
Effective Organisation Overview & Scrutiny Committee

30 September 2009

Report of the Director of Resources

First Performance and Financial Monitor for 2009/10

Purpose

- 1 This report provides details of the headline performance issues from the first performance monitor of 2009/10 covering the period from 1st April to 30th June 2009, with further up-to-date data where possible. Three areas of performance are covered in this report:
1. *Finance* – which covers service and corporate budgets.
 2. *Performance* – which examines how well the council is performing across a wide range of performance indicators, at both corporate and directorate level.
 3. *Key projects and priorities* – providing an update on progress against the council's corporate priorities and the key projects that support their improvement.

Summary

- The forecasted overspend on departmental activity is £2.1m with a further £0.6m on central budgets, offset by the assumption that there will be no further releases from the contingency fund resulting in a net projection overspend of £2.3m, with this position only possible following the identification of in year savings totalling £1.8m.
- Should this level of spend continue, the potential call on revenue reserves would take the Council below its minimum acceptable reserves threshold and will have implications on next year's Council Tax levels both to contain the expenditure and also to re-build the reserve levels.
- Whilst significant actions have already been taken within individual directorates to reduce costs, it is recognised that further action will be necessary to bring expenditure in line with the budget.
- National Performance Indicators (NPIs) – 54% of NPIs (with data available) are improving, with 56% on track to hit their 09/10 target. 60% of the LAA indicators (with data available) are improving and 64% are on track to hit their 09/10 target. Areas of poor performance will be reviewed and benchmarked for improvement, action will be taken where appropriate. Any areas of poor performance which relate to corporate or community priorities may also be reviewed by scrutiny, the council's 5 themed committees.
- Corporate Strategy – 6 of the 54 milestone actions have now been completed and a over three quarters are on track to hit their agreed deadline. Slippage has been reported for 9 of the actions. Action is being taken to ensure these items are addressed within the year.

Finance - Overview

- 2 The General Fund budget for 2009/10 is £117,705k, with utilisation of balances and reserves reducing the call on Council Tax to £113,565k. The current projection is that there will be a gross overspend of £4,457k, with corrective in year action taken by Directorates reducing this to a net overspend figure of £2,340k.

General Fund

- 3 The following table summarises current approved budgets and forecasts for areas falling under the remit of the Executive. It shows that service areas are currently projecting a net overspend of £2,142k, with central budgets and the contingency an overspend of £198k, combining overall for a total net overspend on the General Fund of £2,340k.

Variance 2008/09 £000		Currently Approved Budget			Projected Out-turn £000	Variance Out-turn to Net Budget £000
		Gross Exp. £000	Income £000	Net Budget £000		
	<u>Service Area</u>					
+759	Children & Young People's Services	74,608	(44,868)	29,740	31,045	+1,305
-28	Leisure and Culture	13,158	(4,248)	8,910	8,981	+71
-2	Economic Development	5,990	(3,273)	2,717	2,717	-
+277	City Strategy	23,578	(18,214)	5,364	5,527	+163
+77	Property	9,379	(9,035)	344	639	+295
-244	Neighbourhood Services	68,159	(37,462)	30,697	31,017	+320
-27	Chief Executive's Department	3,200	(983)	2,217	2,248	+31
-634	Resources	70,368	(63,959)	6,409	6,177	-232
-19	Housing General Fund	11,305	(9,898)	1,407	1,407	-
+33	Adult Social Services	62,155	(23,478)	38,677	39,266	+589
-	Credit Crunch Budget Not Allocated	400	-	400	-	-400
+192	Total of Service Areas	342,300	(215,418)	126,882	129,024	+2,142
	<u>Centrally Held Budgets</u>					
-	Notional Interest	(15,029)	-	(15,029)	(15,029)	-
-	Contribution from Cap Fin Acct	-	(7,946)	(7,946)	(7,946)	-
-363	Other Central Budgets	4,882	-	4,882	4,910	+28
-1,099	Treasury Management	11,178	(2,621)	8,557	9,086	+529
-208	General Contingency	359	-	359	-	-359
-1,478	General Fund Total	343,690	(225,985)	117,705	120,045	+2,340

- 4 The reasons for the projected overspend are summarised in the table overleaf. One key reason is the current economic climate with a number of service areas experiencing significant shortfalls in income. These total £978k in service areas and include major reductions in expected parking income and planning fees. The budget for 2009/10 included £400k against this eventuality and this is included in the main table above. In addition the movement on Treasury Management activity, from producing an underspend in 2008/09 to an overspend projection is largely due to reduced interest rates and market uncertainty.

<u>Type of Pressure</u>	Total (£000's)	
Economic Climate:		
Interest Rates/Market Uncertainty	529	
Planning Fees	500	
Parking Income	200	
Building Control	125	
Yorwaste Dividend Shortfall	130	
Other Net Income Shortfalls	23	1,507
Increased Children's Social Care Demand:		
Looked After Children	950	950
Increased Adult Social Care Demand:		
Elderly People	419	
Physical Disabilities	405	
Learning Disabilities	384	
Mental Health	83	1,291
Standard/On-going Budget Pressures	709	<u>709</u>
		4,457

- 5 Whilst the economic climate may be seen as a one off occurrence, other reasons for the current overspend represent serious on-going budget pressures and future budget rounds will require services to identify actions that will fully address them. In particular, the increased demand for social care across the city contributes £2,241k towards the projected overspend. In children's social care, the number of Looked After Children has increased by 28% since March 2008 which has resulted in a significant increase in associated costs, which have in part been mitigated by the Council's investment in foster care, and thereby reducing the proportion of children in more expensive residential placements. Likewise in adult social care, demand for community care packages has increased by 25% and care placements by 22% which again has seen a marked increase in associated costs. These issues as well as other on going budget pressures are outlined in more depth by service portfolio later in this report.
- 6 There are further potential future cost pressures that are not included in the projected figures, most significantly those associated with the implications of equal pay and in particular the cost of appeals following the recent implementation of the pay and grading review. The figures included in the table assume that the cost of appeals can be met by a lower pay award settlement than included in the budget. If the combined cost of the pay award and appeals is higher than the budget available then there will be a further pressure on the Council's budget. Preliminary indicative costings are that the costs can be contained in 2009/10, but that there will be additional cost pressures in future years.
- 7 In light of these increased spending pressures, Departmental Management Teams have been working hard to identify in-year savings to mitigate the Council's overall overspend position. As a result, departments have found £1,758k of projected in year savings, which, together with the removal of the remaining contingency budget, reduces the overall overspend from £4,457k to the reported position of £2,340k. A table summarising the broad areas of the savings is shown below.

<u>Type of Saving</u>	Total (£000's)
Staffing/Vacancy Freezes	471
Cash Limiting Budgets	421
Reorganisation of Service Provision	866
	<u>1,758</u>

- 8 As well as these savings, Departmental Management Teams are continuing to review opportunities to bring the projected overspend back in line with the budget. This will include delaying expenditure where possible, further opportunities for the control of staffing costs (e.g. vacancies) and other options to improve the overall efficiency of services. This will be regularly monitored by Corporate Management Team (CMT), and in discussion with Executive Members, with a view to reaching a balanced budget position. Looking ahead to 2010/11, it is important that some of the ongoing budgetary pressures are addressed as part of the financial strategy. As a result, this is likely to result in the requirement for further savings, and thereby highlighting the need for the fundamental transformation of services across the Council, through the More4York programme.

Children & Young People's Services

- 9 Children & Young People's Services is currently forecasting a net overspend of £1,639k, reduced to £1,305k following corrective action, which is made up of several significant cost pressures across the service. There are numerous overspends across the statutory children's social care budgets totalling a net £1,012k (9.1% of the total CSC budget). The vast majority of this is due to the continuing increase in the Looked After Children (LAC) population, up from 166 at March 2008 to 199 at March 2009 and 213 at 30 June 2009, an increase of 28% with no accompanying increase in the budget. The directorate has managed to contain the financial increase at a much lower level than the percentage increase in LAC by, in part, continuing the expansion of the local fostering programme and thereby reducing the proportion of LAC placed in more expensive out of city placements.
- 10 Home to School Transport budgets are projecting an overspend of £411k due to increased SEN taxi costs, more LAC (as above) and more appeals granted by Members.
- 11 There are unbudgeted net additional costs, estimated at £322k in 2009/10, across all LCCS services following the implementation of the new pay and grading system for APT&C staff. This is almost entirely due to a significant number of staff now being entitled to additional allowance payments for contracted shift, evening and weekend working which were all contained within basic pay under the previous pay system.
- 12 Other projected overspends elsewhere across the directorate include shortfalls in fee income in Adult Education (£90k) and the Music Service (£75k), and Youth Service activity that has continued to be undertaken even though the external funding supporting it has now ceased (£39k). This is offset by an underspend of £340k due to the staffing structures supporting the new Integrated Children's Centres not yet being fully recruited to.
- 13 The department has taken action to reduce its overspend position by finding in-year savings of £334k, including gaining approval from the Schools Forum to fund extra SEN transport costs from the Schools Budget (£100k), staffing savings (£81k), reprioritisation of grant funding (£54k) and targeted increases in income from traded services (£28k).

Leisure and Culture

- 14 There is currently a net £180k overspend projected in Leisure and Culture which has been reduced to £71k following the identification of in-year savings. The Library

Service is currently experiencing an expected £80k shortfall in income. Sport & Active Leisure are predicting an £85k overspend linked in part to shortfalls in income at Edmund Wilson Swimming Pool and increased energy costs (not usage) at Yearsley Swimming Pool. This is offset by in year savings of £109k including vacancy management measures (£54k) and reduced repairs and maintenance work in the city's parks and open spaces (£28k).

Economic Development

- 15 Current forecasts are that Economic Development will out-turn on budget. This is following a fundamental review of markets and city centre area budgets which has resulted in a lower, more achievable income target for Newgate Market, with higher income budgets elsewhere.

City Strategy

- 16 The current projection is that City Strategy (excluding Property Services) will have a gross overspend of £413k reduced to £163k after corrective action has taken place. The overspend is mainly due to a number of services experiencing income shortfalls linked to the economic downturn. City Development and Transport is forecasting a shortfall in Parking income of £200k and the additional cost of £112k in issuing concessionary fares tokens. This is offset by a forecasted in-year reduction in concessionary fares costs of £125k resulting from the Concessionary Fare Partnership seeking to reduce the Council's rate used to reimburse bus operators.
- 17 In Planning, there are significant projected shortfalls in income linked to a reduction in fees received from major planning applications (£500k) and building control fees (£125k). However a potential additional receipt of the Housing & Planning Delivery Grant of £440k is expected to offset this.
- 18 There is a further shortfall in income due to a lower than budgeted anticipated dividend from Yorwaste (£130k) due to reduced tonnages.
- 19 The department have identified actions to reduce its overspend by £250k comprising vacancy management measures (£100k) and cash limiting budgets and deferring project expenditure across the department (£150k).

Property

- 20 Property Services is projecting an overspend of £295k which is mainly due to an assumed loss in the Commercial portfolio linked to not receiving wayleave income at Harewood Whin (£170k) and costs associated with maintaining surplus assets such as the Manor and Lowfields schools (£50k).

Neighbourhood Services

- 21 The latest projection for Neighbourhood Services is a net overspend of £320k, after identification of in-year savings of £200k. Of this, Waste Services is projecting an overspend of £375k comprising Landfill Tax costs (£200k), a shortfall in Commercial Waste income linked to the current economic climate (£100k) and the funding of additional security at Towthorpe Household Waste Recycling Centre (£75k). Other areas contributing to the overspend include costs associated to losing the Elvington Airfield noise abatement case (£68k) and reduced income from parking penalty charge notices (£46k). This is offset by a projected £200k in year saving linked to extending transport leases.

Chief Executive's Department

- 22 The residual Chief Executive's department is forecasting an overspend of £31k. This is primarily attributable to a £38k shortfall in income from the Print Unit and the sponsorship of boundary signs.

Resources

- 23 Resources are projecting that they are on track for a small net underspend of £32k, but are taking further action to alleviate the corporate overspend position by offering in year vacancy management savings of £100k and £100k of other savings, resulting in the net reported underspend of £232k.
- 24 Further opportunities, including the potential for delaying some IT projects, are being considered with a view to increasing the overall underspend in the directorate.

Housing General Fund

- 25 Based on current estimates, it is expected that the Housing General Fund service will out-turn on budget. An overspend of £61k on repairs and utility costs at travellers sites is offset against an underspend at Howe Hill Hostel linked to higher occupancy rates (£38k) and other minor variations (£23k).

Adult Social Services

- 26 After identifying £665k of in-year savings to address cost pressures in the year it is currently projected that Adult Social Services will overspend by £589k. Contributing to this overspend is an increase in the number of customers supported at home (£622k), an increased Direct Payment take up (£586k) and increases in the number of Mental Health residential and nursing placements (£83k). This is offset by underspends at Elderly Persons' Homes, due in part to overachievement of income (£278k), and corrective in year action by the directorate of £665k designed to reduce the gross overspend position. This is comprised of the redirection of grants (£389k), reduction in training expenditure (£150k) and vacancy management controls (£126k).
- 27 The long term commissioning strategy which was reported to Members in 2008 predicted increases in demand for adult social care services at about 10% per year based on changing demographics. The actual growth has been slightly higher with a 25% increase in community care packages and a 22% increase in care placements over the past 2 years. It is for this reason that commissioning more community based services that promote and support independence and optimise people's ability to look after themselves is such a priority for work with NHS colleagues. The More For York programme is also focussing on service delivery within adult social care and in particular the arrangements for home care, re-ablement and residential care. However, there will need to be more work done before proposals for changes can be brought forward and there is unlikely to be any change to demand within the remainder of 09/10.

Centrally Held Budgets

- 28 These are budgets where the reporting responsibility has been reserved to the Executive and any activity against them is deemed part of this report. Current activity is projected to overspend by £557k.
- 29 Treasury Management activity is currently expected to produce a deficit of £529k. This is due to two key factors; firstly, interest rates payable on long term borrowings are higher than anticipated due to uncertainty in the prospect for growth causing investors

to switch between equities and gilts resulting in high and fluctuating rates and the projected drawing down of new debt being brought forward to allow borrowing to be taken earlier in anticipation of rising rates toward the latter part of the year (£150k), and secondly, the decrease in interest receivable is due to the continued fall in market interest rates available for investment with the 1-year rate starting the year at 2.15% and continuing to fall to 1.43% in the first 4 months. In addition there are lower cash balances than originally anticipated coupled with lower interest rates which have meant a significant reduction in interest earned projections (£379k).

- 30 The remaining £28k overspend is attributable to increased costs of providing staff with Park and Ride passes.

Contingency

- 31 The General Contingency for 2009/10 was set at £600k. Areas that may potentially require funding from this were identified during the budget process and these totalled £944k, including Landfill Tax (£400k) and shortfalls in parking income (£150k).
- 32 To date, £241k has been released to cover expenditure in areas that were not identified during the budget process; £120k towards Barbican development options and £121k to provide additional support to Burnholme Community College.
- 33 Given the current financial situation, it is recommended that no further allocations from the £359k balance on the Contingency are accepted. The projected overspend for the year, as set out in the table in paragraph 3, assumes that this budget will not be spent, resulting in a saving to offset overspends elsewhere.

Non General Fund

- 34 In the Dedicated School Grant (DSG) area there is a projected overspend of £696k against a budget of £87,865k. 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. Following the convention used in 2008/09, the £696k overspend would be used to reduce the funding allocation granted for 2010/11.
- 35 The budgeted HRA balance is £8,149k. The current projection is that there will be a £415k overspend which will reduce this balance to £7,734k. The main reason for the variation is linked to repairs and maintenance activity.

Reserves

- 36 The table on the next page shows a summary of the Council's revenue reserves. It is currently projected that the balance of these reserves will be £6,593k at 31 March 2010 before any adjustment is made for net variations in the current year. The 2009/10 budget process recommended a minimum threshold for revenue reserves of £5,521k.

	2009/10 £000
General Fund Reserve	
Balance at 1 April	(10,012)
Less: Already Committed To Annual Budget	3,511
Already Committed To Annual Budget (LABGI Grant)	186
Carry Forward Underspend from Previous Years	472
Revised General Fund Reserve	(5,843)
Add: <u>Other Adjustments</u>	
NDR Rebates	(50)
Transfer funds from insurance reserve	(400)
Transfer funds from trading activities	(300)
	(750)

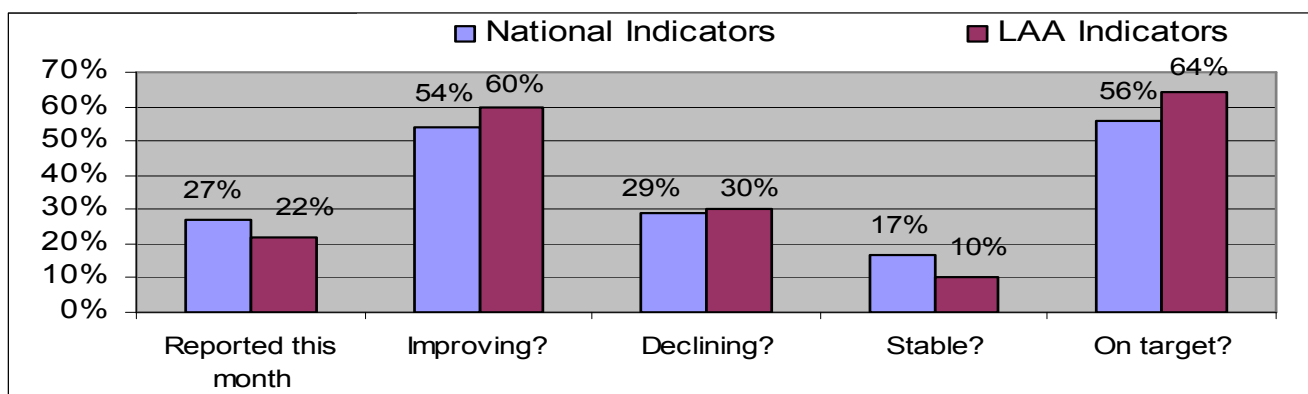
Expected General Fund Reserve as at 31 March 2010 (6,593)

- 37 It should be noted that any overspend will reduce the overall level of reserves, and should the current level of spend continue it will take the Council below the recommended minimum threshold for revenue reserves which will have implications on next year's Council Tax levels both to contain the expenditure and also to re-build the reserve levels. Therefore corrective action in the form of further savings must be taken to avoid the threshold being breached as well as avoiding the requirement for further savings in 2010/11.

Performance indicators

- 38 Overall just over a quarter of the national performance indicators have data available at this point in the year. Of those 54% are improving compared to last year and 56% are on track to hit their 2009/10 target. Only 22% of the LAA indicators have 2009/10 data available at this stage in the year with just over half of those showing improvement.

	Reported this month	Improving	Declining	Stable	On target
National Indicators (NPIs)	58 of 214	28 of 52	15 of 52	9 of 52	29 of 52
LAA indicators (sub-set of NPIs above)	11 of 50	6 of 10	3 of 10	1 of 10	7 of 11



39 The following paragraphs provide members with details of indicators where performance is deemed to be an exception (e.g. good improvement or possible areas of concern). In particular, indicators that support priority improvement (e.g. LAA or corporate strategy targets) have been included.

Transport & road safety

40 *NPI 47 (people killed or seriously injured in road traffic accidents):* performance for April to June 2009 currently stands at 10. This is significantly better than the 30 incidents that occurred for the same time period in 2008. A range of successful initiatives have been introduced over the past year such as the 'Made you Look' campaign, which was launched in 2008. A 'Safer Business Driving Conference' was also co-coordinated by the Council in June 09 for fleet managers in the York area and an event for older drivers is planned for October 09 as the days start getting shorter. This is an LAA indicator and if the trend continues York will easily achieve the 2009/10 target.

41 *Park & ride:* There has been a slight decline for Q1 of 2009/10 to 691,081 compared to 695,612 for the same period in 2008/09, see the table below.

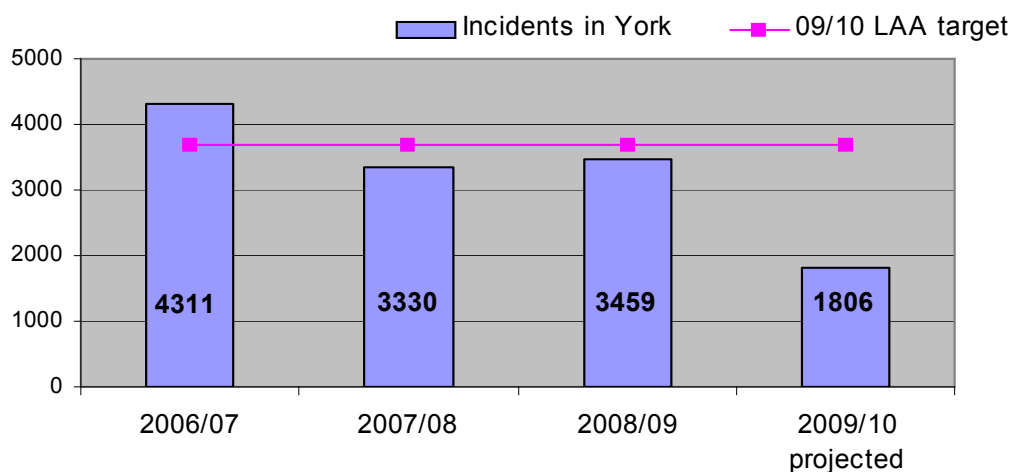
Park and Ride Passengers

Q1 08/09	Q2 08/09	Q3 08/09	Q4 08/09	Q1 09/10
695,612	779,471	825,263	682,275	691,081

Community Safety

42 *NPI16: Serious acquisitive crime rate.* 2008/09 saw a 4% rise with serious acquisitive crimes in York (3459), although the 4th quarter of last year did report much lower incidents than the previous 3 quarters. This trend has continued during 2009/10 with just 602 crimes recorded between April and July. NPI16 is made up of a number of crime types and several of the sub category crime areas are experiencing significant reductions in incidents. If the current trend continues, the forecast is to reach around 1800 by the end of the year, which would equate to a 48% reduction on 2008/09 and would achieve the 2010/11 LAA target by a significant margin.

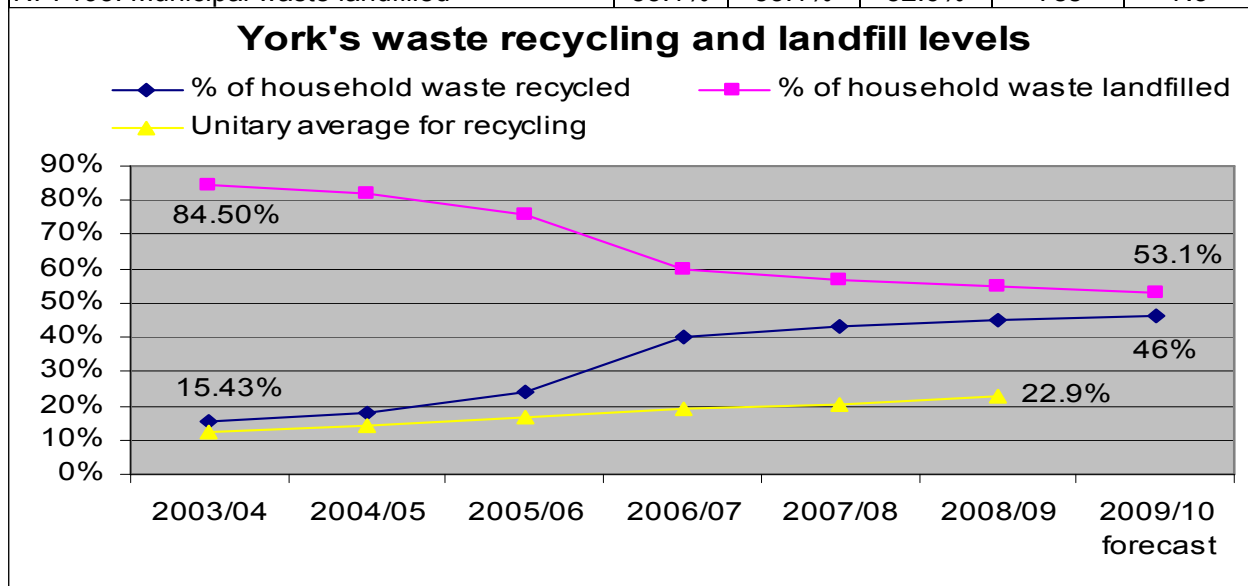
Serious acquisitive crime levels in York



Waste & recycling

- 43 *NPIs 191 to 193: Waste collection & management.* Recycling levels continue to improve on the already top quartile performance that has been achieved over the past 4 years. This has had the corresponding knock-on effect with the proportion of waste landfilled, which is now approaching 53% (see table below).

	08/09 Result	09/10 Forecast	09/10 Target	Improving ?	On target ?
NPI 191: Residual household waste per head	629kg	597kg	617kg	Yes	Yes
NPI 192: Household waste recycled/composted	45.1%	46.0%	47.9%	Yes	No
NPI 193: Municipal waste landfilled	55.1%	53.1%	52.6%	Yes	No



- 44 However, current landfill projections suggest that we may fall 0.5% short of the 2009/10 target of 52.62%. Residual waste collected per household is forecast to reduce further (597kgs), which would come in well under the very challenging 2009/10 target. This very encouraging given that it is an LAA target.

Street environment

- 45 *NPI195a-d: Street environment and cleanliness.* These four NPIs measure the proportion of areas around York that suffer from unacceptable levels of litter, detritus, graffiti and fly-posting. They are measured by a survey three times a year with the aim being to get a generally representative picture of the level of street environmental quality across the city. In 2008/09 performance on all four indicators declined slightly. The first survey of 2009/10 was carried out during June 2009 and the result for is encouraging for litter, graffiti and fly-posting, but suggests that detritus levels are getting worse compared to the levels recorded last June. Neighbourhood Services are undertaking a number of initiatives, including developing educational material for schools in relation to impact of littering and treating recreation areas as hot-spots during the summer in order to clear away litter related to 'drinking parties'. It is hoped that these will result in an improvement for this year's second survey, which will be carried out in October.

N195 – Street Cleanliness

	Litter	Detritus	Graffiti	Fly-posting
2007/08	7.6%	8.9%	2.3%	0.3%
2008/09	8.9%	11.0%	4.7%	1.1%
2009/10 (after 1 st survey)	4.5%	13.3%	2.6%	0.0%
2009/10 target	7.5%	9.0%	4.0%	1.0%

Previous Survey results	June 07	Oct 07	Feb 08	June 08	Oct 08	Mar 09	June 09
Litter Fail rate	2.3%	8.5%	12.0%	10.3%	4.6%	11.8%	4.5%
Detritus Fail rate	4.1%	4.1%	18.4%	8.4%	10.6%	14.0%	13.3%
Graffiti Fail rate	1.1%	3.0%	2.9%	7.9%	4.0%	2.2%	2.6%
Fly-posting Fail rate	0.3%	0.3%	0.3%	2.6%	0%	0.8%	0%

Adult Care

- 46 *NPIs 132 & 133 – timeliness of social care assessments and packages.* Both these indicators cover areas that need to show improvement to address performance issues highlighted in the last Adult Social Care inspection. Progress based on the first quarter of 09/10 is mixed:
- Timeliness of assessments: Performance has improved from 67% to 77%, which matches the 2009/10 target. This has been achieved despite an increase of volume intake (25 referrals in April rising to 40 in June). This could impact on the ability to keep performance at the current levels, but if this were maintained, it would move York up from the bottom to the 3rd quartile, based on unitary authority comparative data.
 - Timeliness of care packages: Performance has dropped in the first period of this year (currently 83% compared 90.3% in 2008/09). This falls short of the 90% target set for 2009/10 and if no further improvement is made this year, this will move York from 3rd quartile to low in the bottom quartile of unitary authorities. HASS have investigated reasons for the drop in performance and action is being taken to address the process and reporting issues identified.
- 47 *NPI 141 – Independent living:* The number of people achieving independent living in York has increased to 72.6% (from 69.9% in 2008/09 and just 52% in 2007/08). If this trend continues, the 2009/10 LAA target of 70% should be achieved or exceeded.

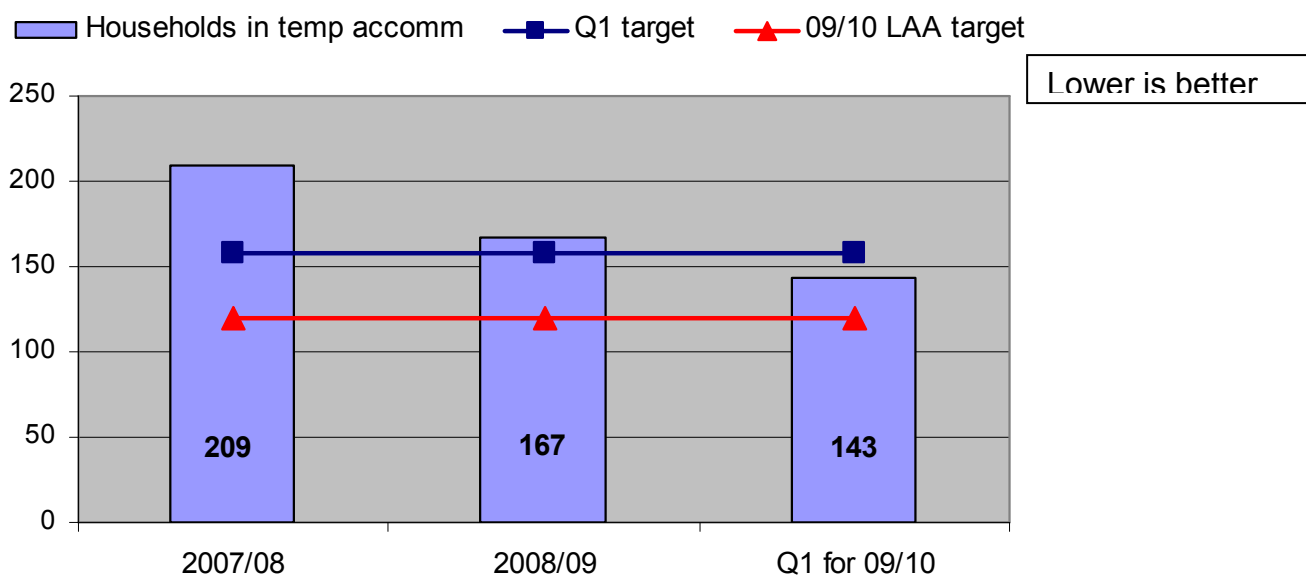
Children & Education

- 48 *NPI 59 & 66: Children Looked After.* The % of assessments of children's social care carried out within 7 working days of their referral has dropped for April to June 2009 (65% from 71% in 2008/09), but with the implementation of lead practitioner schemes, the latest interim unvalidated figures shown an improvement to 75.8%. The % of looked after children cases reviewed within government timescales has improved to 97.8% (from 92.4% in 08/09). This moves York from the 3rd to top quartile.
- 49 *NPIs 73 & 76: Literacy & numeracy (KS2).* The % of pupils achieving Level 4 or above in **both** English & Maths at KS2 has shown a decline since last year although all results are still inline with or above national average. Provisional figures for 2009/10 show the combined level to be at 74% compared to 77% in 08/09. Looking at the subjects separately; in English, 81% of pupils achieved Level 4 or above (1% above the national average) and in Maths the figure was 80% (1% above the national average). The reduction has had a knock-on effect with the number of schools not achieving the floor target of 55% for Level 4+ in both English & Maths at KS2, which is now estimated to be 6 schools (above the 2009/10 target of 4). Further analysis is currently being carried out to look at why these schools have not hit the required floor target.

- 50 *NPI 75: GCSEs. The % of York children achieving 5 or more A*-Cs has increased significantly, although these are still provisional at this stage:*
- 73.4% achieving 5+ GCSEs - up 5% from 68.5% achieved in 2008.
 - 60% achieving 5+ GCSEs (including English & maths) - up 6.2% from 53.8% achieved in 2008).

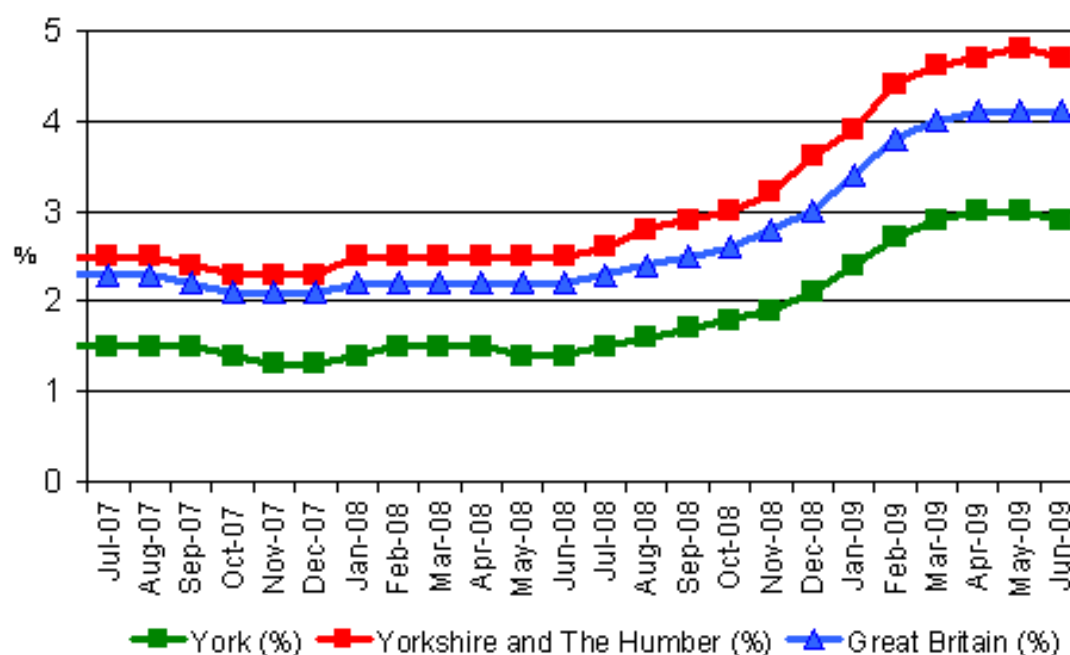
Economy

- 51 *NPI 117: % of 16-18 year olds who are not in education, employment or training (NEET). The NEET target is unlikely to be achieved this year, interim figures for 2009/10 are at 5.1%, a sizeable increase on the 4.2% reported in 2008/09 and well in excess of the 3.5% LAA target. This is due to an increase of approximately 70 young people becoming NEET compared to June 2008 with pre level provision now up to capacity along with a lower number of employment and training vacancies being available due to the current economic situation. In addition, most of the young people who are NEET are qualified below level 2 and approx 60 have learning difficulties.*
- 52 *NPI 155: Affordable Housing. 13 affordable houses were delivered in Q1 of this year, which is well down on the level delivered last year (155 for 2008/09). The current economic climate has had a major impact on the council's performance and the LAA targets of 280 and 350 for 2010-12 will be reviewed in the next LAA refresh.*
- 53 *NPI 156: Homelessness. The number of households living in temporary accommodation has declined significantly so far this year and is now below the Q1 target (see graph below). The improvement result from changes to the council's letting and registration policy, supported by a significant increase in prevention work. This is particularly encouraging in the current economic climate and HASS expect to exceed the 2009/10 LAA target of 120 if this trend continues.*



- 54 *VJ 15a & VJ 15B Unemployment: The unemployment rate for York can be estimated from those actively seeking work and ready to start through data released as a 12 month rolling average linked to how far York is under the regional and national rate.*

% of people claiming job seekers allowance in York



- 55 York's unemployment rate is currently 1.6% below the regional and 1.09% below the national average. Despite the economic climate, the gap has widened from the same period last year. Unemployment is also linked to the job seekers allowance claimant count in York, which has recorded a fall in June 09, following a continual increase throughout the economic downturn. However the claimant count is still double the amount it was for the same period last year, 2.9% in June 2009 compared to 1.4% in June 08 (see graph above).

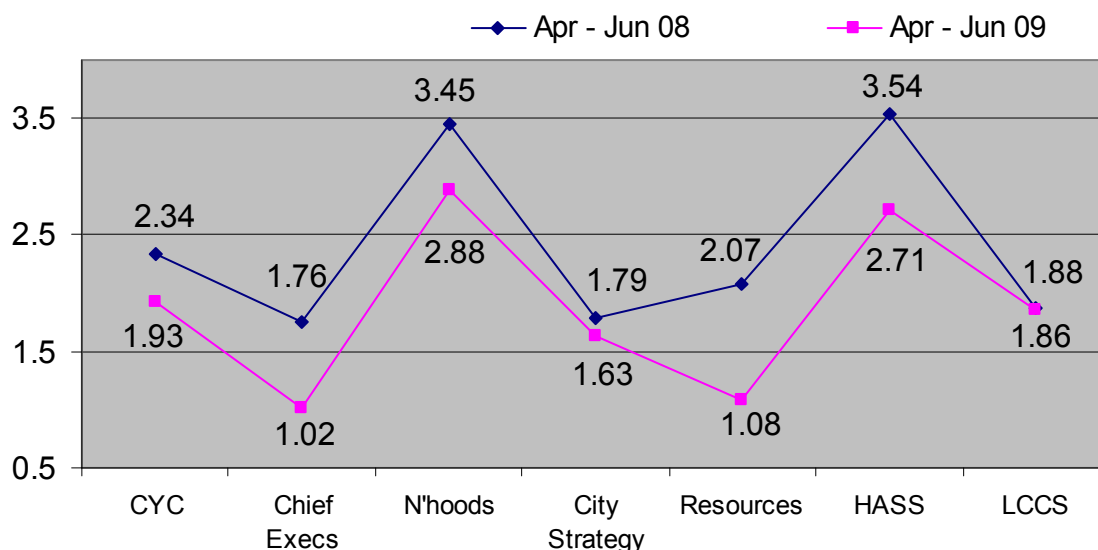
Corporate Health

Corporate health performance area	Latest 2009/10	Improving since last year?
Average days sickness per FTE	1.93 days	Yes (2.34 by June last year)
H&S: Major injuries to employees	2	Yes (3 by July last year)
H&S: Minor injuries to employees	11	Yes (16 by July last year)
H&S: Injuries to non-employees	10	No (8 by July last year)
Phone calls answered within 20 secs	94%	Yes (91% last year)
Letters dealt with within 10 days	96%	Yes (94% last year)
Stage 2 complaints dealt with in 10 days	87%	No (100% last year)

- 56 Staff attendance levels continue to show good improvement with the average sickness days per FTE currently standing at 1.93 days compared to 2.34 days for the same period last year (see graph on next page). Sickness levels in HASS, Resources and Chief Executive's have improved significantly, particularly in Resources, which reported a 50% drop so far this year. If this reduced trend in sickness absence continues over the next 10 months, projected performance indicates that the council could achieve 7.7 days per FTE, which would exceed the 2009/10 target of 8.6 days and place York close to the top quartile. However, the predicted high levels of absenteeism due to flu over the autumn and winter months could undermine any forecasts based on Q1 of 2009/10.

57 Health and Safety reported accidents show mixed results for April to June, with decreases in 'major' and 'minor incidents, and an increase in public' incidents, compared to the same period last year. Both major incidents occurred in Neighbourhood Services and LCCS (1 each), and the majority of public incidents were reported in schools. So far, the predicted increase in H&S incidents has failed to materialise in Q1. The forecast increase was due to more robust incident reporting arrangements being introduced.

Staff sickness - comparing this year with last



Progress on priorities & key projects

58 The summary table below shows progress on the 54 milestone actions and 52 commitment target indicators set out in the 2009/12 corporate strategy. 11% of the milestone actions have now been completed and a further 72% are on track to hit their agreed deadline. Only 8 of the 52 commitment targets are reportable for this monitor, but nearly all are showing improvement on their 2008/09 baseline.

	Milestone actions				Commitment targets				
	Number	Completed	On track	Not on track	Number	Reported	Improving	Not improving	On target
Thriving City	6	0 (0%)	6 (100%)	0 (0%)	8	0	0	0	0
Sustainable City	10	1 (10%)	7 (70%)	2 (20%)	15	3	3	0	2
City of Culture	5	1 (20%)	3 (60%)	1 (20%)	2	0	0	0	0
Healthy City	5	0 (0%)	3 (60%)	2 (40%)	4	0	0	0	0
Inclusive City	10	0 (0%)	10 (100%)	0 (0%)	9	2	2	0	2
Learning City	5	1 (20%)	2 (40%)	2 (40%)	6	1	0	1	0
Safer City	8	0 (0%)	7 (88%)	1 (12%)	4	2	2	0	2
Effective Organisation	5	3 (60%)	2 (40%)	0 (0%)	4	0	0	0	0
Total	54	6 (11%)	40 (74%)	8 (15%)	52	8 (15%)	7 (88%)	1 (12%)	6 (75%)

59 The following 6 milestone actions have now been completed:

City of Culture milestone

- *Carry out a market analysis and get a decision on interim use of the Barbican Auditorium by June 2009:* The market analysis has now been carried out and a report was taken to the Executive on 28th April 2009. These proposals were approved and they agreed that the project could move onto stage 2 of the process. Work is ongoing and the Executive will receive a report in September 2009 on the outcome of stage 2.

Learning City milestone

- *Completion of a pilot in 14 schools involving YorOK brokers which targets early intervention to those children identified as vulnerable by March 2010:* The pilot has now been completed and evaluated.

Sustainable City milestone

- *Complete the Groves recycling pilot by Sept 2009:* The Groves recycling project is now complete and the results of the trial have been published. These results have also been a helpful in deciding the methods to be used for the wider city roll out.

Effective Organisation milestones

- *Commit to the introduction of quality city-wide magazine:* On 23rd June the Executive agreed to the production of a new council publication to improve direct communication with residents. The report acknowledged the correlation between overall satisfaction with the council and satisfaction with information provided by the authority. As a follow-up, the Executive have asked Marketing and Communications to enter into a contract for distribution and begin production of the new publication which will be delivered six times a year.
- *Incorporate actions in response to the 2009 staff survey into the refreshed SIP:* A paper on the results of the 6th staff survey was considered alongside a report on the refreshed Single Improvement Plan (SIP) at the Executive on the 26th May. The response to the staff survey has now been addressed in the workstreams for the refreshed 2009/10 Improvement Plan.
- *Implement an Engagement Strategy to help communicate, consult and involve York residents about changes and improvements the council makes:* York's Community Engagement Strategy 'Listening, Informing and Working Together' was published in June and is now available on the council's website. The strategy sets out a consistent approach for consultation across the city's partnership agencies and provides practical guidance for officers via an engagement toolkit.

60 The following 8 milestone actions are reporting **slippage**:

Sustainable City milestones

- *Complete an easy@york review of waste, neighbourhood pride and street environment services by Summer 09:* This will be slightly delayed as the easy@york programme has been widened and is now part of the 'More for York' programme.
- *Introduce new technological devices to improve the identification and removal of street litter by Sept 09.* The mobile devices, and other technological solutions, were an integral part of the Easy @ York Phase 2 project: Again, as above, the deadline

for this action will be slightly delayed as the easy@york programme has been widened to ensure it is done as part of the 'More for York' programme.

City of Culture milestone

- *Develop and hold a Young Peoples Festival by Dec 2009, involving 90% of cultural agencies.* Due to the LAA bid being unsuccessful the original deadline will now not be met. However pleased to report that the events will be run in the summer of 2010.

Healthy City milestone

- *Launch a campaign by Sept 2009 to encourage an additional 1,600 adults to participate in regular weekly physical activities (5x30mins):* Work has been ongoing with this project, but the procurement process to use the secured LAA Development Fund is taking longer than expected, means that the September target date is now not possible. The next opportunity to launch the campaign is January 2009, which could be seen as a more desirable time given that people start New Year resolutions to get fit and/or lose weight.
- *Complete a corporate review of the response needed to meet the needs and aspirations of the increasing population of older people by Mar 2010:* Start of work has been delayed and scoping work on the process for undertaking the review will be completed by September. A revised deadline will be set after that.

Learning City milestones

- *Build a new children's centre at Knavesmire Primary School by January 2010:* Planning has been approved for the 9th Children's Centre and is well under way but currently running behind schedule. Completion of the project by December 2009 is now unlikely but a revised deadline of April 2010 is achievable.
- *Respond positively to the economic downturn by reducing the number of NEETS by targeted interventions with 16-18 year olds and the provision of wider range of qualifications for all by Mar 2010:* Although slippage has been reported, work is ongoing with partners to address the mismatch between the learning needs of young people in the not in employment, education or training (NEET) group and current post-16 learning provision. Some progress has been made in relation to diploma provision, increased provision for LDD learners (learning difficulties & disabilities) and pre-employment/learning readiness programmes.

Safer City milestone

- *Capable Guardians to commission at least 50 restorative justice and young people's service interventions by March 2010 with children at risk of becoming first time offenders:* The Youth Offending Team Restorative Justice Development Officer has taken retirement, which has led to slippage in promoting and supporting the schemes/provision. The employer (NYPolice) is about to interview for a successor.

Progress on the corporate improvement plan

- 61 94% (28 out of 30) of the corporate improvement plan actions are on track to be delivered to their agreed deadlines. Slippage has occurred on two actions to develop a Member Development Policy and agree an annual programme for delivery, but efforts are being made to ensure these are still delivered within the year. If the original deadline of 30 September is not met, it is still anticipated that the milestones will be met shortly afterwards.

Options

- 62 The Director of Resources has certain statutory powers to ensure the Council's financial management is conducted properly. At present the current strategy is to seek for each Director to take appropriate corrective action in their own areas, with a view to minimising expenditure. Significant progress has been made, but clearly further is still required. As a result there remain very significant risks in terms of the Council's current financial position, which if these are not able to be progressed to a satisfactory conclusion very soon, may require the Director to enforce a series of measures that he considers essential to ensure the Council's financial position is maintained. This position will be constantly reviewed, and members advised accordingly.
- 63 It must be clearly stated, that the Council can only spend what it can afford, and whilst certain actions may have service implications, the consequences of a major overspending are very significant, particularly in light of the Council's reserves position, and therefore corrective action must be taken. CMT, in discussion with Executive Members are continuing to look at further opportunities to bring this projection down. In the longer term, some of the major financial pressures, in particular social care, may require increased budget provision, which will clearly require compensating savings elsewhere within the Council.
- 64 Annex 1 outlines figures provided by LCCS showing the increase in looked after children between 2006/07 and 2010/11. Annex 2 provides context behind the figures reported by HASS. In other areas of the Council, further mitigation to reach a balanced budget position will continue.

Analysis

- 65 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

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

Corporate priorities

- 67 The information and issues included in this report is designed to demonstrate progress on achieving the priorities set out in the council's corporate strategy (2009-12). 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.

Implications

- 68 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

- 69 The budget setting process always entails a degree of risk as managers attempt to assess known and uncertain future events. As with any budget the key to mitigating risk is prompt monitoring of income and expenditure and appropriate management control. As such regular updated figures and revised corrective actions will be monitored via Directorate Management Teams, Corporate Management Team and the monitor reports during the year.

Recommendations

- 70 Members are asked to:

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

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

- b. Note the finance issues identified in this report, in particular:

- The significant pressures arising due to the economic recession and social care costs.
- The work already undertaken within directorates to reduce the potential overspending.
- The need for further work to bring expenditure in line with the budget.
- The longer term need for growth in some budgets, which will require compensating efficiencies and service transformation across the Council.

Reason: So that corrective action can be taken to bring the Council's expenditure within budget.

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Specialist Implications Officer(s) - None

Report Approved **Date**

Wards Affected: None

All

For further information please contact the author of the report

Annexes

Annex 1 – LCCS Looked After Children Figures

Annex 2 – HASS Context