of surplus stock, the specific link that was previously made by EMAP to raising funds in this way in order to improve the York Library, and public awareness of the sales and their purpose.

#### **Non-General Fund Account**

##### Dedicated School Grant (DSG)

45 The overspend in the year was £130k against a budget of £86,389k, compared to the third monitor projection of £358k. Significant variances are:

- a Overspends total £+317k, which includes supply teachers and teaching assistants (+£155k) and of provision for excluded pupils (£+78k) within the Behaviour Support Service. There is also a reduced grant income (£+78k) due to DCSF confirmed pupil numbers being lower than budgeted.
- b Underspends total £-187k which comprise mainly a saving within the Educational Development Service on the Area Based Grant (£-101k), allowing some of the excess expenditure in Behaviour Support to be funded and a net underspend on the school delegated and devolved budgets (£-70k). This will need to be carried forward to 2009/10 and added to the sum available for allocation to schools in this year.

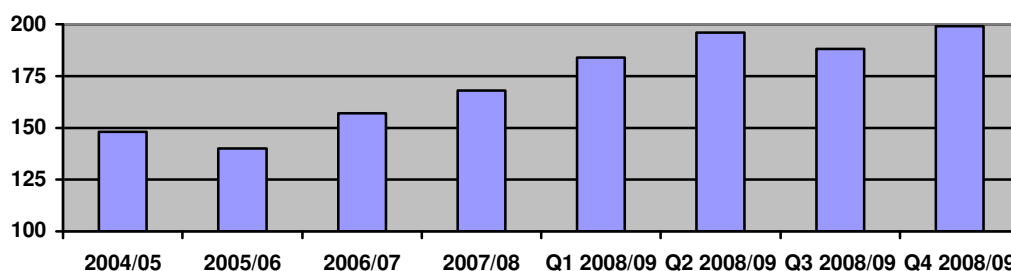
#### **Performance**

46 Overall 60% of the 57 LCCS indicators, which can be measured against 2007/08, improved, with 55% achieving their 2008/09 target. Of the 10 LAA indicators where improvement can be measured 6 (60%) are showing an improvement, although only 40% achieved target. Key performance headlines are:

- a NI 54: Services for disabled children (LAA Indicator) has performed extremely well for 2008/09. 65% of parents assessed the level of services offered to be achieving the 'core offer' standards set out in the 'Aiming High for Disabled Children' report published by the Department for Education and Skills and HM Treasury in May 2007. This result places York top of the 30 authorities piloting this survey in 2008/09.

- b NI 56: Obesity among primary school age children in Year 6 (LAA Indicator) has increased slightly from the baseline year. 16.7% children were defined as obese compared to 15.6% in 2007/08. Despite this increase, York is still in the second quartile compared to other authorities.
- c NI 75: Achievement of 5 or more A\*-C grades at GCSE or equivalent including English and Maths has declined slightly from 54.5% in 2007/08 to 53.8% in 2008/09. However, York is still performing in the top quartile.
- d NI 81: Inequality gap in the achievement of a Level 3 qualification by the age of 19 (LAA Indicator) has shown good progress this year meeting the LAA target. This indicator looks at the attainment gap between those eligible for free schools meals and those who are not who achieve level 3 by age 19, a key deprivation indication. The gap for 2008/09 was 25% compared to 30.3% in 2007/08. This is top quartile performance compared to other authorities.
- e NI 111: The number of first time entrants to the Youth Justice System aged 10 – 17 (LAA Indicator) has comfortably hit this year's LAA target, continuing an overall reduction in crime levels across the city. The number fell by 32% from 2350 young people in 2007/08 to 1602 in 2008/09.
- f NI 112: The under 18 conception rate % change has increased from 15.3% (compared to the 1998 baseline) in 2006 to 24.8% in 2007, which is well short of the LAA target (although this is set nationally). This result puts York in the 3rd quartile compared to other authorities.
- g NI 117: 16 to 18 year olds who are not in education, training or employment (NEET) has increased to 4.2% in 08/09 from 3.9% in 2007/08, but this still places York in the top quartile compared to other authorities. Current predictions show this indicator may increase further as a result of the current economic situation. There has been a decrease in the number of vacancies available in apprenticeships and short-term employment.
- h The number of children looked after (CLA) by the council increased by 17% in 2008/09. This is a concern as it has an adverse effect on a number of national indicators and impacts on resources due to the cost of placements.

**CLA numbers in York**



## ***Housing and Adult Social Services Directorate***

### **Finance**

#### Housing General Fund

47 This service has a budget of £1,437k, and has an underspend of £19k at the year-end. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Housing General Fund	1,437	1,418	-19
<b>Total</b>	<b>1,437</b>	<b>1,418</b>	<b>-19</b>

- a The budget for Howe Hill Hostel has underspent by a net £-11k as a result of lower repair costs, increased expenditure on utilities and equipment and higher occupancy levels. Additional income of £-23k on private sector grant fee has arisen due to the provision of a higher number of grants than forecast, with a further underspend of £-25k due to vacancies in strategy and enabling.
- b Offsetting these is an overspend on repairs and utility costs at travellers sites of £+33k, with minor variations producing a further overspend of £+7k.

### Adult Social Services

- 48 The out-turn is an overspend of £33k compared to the budget of £38,622k. Significant variations are shown below:

	Net Budget £'000	Out-turn £'000	Variance £'000
Assessment and Personalisation	17,761	18,781	+1020
Commissioning and Partnerships	6,564	6,406	-158
Service Delivery and transformation	14,297	13,468	-829
<b>Total</b>	<b>38,622</b>	<b>38,655</b>	<b>+33</b>

- a. There are overspends in various areas totalling £1,685k. The major items include £+211k on social work teams due to the use of agency staff to assist with safeguarding adult's work and ongoing pressure to improve performance on time taken to deal with referrals and £+500k on community support budgets due to large number of customers supported at home. The delay in the re-provision of Huntington Road and Yearsley Bridge has increased costs by £+92k and the latter re-provision has also increased the cost of transportation of customers, including the consultants fee, by £+114k due to more taxi journeys than envisaged being needed. Reductions in income from the PCT has led to overspends in three service areas totalling £+137k. There is an overspend of £+193k on direct payments (where take-up has been encouraged in order to improve performance in this area) and residential and nursing costs. There were also increased costs on repairs and maintenance of adaptation equipment fitted in people's homes to help them remain independent (£+81k), elderly person's homes (£+95k) and active health and occupational health referrals (£+98k).
- b. Offsetting these increased costs are underspends of £1,652k, one of which is the result of action taken across various services within service delivery and transformation to offset known areas of overspend which has produced £-441k. Other savings in service delivery and transformation are £-520k on efficiency savings being achieved over and above those originally planned in internal home and £-116k on small day services principally staffing underspends in several units offset by a small loss of income. Other staffing vacancies have led to savings of £-225k.

## **Non-General Fund Account**

### Housing Revenue Account (HRA)

- 49 The working balance budget on the HRA is £7,238k. This review indicates a net underspend of £276k which, together with the budgeted balance of £7,238k, now gives a total estimated balance of £7,514k. The variances include:
- a. Overspends totalling £890k, the main areas being jobs general, where there has been an increase in both the cost and volume of repairs work completed under the repairs partnership amounting to £570k, increased provision for bad debts of £102k mainly due to higher level of write-offs and £148k for an increased contribution to fund overspend on the capital programme.
  - b. Underspends totalling £1,166k, including £201k from job evaluation and IT contingencies not required in the year, £129k from increased rent income due to a reduction in right to buy sales and lower voids, £114k on housing operations mainly due to staff vacancies, reduction in legal fees and lower than forecast payments for the golden goodbye scheme, £97k due to a lower than forecast take-up and delays in completion of some works on estate improvement grant and £249k additional income from interest earned due to having a higher than forecast working balance.

### Request for Carry Forward

- 50 One request has been made to carry forward unspent budget from 2008/09 into 2009/10:
- a Within the HRA budget a request has been made to carry forward £35k to fund delayed estate improvement works.

## **Performance**

- 51 Overall 80% of the 10 HASS indicators, which can be measured against 2007/08, improved, with 64% achieving their 2008/09 target. HASS are responsible for 8 LAA targets, but only 5 can be measured for improvement or achieving target. All 5 LAA indicators are improving and 3 have hit their 2008/09 target. Key performance headlines are:

### Adult Social Care

- a NI 130: Direct payments for social care clients (LAA indicator) - 2008/09 saw a 82% rise in the number of social care clients receiving direct payments and individual budgets, placing York in the top quartile compared to other unitary authorities. This performance exceeds the 2008/09 LAA target by some way and puts HASS in a good position to achieve the final 2010/11 target.
- b NI 135: Carer Services (LAA indicator) - the % of carers receiving services following a needs assessment and/or a review is at 17.1% (1046 customers). This more than doubles the number of clients who received assessments/review in 2007/08 and is just short of the 2008/09 target. However, York is still in the 3<sup>rd</sup> quartile when comparing performance with other authorities and a target has been set for 2009/10 to increase assessments by a further 31%. This will be achieved by bringing all care workers under one manager to help improve the profile and priority of care assessments.



- c NI 136: Independent living - In 2008/09 the number of residents who were supported to live independently in York increased by 11% (3651 per 100,000 population). This exceeds the 2008/09 target and falls just short of the challenging 2009/10 target of 3750.
- d NI 141: Independent living (LAA indicator) - This indicator measures the number of service users (i.e. people who are receiving a Supporting People Service) who have moved on from 'supported accommodation'. In 2008/09 the number of vulnerable people in York who achieved this form of independent living improved to nearly 70% (from 52% in 2007/08). This exceeds the 2008/09 LAA target and puts HASS on track to achieve the final 2010/11 LAA target of 72%.

### Housing

- e NI 155: Affordable homes (LAA indicator) - good progress has been made in the number of affordable homes available in York, with 151 homes being delivered in 2008/09 compared to a target of 165. These targets were set well before the economic downturn began and this represents a significant achievement. However, given the time lag in building homes it is unlikely that the challenging LAA targets set for 2009/10 (280) and 2010/11 (350) will be achieved.
- f NI 156: Homelessness (LAA indicator) - the number of households living in temporary accommodation in 2008/09 was 167, a 20% decrease on the 209 households reported in 2007/08. This comes in slightly under the LAA target of 170 and represents a good achievement given that the target was set before the current credit crunch and housing market problems started. It also keeps CYC on track to achieve the 2010/11 target of 110, in line with the Government's ambitious expectation of a 50% reduction.
- g NI 158: Non-decent council homes - this indicator measures the % of non-decent council homes in York as the proportion of the total council housing stock. In 2008/09, the number of non-decent homes in York nearly halved, reducing to 5.7% (from 10% in 2007/08). This has moved York from 2nd to top quartile when compared to other local authorities.

## ***Neighbourhood Services Directorate***

### **Finance**

#### General Fund Services

- 52 The out-turn for this service is that there is an underspend of £210k on general fund activity. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Environmental Health and Trading Standards	2,052	2,009	-43
Licensing and Bereavement Service	(818)	(859)	-41
Registrars Service	34	(8)	-42
Neighbourhood Management	1,146	1,100	-46
Ward Committees	809	690	-119
Neighbourhood Pride Service	2,361	2,336	-25
Enforcement and Environment	691	694	+3
Waste Management, Refuse and Recycling	9,511	9,591	+80
Pest Control	46	69	+23
Contribution to Safer York Partnership	341	341	-
<b>Total</b>	<b>16,173</b>	<b>15,963</b>	<b>-210</b>

- a Overspends identified total £209k and include unbudgeted expenditure on security at Towthorpe HWRC (£+84k) and legal fees for the Elvington Airfield appeal (£+38k) which will be recovered if the appeal is successful.
- b Offsetting these are underspends of £-419k including ward committees (£-120k), Community Engagement (£-23k) and Target Hardening (£-24k) which have been requested as carry forward budgets. Additional income (£-148k) in the year contributes to the underspend as does a saving on the abandoned vehicles contract (£-25k) due to the number of abandoned vehicles being less than expected.

#### Trading Activity

53 The out-turn position is an underspend of £234k which has been utilised by transferring £200k to the transport reserve to fund potential costs from the review of the vehicle maintenance contract in 2009/10, with the remaining £34k being transferred to the general fund. Significant variances being:

- a. The Civil Engineering Service has underspent by £-71k, building maintenance by £-129k and transport by £-225k.
- b. Commercial Waste overspent by £58k due to a reduction in their customer base, neighbourhood pride service by £132k due to increased vehicle costs and an underachievement of income, with small overspends on other trading activities totalling £1k.

#### Requests for Carry Forward

54 There are eight requests to carry forward unspent budgets from 2008/09 into 2009/10 totalling £205k:

- a £23k underspend on Community Engagement is requested - to support the sustained citywide youth engagement and integration to the ward committee process.
- b £11k of Target Hardening budget - relating to slippage on committed schemes and it is recommended that this is carried forward so that these schemes can be completed.

- c £13k of Target Hardening budget - this is unallocated and has arisen through £10k for approved schemes that will not now progress and a further £3k due to schemes coming in under budget. It is proposed that this is also carried forward to fund projects in 2009/10.
- d £116k of Ward Committees budget relates to schemes that are already committed. The completion of these schemes was delayed due to external factors or the schemes commenced later in the financial year. It is proposed that this is carried forward to complete the committed schemes.
- e A further £4k of Ward committees budget is uncommitted expenditure due to schemes coming in under budget or not coming to fruition. It is requested that this budget is carried forward to assist with the development of projects in 2009/10.
- f The York Pride Budget has underspent by £2k, which was uncommitted at year end. If this is carried forward it can assist in funding schemes identified for 2009/10.
- g Full funding of the Noise Patrol team for 2009/10 has been identified during the budget process as an issue. £24k of the underspend on environmental health and trading standards is requested for carry forward to provide the full service in 2009/10.
- h The Waste Minimisation market research budget has underspent by £12k. It is requested that this be carried forward to assist with the implementation of the growth bid to continue the rollout of kerbside recycling which was approved during the 2009/10 budget process.

## **Performance**

- 55 Overall 50% of National Performance indicators improved on 2007/08, with 42% hitting or exceeding their 2008/09 target. Of the 2 LAA targets Neighbourhood Services are responsible for, only 1 had a target set for 2008/09 (NI 191 - household waste collected) and this has been achieved. Key performance headlines are:
- a NI 191: Household waste collected (LAA indicator) - the amount of residual household waste collected per household in 2008/09 was 629kgs (compared to 663kgs in 2007/08), a drop of 5% in just one year. This performance more than achieves the 2008/09 LAA target (640kgs) and moves us towards the very challenging 2009/10 target (617kgs). This demonstrates that York's Waste Minimisation Strategy is having an impact on reducing waste collection levels, although other factors (e.g. national trends on sustainable packaging) will also have contributed.
  - b NI 192: Waste recycling & landfill - York continues to increase the proportion of waste recycled and composted (now at 45.1% compared to 43.4% in 2007/08). Over the past 5 years excellent improvement in both recycling and landfill levels have been achieved and the council is now one of the best performing unitary councils in the country. The council plans to further increase recycling over the next few years, offering kerbside recycling to 98% of York households by March 2011. This should also see landfill levels reduce to below 50% of all waste collected.

- c NI195a-c: Street litter & detritus levels - although the council has made good improvements in street cleanliness over the past 4 years, survey results for 2008/09 show a slight decline in performance on 2007/08 (see table below). Graffiti in York also increased on 2007/08 levels, with a peak of incidents taking place in the summer of 2008. Neighbourhood Services did track performance through the street cleanliness surveys throughout 2008/09 and forecasted the decline in performance in the third quarter report. However, York's out-turn figures in 2007/08 of 8% (litter) and 9% (detritus) were the best results since the surveys were started in 2005, and despite the 2008/09 increase, performance is still much better than 2005 - demonstrating that York is a much cleaner city than in previous years. York's comparative performance for these indicators is still below average compared to other authorities, however there is major doubt as to whether street cleanliness surveys are being carried out in a consistent way across the country. CYC performs comparatively well in street cleanliness based on Encams/Defra figures.
- d NI196: Fly-tipping - this indicator is based on trends between years in a) the level of fly-tipping incidents, and b) the level of enforcement activity in response. Anything other than a fall in the recorded level of fly-tipping stops the service from being seen as 'effective'. The number of incidents involving small van loads and larger increased during 2008/09, while smaller scale fly-tipping remained stable. This may be a result of economic pressure on businesses that need to pay for their waste disposal. In addition, Neighbourhood Services increased education and enforcement for fly-tipping, which may have had an effect on the number of incidents reported by the public and council officers. As a result, a 34% increase in the number of fly-tipping incidents through 2008/09 compares poorly with 2007/08 levels and has resulted in York scoring a 3 (not effective). In response, existing resources are being concentrated on increased commercial waste inspections.

Indicator	2005/06	2007/08	2008/09	2008/09 target
NI 195a: Street cleanliness (levels of litter)	22.5% *	8%	8.9%	8%
NI 195b: levels of detritus		9%	11%	8%
NI 195c: levels of graffiti	7.8% *	2%	4.7%	2%
NI 195d: levels of fly posting	N/A	0.3%	1.1%	0%
NI 196: dealing with fly tipping	N/A	2 (effective)	3 (not effective)	2 (effective)

\* based on BVPI 199 results (BVPI 199a reported litter and detritus together).

### Community Safety Performance Indicators

- e Overall 50% of National Performance indicators improved on 2007/08, with nearly two thirds hitting or exceeding their 2008/09 target. Of the 4 LAA indicators for Community Safety, 3 had set targets for 2008/09 and all 3 have been achieved. Over the past 4 years, recorded crime in York has reduced significantly in most areas, with the overall crime rate falling by over 30%. However, the transition to the new National Performance Indicator set means that certain crime incidents are now grouped together for reporting (e.g. serious acquisitive crime). In 2008/09, some areas are showing increased numbers of incidents the previous year, although most are still much lower than 3 years ago. Key performance headlines are:

- f NI 16: Serious acquisitive crime (LAA indicator) - viewed as a whole the serious acquisitive crime rate (NI 16, which is made up of several different crime areas) has increased slightly on 2007/08, but has come in well under the 2008/09 LAA target of 3891 offences. This is mainly due to the theft from a vehicle and vehicle interference crimes performing well while other incident areas such as domestic burglary have increased. Domestic burglaries increased by 14% to 1126, which is above the 2008/09 target of 976. Business property robberies have also increased. However overall, 20% fewer serious acquisitive crimes were recorded in 2008/9, than in 2006/7.
- g NI 17: perception of anti-social behaviour (LAA indicator) - just 11.2% of citizens surveyed expressed concern about anti-social behaviour (ASB) in York. This is a decrease of 1.8 percentage points on 2007/08 and puts York well into the top quartile when comparing other local authorities. The next Place Survey will not take place until 2010 and this will be used as the final outturn for the 3 year LAA period.
- h NI 21 & 27: working together to address ASB & crime - 29.4% of residents who feel the local Police and council understand their concerns about anti-social behaviour and crime and are taking action to address them. This is the first time these questions were asked in the new Place Survey, so it's not possible to assess improvement on previous years or whether a target was achieved. Whilst 29% may seem low, it's extremely hard to score high on such emotive issues. This is backed up by the latest comparative data, which suggests York is performing extremely well, achieving top quartile for both indicators.

## ***City Strategy Directorate***

### **Finance**

#### Economic Development

- 56 The out-turn shows a small underspend of £2k against the budget compared to a forecast break-even position at monitor three. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Economic Development	2,608	2,606	-2
<b>Total</b>	<b>2,608</b>	<b>2,606</b>	<b>-2</b>

- a £87k shortfall on Newgate market tolls continuing the underlying downward trend in market income across the country. This is offset by £-21k additional income from the electricity substation in the compactor yard and £-12k from a staff restructure, leaving a net overspend of £54k.
- b Additional income of £-14k in the city centre and an £-11k saving in the Partnerships team following a number of staff vacancies during the year, together with £-31k from miscellaneous savings achieved to offset the income shortfall bring the service to the net underspend position.

#### City Strategy

- 57 The out-turn is an overspend of £277k against a budget of £18,499k and compares well to a projection of £626k at monitor three.

	Net Budget £'000	Projected Out-turn £'000	Variance £'000
City Development and Transport	16,711	16,650	-61
Planning and Sustainable Development	1,472	1,711	+239
Resource and Business Management	266	365	+99
<b>Total</b>	<b>18,449</b>	<b>18,726</b>	<b>+277</b>

58 The projection at monitor three included three particularly large items, namely increased costs of Winter Maintenance (£+250k) a significant shortfall of income within Planning Services (£+316k) and a significant downturn in the trading position of Yorwaste leading to a projection that the Council would receive a lower dividend (£+113k). At the out-turn these figures have become £+199k, £+319k and £+118k respectively. Whilst it was possible to offset the Winter Maintenance overspend by reducing other highway maintenance expenditure it was not possible to fully mitigate the other pressures.

- a There are overspends of £1,494k offset by underspends of £1,217k. As well as the overspends of £+636k on winter maintenance, Planning income and the Yorwaste dividend identified in paragraph 58 above other major cost pressures include £+335k additional costs of supporting services managed by the North Yorkshire Concessionary Fare Partnership, principally the Coastliner services; £+91k on income shortfalls within car parking and the park and ride service, partly due to the economic downturn and the national concessionary bus pass scheme; planning inquiries at Elvington, Clifton grain stores and Connaught Court increased costs by £+149k, with a further £+31k spent on the village green inquiry; and £+114k due to the delay in progress with waste project which is now at the stage of selecting the preferred solution.
- b The directorate have identified management action that could be taken to offset the overspendings identified and savings of £-87k on car park maintenance, vehicle removal and other operation budgets have been found to reduce the impact of the loss of parking income, and the additional costs of the concessionary fares scheme have been offset by savings of £-119k from slightly lower numbers using services administered by CYC, with a further £-36k on tokens and £-40k on other miscellaneous areas of the budget. Additional Housing & Planning Delivery grant of £-135k has been received and other action have produced savings of £-295k on highway maintenance , £-89k from additional engineering fees, with underspends due to staffing variations, saving from early repayment of the venture fund, and savings in printing and equipment costs, totalling £-349k.

#### Requests for Carry Forward

59 One request has been made to carry forward unspent budgets from 2008/09 into 2009/10:

- a Relocation of Beckfield Lane household waste site - a supplementary estimate was approved by members in September 2008 in the sum of £35k. Only £4k has been spent due to delays in the project and the remaining £31k is requested as a carry forward in order to finance the project in 2009/10.

## Performance

- 60 Overall 60% of the 20 City Strategy indicators, which can be measured against 2007/08, improved, with 11 (61%) hitting their 2008/09 target. Of the 10 LAA indicators where improvement can be measured 8 (80%) improved, with 8 achieving target. Key performance headlines are:

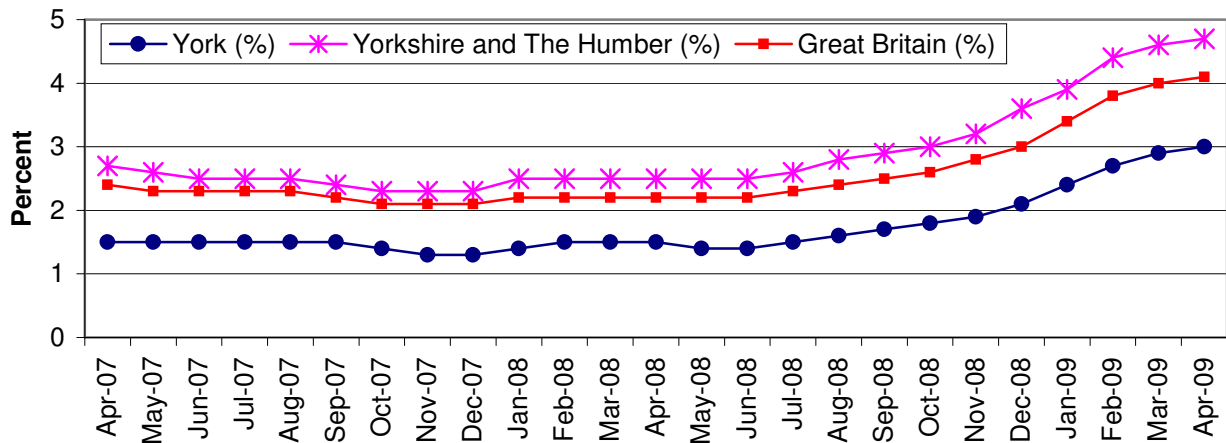
### Roads & Transport

- a NI 47: People killed or seriously injured in road traffic accidents (LAA Indicator) - although this indicator used to be a BVPI, a change in the rules has allowed for more up to date counting. This indicator looks at the rolling average over the past 3 years compared to the previous 3 years. The rolling average (from 2006-2008) was 116 compared to 118 (from 2005-2007) which represents a 1.7% reduction. However, at this current rate of improvement York is in danger of missing the next LAA target. The 2009/10 LAA target is to have a rolling average of 87. This would require the number of people killed or seriously injured in 2009 to be 73 which represents a 23% reduction from the 95 reported in 2008. York has not reduced their numbers as much as other authorities and currently sits in the third quartile.
- b NI 177: Local bus passenger journeys originating in the authority area - the estimated result of 15.3m journeys misses the 2008/09 target of 17m, but exceeds the 14.85m achieved in 2007/08. This increase in performance was influenced by the introduction of the English National Concessionary Ticketing Scheme.

### Economic Development

- c NI 151: Overall employment rate - only an estimate can be provided at this point for 2008/09 as there is a 6-month time delay on this data. However, early signs show York at 83.82%, which would be a slight improvement on last year, although the economic situation may affect the final figure.
- d NI 152: Working age people on out of work benefits (LAA indicator) - performed better at 7.1% than the 2007/08 figure of 7.40%. Initiatives such as "One City" and the Kingsway Action Project, Future Prospects and the Economic Development Strategy, are all working together to increase the number of people in employment. This result puts York is in the top quartile compared to other authorities. The graph below shows the claimant count for the number of people seeking job seekers allowance. This rise shown below follows a national and region trend. However, York's unemployment rate remains below Yorkshire and Humber and Great Britain performance.

### Job Seekers Allowance Claimant Count to April 2009



- e NI 165: Working age population qualified to at least Level 4 or higher (LAA indicator) - at 37.6% this indicator has met the 2008/09 target of 34.8%, a result which puts York in the top quartile. York is also in the top quartile and improving for achievement of level 2 and 3 (also LAA indicators).
- f NI 171: VAT registration rate (LAA indicator) - the proportion of business registrations per 10,000 resident population aged 16 and above. Business registrations are a proxy measure for business start-ups, measuring new businesses registering for VAT and PAYE (Pay As You Earn) for the first time. These figures do not, however give the complete picture of start-up and closure activity in the economy. The rate for 2008/09 dropped to 34.7 (per 10,000 resident population aged 16 and above) from 44.5 in 2007/08, reflecting current economic conditions.

#### Sustainability

- g NI 188: Planning to adapt to climate change (LAA indicator) - this indicator looks at how prepared authorities are to manage risk to service delivery, the public, local communities, local infrastructure, businesses and the natural environment from climate change. York is currently assessed as level 0 for 2008/09. This level shows that the authority has only just begun to assess the potential threats and plans are in place to improve the council's level by 2009/10.
- h NI 197: Improved local biodiversity - this indicator reports the implementation of 'positive conservation management' for local sites of substantial nature conservation value. York improved its performance from 28% in 2007/08 to 40% in 2008/09. Further work will continue on other local sites and the council aims to achieve 64% by 2010/11. This is top quartile performance.

### **Corporate Services (Chief Executive's and Resources Directorates)**

#### **Chief Executive's Directorate**

#### **Finance**

- 61 The overall out-turn is a net overspend of £50k compared to a budget of £6,794k. This is analysed in the sections following.



Chief Executive's Department (excluding Property Services)

62 The out-turn is a net underspend of £27k compared to the budget of £6,266k. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Corporate and Democratic Core	1,612	1,612	-
Chief Executive and Support Team	347	329	-18
Director of People and Improvement	214	215	+1
Human Resources	116	101	-15
Marketing and Communications	(55)	(19)	+36
Civic, Democratic, Electoral and Legal	2,434	2,403	-31
Pay and Grading	1,598	1,598	-
<b>Total</b>	<b>6,266</b>	<b>6,239</b>	<b>-27</b>

- a Overspends totalling £276k which included £+107k resulting from interim arrangements within Human Resources and Health and Safety as previously reported. Legal Services overspent by £+49k, mainly due to the cost of external locum solicitors, together with ongoing pressures on certain supplies and services budgets. There are no other significant expenditure overspends although there is a shortfall of £+43k on print unit and sponsorship income within Marketing and Communications.
- b Offsetting these are underspends of £303k, including £-67k from staffing vacancies and additional income of £-136k from the HR business administration recharges made, including those from the successful operation of the recruitment pool and the occupational health contract. In addition there is a saving of £-22k due to the planned traffic consultation survey to be undertaken by the Scrutiny Board not happening during the year. A request has been made for the latter sum to be carried forward into 2009/10.

63 The pay and grading project expenditure budget was showing an underspend of £257k, however this sum has been transferred to an earmarked reserve to fund the project team costs in 2009/10.

Property Services

64 The out-turn position is an overspend of £77k against a budget of £528k. Significant variances are shown below:

	Net Budget £'000	Out-turn £'000	Variance £'000
Property Services	528	605	+77
<b>Total</b>	<b>528</b>	<b>605</b>	<b>+77</b>

- a The largest overspend is on the management of surplus assets. The outturn overspend of £+120k includes costs incurred on Edmund Wilson Pool, Yearsley Bridge, Lowfields, Monk Bar Garage, Derwenthorpe, St. Clements and 17/21 Piccadilly. As it becomes more difficult to sell properties the costs of maintaining, securing and managing surplus property will become more expensive. The dilemma is that to sell now will mean low receipts, to delay sales until the market is healthier means greater cost of managing our redundant assets.

- b Two other areas were expected to overspend or under-achieve income: Commercial Property Portfolio, as current economic conditions and feedback from tenants informed the service of expected further voids within the sector, and Administrative Accommodation. The income shortfall from commercial property was far less than expected and resulted in an overspend of £36k. Administrative accommodation has incurred an increase in hire and services charges from our landlords for additional costs of repair and maintenance of expensive elements of the leased buildings (e.g. boilers and heating systems). The out-turn is an overspend of £+42k. The increasing pressure on the limited repair and maintenance budget has and will contribute to this challenging budget situation.
- c Offsetting the overspends the three staffing trading accounts of Strategic Business and Design, Facilities Management and Asset and Property Management together made a surplus of £-121k.

#### Requests for Carry Forward

- 65 Two requests have been made to carry forward unspent budgets from 2008/09 into 2009/10:
- a Scrutiny Boards budget - the Scrutiny Management Committee has requested that a carry forward request be made of the remaining 2008/09 scrutiny budget (£22k) in order to finance the planned traffic consultation survey.
  - b Riverbanks Surveys - Property Services have requested that a carry forward request be made for to slippage of work planned for 2008/09 due to adverse river conditions (£14k).

### **Resources Directorate**

#### **Finance**

- 66 The out-turn position is an underspend of £634k against a budget of £4,518k. Significant variances are:

	Net Budget £'000	Out-turn £'000	Variance £'000
Director	278	249	-29
Public Services	2,203	2,165	-38
Financial Services	229	221	-8
Performance, Audit and Risk Management	292	145	-147
IT&T	-32	(443)	-411
Easy Project	1,548	1,547	-1
<b>Total</b>	<b>4,518</b>	<b>3,884</b>	<b>-634</b>

- a Within the Public Services variance there is additional pressure on Benefits Administration of £+219k due to additional one-off staff costs being incurred implementing the benefits restructure due to the embargo on staff changes and delays in progressing the Pay and Grading review. There has also been additional expenditure incurred training staff on revised procedures and the review of benefits overpayments is ongoing which has incurred some additional staff costs this year, but will need to continue into 2009/10.

- b Against these additional costs are savings of £-121k on the benefits subsidy due to a reduction in the bad debt provision for benefit overpayments, with a further underspend of £-131k on the York Contact Centre and Local Taxation administration resulting from a reduction in training costs, posts being held vacant, and lower costs associated with the Council Tax annual billing processes. IT&T have produced savings totalling £-166k through CYC undertaking technical work "in house" rather than through external suppliers as originally costed. In addition there are several projects which have only been partially completed in year, when full completion was planned and other projects which have been deferred completely into 2009/10, saving £-189k.
- c Within Performance, Audit and Risk Management a budget of £50k was set up to fund the Income Collection Policy review and implementation, of which only £16k has been spend by the end of the year leading to an underspend of £-34k. The Policy was approved at Executive in September 2008 which included an 18 month implementation plan. Work is on-going. In addition there is an underspend of £-30k on procurement and risk management, primarily due to the competition strategy budget now anticipated to be spent in 2009/10.

#### Request for Carry Forward

- 67 The Directorate Management Team identified a number of areas where requests for budget carry forward could be made totalling £445k. However, taking account of the overall position of the Council a decision has been made that the majority will be managed within existing budgets. A request for a general carry forward of £100k is made to continue commitments across the whole of the Council in respect of document management, procurement, performance, and income collection procedures, all of which will improve the overall effectiveness and efficiency of the Council.

#### **Performance**

- 68 Overall only 1 of the 6 national indicators can be measured for improvement in 2008/09 and that one is improving. 2 of the 3 indicators, which have targets, have been achieved. There are no LAA indicators within resources.
- a NI 180: Changes in Housing Benefit/ Council Tax Benefit entitlements within the year has not met the target for 2008/09 of 1000 (per 1000 cases). The actual number of changes was 1357 (per 1000 case load), although comparatively this still places York in the second quartile.
  - b NI 181: Average time taken to process Housing Benefit/Council Tax Benefit new claims and change events. This indicator has improved to 15 days (a reduction of 4 days) which is significant considering the economic situation. Despite this, York is still in the third quartile. The council's benefits service reported an 6.7% increase in the total number of claimants for 2008/9, with half of these applying in the quarter January to March.

#### **PROGRESS ON KEY PROJECTS**

- 69 The council is delivering 14 key projects to help drive priority improvement across the city. The following projects are on track to finish within the agreed deadline:

- Council's new headquarters;
- Peaseholme relocation; \*
- Nestle South development;
- Waste PFI;
- Kerbside recycling;
- Community Stadium;
- Kingsway action project;
- Cycling City;
- School Modernisation;
- Access York – Phase 1.

\* No slippage on revised project deadline, but reported in more detail

70 The following 5 projects either have revised target dates, or need to be brought to the attention of executive members:

- *Barbican* - The owners of the Hotel site (W.G. Mitchell) are in negotiation with potential developers to sell the site. Persimmon is also looking at proposals for developing the residential site as a mainly student accommodation scheme. Consideration is also being given to the removal of building restrictions to help promote new development opportunities in the current difficult market conditions. The council has now taken back control of the auditorium building and the Director of LCCS has established a project team to consider future use and development of this site. This has led to slippage for the overall project. Over the next few months £90k is being spent on essential works to the building to prevent further deterioration of the building and meet Health and Safety requirements. Consultation is ongoing.
- *Peaseholme hostel relocation* - The contractor hired to develop the site went into voluntary administration. The administrator has released the property back to the council and a new contractor has now been appointed and has started work on the new site. Consultation with local residents and stakeholders is continuing to achieve party wall agreement and boundary access. The cost of this project has increased slightly due to these problems and the deadline for completion has now been slipped to September 2009.
- *University swimming pool* - The Swimming Pool Steering Group has produced its final report setting out recommendations for the pool configuration and facilities mix, the location of the pool and branding. The capital cost of the facilities has been estimated at £10.9m. To meet the 2011 deadline it would be necessary to have the funding identified imminently. However, there remains a gap of £4m in the capital funding available. The Council is continuing to meet with the University to try to help them identify a way forward.
- *York Northwest* - a York Northwest Area Action Plan is currently being prepared to guide development of this area, with scenario testing of various land use options and the preparation of a supporting transport strategy. The council is working with Leeds City Region (LCR) to promote an Urban Eco Settlement (UES) at YNW and LCR have appointed consultants to prepare further more detailed work, including the British Sugar site. It is planned to start first phase construction by 2011. Consultation with key stakeholder organisations has already started and the next stage of public consultation will take place in late autumn 2009.
- *Development of former Terry's site* - The original planning application for the former Terry's site was rejected in September 2008. The council is now working with the contractor (Grantside) and their design team in order to address the reasons for refusal. Various design options have been tested and work with the local community, through a Community Forum, is now progressing well. A

revised planning submission will be submitted in July 2009 and will take into account Environmental Impact and Transport Assessments. It was also agreed that the local community needed to be more closely involved, and a Community Forum (involving resident representatives, local schools and civic groups) are now engaged in the project. This is expected to progress through to submission in July 2009, and possibly beyond.

### **Analysis**

- 71 All 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**

- 72 A number of performance management meetings and forums have taken place at DMTs and CMT to review 2008/09 performance and delivery. These have helped to inform this report.

### **Corporate priorities**

- 73 The proposals included in this report are designed to demonstrate progress on achieving the council's corporate strategy (2007-11) and the priorities set out in it. It also provides evidence of the co-operation between CMT and the Executive in working together to drive forward prioritised improvement and address performance, delivery or financial issues of corporate concern.

### **Carry Forward Requests**

- 74 Directors have made carry forward requests into 2009/10 and full details of the requests from individual departments for approval by the Executive are shown in paragraphs 44, 50, 54, 59, 65 and 67. The following table summarises the requests and compares them to the under/over spends in the out-turn.

Portfolio	Out-turn Variance	Bids to Carry Budgets into 2009/10	Net
	£'000	£'000	£'000
Children's Services	+759	-	+759
York High School Fire	+120	-	+120
Leisure and Culture	-28	100	+72
Economic Development	-2	-	-2
City Strategy	+277	31	+308
Neighbourhood Services	-210	205	-5
Chief Executive's Department	-27	22	-5
Property	+77	14	+91
Resources	-634	100	-534
Housing General Fund	-19	-	-19
Adult Social Services	+33	-	+33
<b>Total of Service Areas</b>	<b>+346</b>	<b>472</b>	<b>+718</b>

<u>Centrally Held Budgets</u>			
Notional Interest	-	-	-
Contribution from Cap Fin Acct	-	-	-
Other Central Budgets	-483	-	-483
Treasury Management	-1,099	-	-673
General Contingency	-208	-	-208
Trading Profit	-34	-	-34
<b>General Fund Total</b>	<b>-1,478</b>	<b>472</b>	<b>-1,006</b>
<b>HRA</b>	<b>-276</b>	<b>35</b>	<b>-241</b>

- 75 It can be seen from the preceding table that the total of the requests to carry budgets forward represent approximately 32% of the total general fund underspend in the year. The criteria for whether or not a bid for a carry forward can be made are:
- The request is greater than the departmental underspend in the year.
  - It is for specific approved projects.
  - It is for a project that was not completed in the year.
  - The projects are still required by the Council.
- 76 On a departmental basis, three of the requests submitted do not meet the first criteria, namely those from Leisure and Culture, City Strategy and Property Services. The request from City Strategy is based on the fact that there is a saving on the departmental costs if the one-off increased costs relating to Yorwaste and additional winter maintenance are ignored and it is recommended that this one be accepted.
- 77 With regards to the one submitted by Leisure and Culture Members should consider whether or not they wish to approve this request, as the directorate as a whole (including Children's Services) have overspent in both of the last two financial years. Members may also wish to consider reviewing the requests submitted by Neighbourhood Services, particularly the small value requests.
- 78 It should be remembered that all carry forward sums will become one-off budgets for 2009/10. Approving all the carry forward request will mean that the revised net increase in general fund balances will be £1,006k.

### **Implications**

- 79 The implications are:
- Financial - the financial implications are dealt with in the body of the report.
  - Human Resources - there are no specific human resource implications to this report, but it does contain important information on staff management and welfare.
  - Equalities - there are no equality implications to this report
  - Legal - there are no legal implications to this report

- Crime and Disorder - there are no specific crime and disorder implications to this report, but it does provide the Executive with crucial performance information to inform future resource allocation.
- Information Technology - there are no information technology implications to this report
- Property - there are no property implications to this report
- Other - there are no other implications to this report

## **Risk Management**

- 80 The risk management processes embedded across the council continue to contribute towards managing the risk issues associated with major projects and key areas of service delivery. The maturing nature of the risk management culture at the council is helping to create a climate that fosters a more considered view of opportunity and delivery of improved performance. While there are no risks associated directly to this monitoring report a regular risk monitor of the organisations' key risks goes to both Corporate Management Team and Audit & Governance Committee on a quarterly basis for assurance purposes.

## **Recommendations**

- 81 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 CMT and directorates and key areas for improvement can be fed into future corporate planning.*

- b. Note the out-turn position.

*Reason: So that consideration can be given to areas or under and over spending and key areas can be fed into the financial planning process.*

- c. Approve the transfer of the net receipt of £1,817k following the Fleming VAT case to the general revenue reserve as set out in paragraph 8.

*Reason: To ensure that over the lifetime of the Council's Financial Plan reserves are maintained at an acceptable level.*

- d. Approve the transfer of £120k from the Council's insurance reserve to the general fund reserve in 2008/09 and a further £400k in 2009/10 as set out in paragraph 10.

*Reason: To ensure that over the lifetime of the Council's Financial Plan reserves are maintained at an acceptable level.*

- e. Approve the transfer of the balance on the trading activity reserve to the general fund reserve with effect from 1 April 2009 as set out in paragraph 10.

*Reason: To reflect the fact that this reserve is no longer required as the service is now part of the general fund.*

- f. Review the requests for carry forward funds into 2009/10, totalling £472k for general fund services, detailed in paragraphs 44, 54, 59, 65 and 67, and summarised in paragraphs 74 to 78, and determine which ones should be approved.

*Reason: So that resources can be directed into those areas that meet corporate priorities.*

- g. Approve the request to carry forward £35k for the housing revenue account, detailed in paragraph 50, and summarised in paragraph 74.

*Reason: So that resources can be directed into those areas that meet corporate priorities.*

### **Contact Details**

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**Specialist Implications Officer(s)** None

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

**All**

√

### **Background Working Papers**

Reports to individual Executive members and Directorate Management Teams

### **Annexes**

Annex 1 - Reserves Position and Forecast  
Annex 2 - Snapshot analysis of National Performance Indicators  
Annex 3 - Full NPI 2008/09 results table  
Annex 4 - Place Survey Results for 2008/09