
Effective Organisation Overview & Scrutiny Committee

24 November 2009

Report of the Director of Resources

Second Performance and Financial Monitor for 2009/10

Purpose

- 1 This report provides details of the headline performance issues from the second performance monitor of 2009/10 covering the period from 1st April to 30th September 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

- Following an extensive review of activity across all areas of the organisation, the council is forecasting that it will out-turn on budget in 2009/10. This forecast is predicated on directorates continuing to identify options to achieve savings equating to 1.5% of their net budgets.
- National Performance Indicators (NPIs) – 56% of NPIs (with data available) are improving, with 62% on track to hit their 09/10 target. 75% of the LAA indicators (with data available) are improving and on track to hit their 09/10 target. Areas of poor performance are also being reviewed and benchmarked for improvement and action is being taken where appropriate.
- Corporate Strategy – 6 of the 54 milestone actions have now been completed and just under three quarters are on track to hit their agreed deadline. Slippage has been reported for 10 of the actions, although half of these will still be delivered before March 2009/10 (i.e. within year 1 of the strategy).

Finance - Overview

- 2 The General Fund budget for 2009/10 is currently £117,805k, with utilisation of balances and reserves reducing the call on Council Tax to £113,536k. Current projections indicate that financial pressures amounting to £1,842k need to be managed by directorates in order to contain overall spending within budget by the end of the financial year.
- 3 The savings required to contain the above pressures equates to a target reduction of 1.5% of net budget for each directorate. Many actions have already been identified

and implemented to achieve these targets. Review work is continuing in order to identify further options to ensure that the revised spending targets are achieved.

4 An overview of the current position is summarised on a directorate by directorate basis in the table below. The key areas of change from the previous report are;

- a HASS – an increase in overspend of £516k which is attributable to meeting the continued rise in adult social care across the city.
- b LCCS – an increase in overspend of £351k which is attributable to increased fostering costs for children in care.
- c City Strategy – an increase in overspend of £133k which is attributable to rising numbers in Concessionary Fares passengers. This is after the directorate has identified a further £294k in savings, primarily linked to vacancy management.
- d Resources – an increase in underspend of £145k which is possible due to the further identification of savings linked to delaying the replacement payroll system implementation costs and reduced usage of agency staff.

The table also incorporates the following assumptions on corporate strategies that can be implemented at the financial year end in order to assist in addressing the overall financial pressure;

- e VAT Refund – a further refund from HMRC is being claimed linked to the Conde Nast and Fleming cases and a prudent estimate of £750k is assumed based on a review of risks surrounding the scale and timing of the receipt.
- f Insurance Fund Release – a risk analysis of the level of the Insurance Fund reserve has been undertaken which has revealed that a prudent sum of £500k could be released to the General Fund.
- g Revenue Contribution To Capital Programme – change £100k of funding of the capital programme from revenue contributions to prudential borrowing.

2009/10 Net Budget	Directorate	Monitor 1 Variance	Monitor 2 Variance	Movement
£'000		£'000	£'000	£'000
38,650	LCCS	+1,376	+1,727	+351
8,525	City Strategy	+458	+591	+133
30,697	Neighbourhood Services	+320	+292	-28
2,217	Chief Executive's	+31	+56	+25
6,409	Resources	-232	-377	-145
40,084	HASS	+589	+1,105	+516
400	Credit Crunch Budget Funding	-400	-900	-500
126,982	PORTFOLIO BUDGETS	+2,142	+2,494	+352
-22,975	Asset Rental Adjustments	-	-	-
4,882	Other Central Budgets	+28	-722	-750
8,557	Treasury Management	+529	+429	-100
359	General Contingency	-359	-359	-
117,805	GROSS BUDGET	+2,340	+1,842	-498
-	1.5% Net budget savings	-	-1,842	-1,842
117,805	GROSS BUDGET	+2,340	-	-2,340

- 5 There are further potential future cost pressures that are not included in the projected figures, most significantly the cost of appeals following the recent implementation of the pay and grading review. Preliminary indicative costings are that these costs can be contained in 2009/10, however it is recognised that there will be additional cost pressures in future years.
- 6 The figures in the table assume that the £400k credit crunch budget, together with the £500k assumed from the Insurance Fund reserve will be held to offset the income shortfalls in service areas, and the remaining £359k general contingency will not be spent resulting in a further saving to offset overspends elsewhere. In light of the current financial situation, no further allocations from the £359k balance on the contingency will be considered for approval.
- 7 It should be noted that any overspend will reduce the overall level of the council's revenue reserves and should the current level of spend continue it will take the council below its recommended minimum threshold. This will have implications on next year's Council Tax levels both to contain the expenditure and also to re-build the reserve levels.
- 8 Whilst it is appreciated that a significant proportion of the overspend is attributed to the current economic climate, many of the departmental pressures are recurring and as a result will require services to identify actions to address them as part of the 2010/11 budget process.
- 9 The actions being taken by directorates will be continually monitored by CMT and through discussion with Executive Members to ensure that expenditure is brought back in line with the budget by the end of the financial year. Looking ahead to 2010/11, it is important that some of the ongoing budgetary pressures are addressed as part of the financial strategy. This is likely to result in the requirement for further savings, and thereby re-enforcing the need for the fundamental transformation of services across the council, through the More for York programme.

General Fund

- 10 The following sections provide further information on the current pressures each directorate is facing, as outlined in the main budget table in paragraph 3.

Learning, Culture & Children's Services

- 11 Learning, Culture and Children's Services is currently projecting an overspend of £1,727k, which represents a net increase of £351k since Monitor 1. In Children & Young People's Services, there are numerous overspends across the statutory children's social care budgets totalling £1,404k (12.6% 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 219 at 30 September 2009, an increase of 32% with no accompanying increase to 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.
- 12 Home to School Transport budgets are projecting an overspend of £316k due to increased SEN taxi costs, more LAC (as above) and more appeals granted by Members.

- 13 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 Local Government Services (LGS) 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.
- 14 Other projected overspends elsewhere across the directorate include shortfalls in fee income in Adult Education (£76k) and the Music Service (£65k), 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.
- 15 Overspends are also being forecasted in Leisure & Culture with the Library Service currently experiencing an expected £92k shortfall in income and additional costs totalling £35k on publicity, IT hardware and licenses. Sport & Active Leisure are predicting a £125k overspend, linked in part to shortfalls in income at Edmund Wilson Swimming Pool and increased energy costs due to higher prices for steam and increased electricity usage at Yearsley Swimming Pool.
- 16 The directorate has already taken steps to address its overspend position by identifying one-off in year savings for 2009/10. All Service Managers were required to identify savings totalling 2% of their budgets. This has produced budget savings totalling £336k from staffing savings and vacancy management measures (£135k), reprioritisation of grant funding (£54k), targeted increases in income from traded services (£28k) and reduced repairs & maintenance work in the city's parks & open spaces (£28k). In addition LCCS has gained agreement from the Schools Forum to fund an additional £100k of SEN Transport costs from the Schools Budget.

City Strategy

- 17 It is currently forecasted that City Strategy will have an overall overspend of £591k, an increase of £133k from Monitor 1. Services in the directorate are still experiencing income shortfalls related to the economic climate including planning with applications down 20% this year (£500k), parking income (£133k), building control (£125k) and a reduced Yorwaste dividend (£130k).
- 18 Concessionary Fares is also representing a significant pressure of £420k, linked to an increased demand for fares and tokens, however this is offset by a forecasted in-year reduction in related costs of £204k resulting from the Concessionary Fare Partnership seeking to reduce the council's rate used to reimburse bus operators.
- 19 Property Services is also experiencing cost pressures mainly due to an assumed loss in the Commercial portfolio linked to not receiving wayleave income at Harewood Whin (£150k), increased costs associated with maintaining surplus assets such Parkside and the Manor and Lowfields schools (£98k) and lost rent due to the sale of property at Patrick Pool (£32k).
- 20 Current forecasts are that Economic Development will out-turn £2k under budget. This is mainly possible due to a fundamental review of markets and city centre area budgets which has resulted in a lower, more achievable income target for Newgate

Market, with savings in other operating costs further contributing to the improved position.

- 21 The directorate has already identified a number of areas where it will reduce its overspend including vacancy management measures (£394k), cash limiting other budgets (£175k) and the potential additional receipt of further Housing and Planning Delivery grant (£440k).

Neighbourhood Services

- 22 The latest projection for Neighbourhood Services is an overspend of £292k, which represents an improvement of £28k from Monitor 1. Cost pressures identified in Monitor 1 still remain, namely Landfill Tax costs (£200k), shortfalls in Commercial Waste income (£100k) and security costs at Towthorpe HWRC (£75k). Further pressures have been identified including an overspend in the Neighbourhood Pride Service (£91k) and a shortfall in income in Bereavement Services (£51k).
- 23 This is offset by a projected £200k in year saving linked to extending transport leases and £86k in vacancy management controls.

Chief Executives

- 24 The residual Chief Executive's department is forecasting an overspend of £56k, an increase of £25k from Monitor 1. This is primarily attributable to a £38k shortfall in income from the Print Unit and the sponsorship of boundary signs.

Resources

- 25 Resources is projecting an underspend of £377k which is an increase of £145k from the previous report. This position has been made possible by the identification of in year mitigating savings of £316k, namely delaying the implementation costs of the payroll replacement system until 2010/11 (£145k), reduced usage of agency staff (£71k) and other savings across the directorate (£100k).

Housing and Adult Social Services

- 26 Housing and Adult Social Services are forecasting an overspend of £1,105k, which represents an increase of £516k from Monitor 1. The underlying causes of the overspend reported at Monitor 1 still exist, namely increases in the number of customers supported at home, increased Direct Payment take up and increases in the number of Mental Health residential and nursing placements. In addition to these issues, the following areas are contributing to the increased forecast:
- An increase in the staffing establishment at one EPH to respond to an increase in the customers with a very high level of need and to deal with safeguarding issues (£40k).
 - A further increase in the complexity of community based support for Learning Disabilities, in particular a need to provide sleep in cover for more customers (£80k).
 - An increase in the number and cost of residential and nursing placements (£170k).
 - A further increase in the number of Older People needing community based supports (£90k).
 - Continued use of agency staff across front line services (£84k).
- 27 Furthermore, within the overall figure, Housing General Fund is now projecting an overspend of £52k in comparison to Monitor 1 where it was predicted the service

would out-turn on budget. The revised estimate is due to the increasing cost of the repairs partnership and a projected shortfall in private sector enforcement income.

- 28 The directorate has already identified in year savings of £665k to address the overspend which is comprised of the redirection of grants (£389k), a reduction in training expenditure (£150k) and vacancy management controls (£126k).

Central Budgets

- 29 Treasury Management activity is still predicting an overspend of £529k which represents no change from Monitor 1. The market conditions that are the underlying cause of the overspend remain, namely lower interest rates affecting both the interest paid on borrowing and interest earned on investments.
- 30 The remaining £28k overspend is attributable to increased costs of providing staff with Park and Ride passes.

Non General Fund

Dedicated Schools Grant

- 31 In the Dedicated School Grant (DSG) area there is a projected overspend of £384k 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 previous years, the overspend would reduce the level of DSG funding available in 2010/11.

Housing Revenue Account (HRA)

- 32 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

- 33 The table below shows a summary of the council's revenue reserves. It is currently projected that the balance of these reserves will be £4,493k at 31 March 2010 before any potential year end over or underspends, but inclusive of the £500k assumed from the Insurance Fund reserve as highlighted in paragraph 4f. The 2009/10 budget process recommended a minimum threshold for revenue reserves of approximately £5,500k and the figures outlined show a projected deficit of £1,007k below this.

	2009/10 £000
General Fund Reserve	
Balance at 1 April	(10,012)
Less: Already Committed To Annual Budget	3,697
Proposed Transfer to Capital	2,000
Carry Forward Underspend from Previous Years	472
Supplementary Releases	600
Revised General Fund Reserve	<u>(3,243)</u>
Add: Committed Transfers into the Reserve	<u>(1,250)</u>
	(1,250)
Expected General Fund Reserve as at 31 March	(4,493)
Estimated Minimum Reserves Threshold	(5,500)
Projected Deficit In Reserves	1,007

- 34 This re-enforces the requirement for action being taken to reduce the current forecasted overspend, as should the current level of spend continue it will take the council well 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.

Performance indicators

- 35 Overall 32% (69 out of 215) of the national performance indicators have data available at this point in the year, mainly due to most being collected annually or through periodical surveys. Many are also published via government bodies at the end of the year. Of those available, 56% are improving compared to last year and 62% are on track to hit their 2009/10 target. Only 13 out of 50 LAA indicators have 2009/10 data available at this stage in the year with 75% of those showing improvement and forecasting to hit their 09/10 target.

	Reported this month	Improving	Declining	Stable	On target
National Indicators (NPIs)	69 of 215 (32%)	38 of 68 (56%)	20 of 68 (29%)	10 of 68 (15%)	41 of 66 (62%)
LAA indicators (sub-set of NPIs above)	13* of 50 (26%)	9 of 12 (75%)	2 of 12 (17%)	1 of 12 (8%)	9 of 12 (75%)

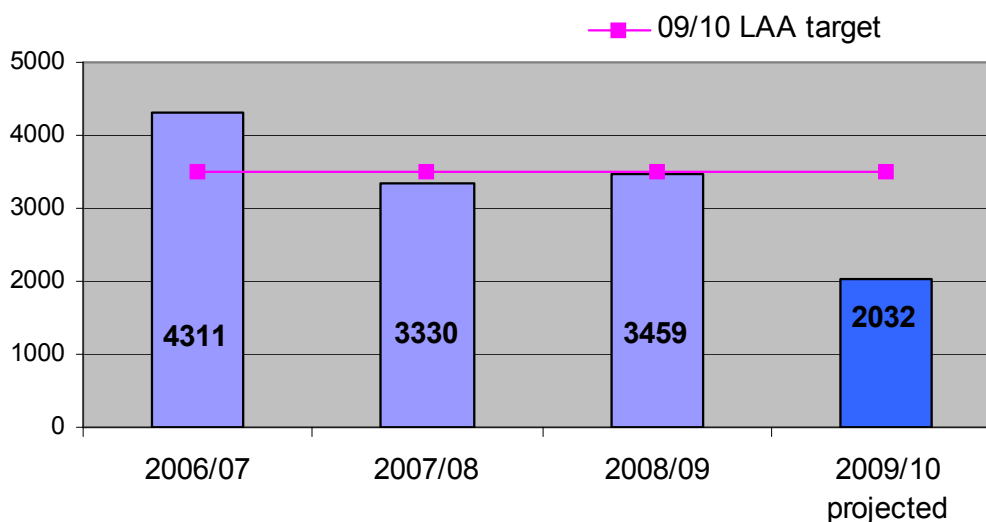
* there is 1 LAA indicator with in year data available but no targets or historic data as this is the baseline year, Local Indicator 5 (LI5) which is included in more detail in para 54.

- 36 Using the PwC benchmarking club comparisons with performance at other councils have been made against a number of national indicators. Where quartiles are mentioned in this report it covers the most up-to-date performance plotted against comparative data from PwC. It also only compares CYC performance against those authorities who are members of the benchmarking consortium.
- 37 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.

Community Safety

- 38 *NPI 16 (LAA): Serious acquisitive crime (SAC).* In Q1 a significant decline was reported in SAC incidents for the first 3 months of 2009/10. Incidents between July and September have brought the 6 month total to 1016, which has slightly increased the year end forecast (previously 1806 in Q1 and now 2032). Nevertheless, the number of SAC incidents reported is still heading for a 42% reduction on the 3459 reported in 2008/09 and comes in well under the 2009/10 LAA target of 3696. This reduction has been attributed to good intelligence led policing and to a number of schemes which were designed specifically to target SAC type incidents. This was also supported by other prolific offender based initiatives.

Serious acquisitive crime levels in York

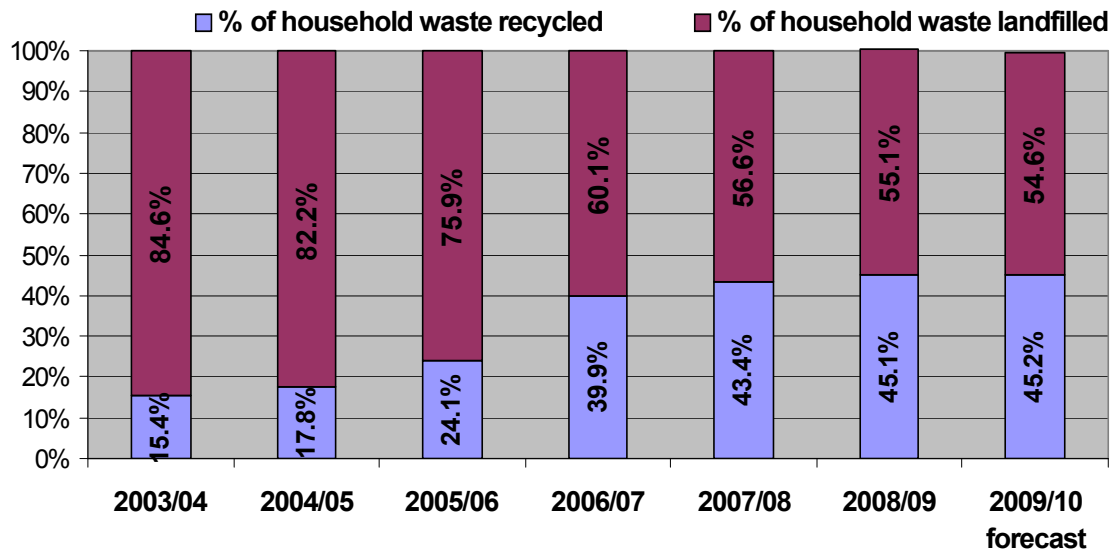


- 39 *NPI 43: Youth Custody.* The % of young people within the Youth Justice System receiving a conviction in court who are sentenced to custody aged 10-17 has remained low at 3% between April and September 2009 against a target of 5% and last year's performance of 4.9% which is top quartile performance.
- 40 *NPI 111 (LAA): First time entrants to the Youth Justice System.* There has been slightly lower than expected first time entrants into the Youth Justice system using information recorded between April and September 2009 (1021 FTEs per 100,000 in Q2 compared to Q2 target of 1093). This is much improved from the situation at the end of Q1 when the number was well above target. Further work is being done with the Police to establish the reasons for the much higher levels in Q1.

Waste & recycling

- 41 *NPIs 191(LAA) to 193: Waste management.* Current predictions for the amount of residual waste collected per household is that it will drop to 586kgs in 2009/10. This is a further improvement on the 629kg collected in 2008/09 and represents a 12% decrease since 2007/08. If achieved, performance in 2009/10 will come in well under both the 2009/10 and 2010/11 LAA targets (617kgs & 611kgs respectively). Waste recycling levels also continue to improve for the 7th year running, although the forecast for year-end as at Q2 is slightly lower than that forecast in Q1 (45.2%). Landfill levels are also forecast to improve on 2008/09 (54.6% for 2009/10 compared to 55.1%).
- 42 Despite these improvements, current predictions are that York will fall short of the 2009/10 targets set for recycling and landfill. The targets set were based on the extension of kerbside recycling to 92% of households by March 2010. However, this has been offset by a change in buying habits as a result of the recession. The amount of 'dry recyclable waste' being collected (newspapers, magazines, drink bottles/cans) is reducing, in line with a national trend. These indicators however, are not LAA stretch targets and the continued improvement should be the main area of focus.

York's waste recycling and landfill rates



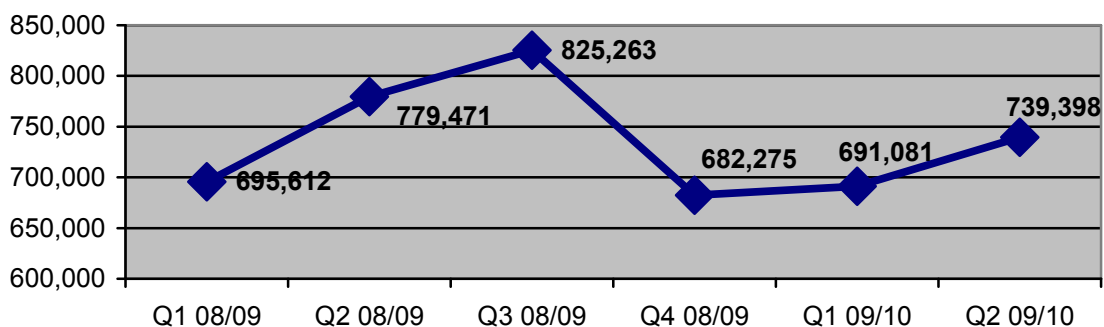
Note: Landfill & recycling figures do not add up to 100% since 2008/09 as a result of changes to the way that some of the waste collected is categorised.

Transport & road safety

43 NPI 47 (LAA): people killed or seriously injured in road traffic accidents. The number of incidents for April to September 2009 currently stands at 20. This is significantly better than the 44 incidents that occurred for the same time period in 2008. A range of successful initiatives have been introduced over the past year, including the 'Made you Look' campaign, which was launched in 2008. Others include a 'Safer Business Driving Conference', coordinated by the council in June 2009 and a similar event for older drivers took place in October 2009. NI 47 is an LAA indicator and if the trend continues York will come in well under the 2009/10 target of 87 incidents.

44 *Park and Ride*: The number of Park and Ride passenger journeys has fallen compared to the same time period in 2008. Residents and visitors to York are being encouraged to use the bus through a variety of means. These include York's first 'Car Free Day' on 22nd September when two of the City's major bus operators were offering free day passes on their services (First/Park & Ride and Transdev/Coastliner). The council is also gradually rolling the 'Your next bus' initiative, providing SMS text, real time bus information to mobile phone users.

Park and Ride Passengers



Note: It is not possible to compare to previous park and ride figures due to a change in the way the numbers are counted. There are also seasonal variations.

Housing

- 45 *NPI 155 (LAA): Affordable homes.* All bungalows on St Anne's site have now been demolished and work has started on building new 'affordable bungalows'. Work has also started on Phase 2 at Richmond & Regent Street. The number of affordable homes that will be delivered by the council this year is predicted to be around 150-180. This will be similar to the 155 delivered in 2008/09, but will fall short of the 2009/10 LAA target of 280 homes. The current economic climate has had a major impact on this indicator (the 2010/11 target of 350 was set before the recession started). Officers are meeting with the Government Office in November to help revise this target to reflect more achievable performance under the current economic circumstances.

Environment & Cleanliness

- 46 *NI 186 (LAA) - Per Capita CO2 emissions in the LA area.* CO2 emissions have reduced from 6.7 tonnes to an estimated 6.1 tonnes in 09/10 (2007 data). This is a significant improvement considering between 2005 and 2006 the tonnage only reduced from 6.9 to 6.7 tonnes. The overall LAA target for this indicator is to reduce per capita carbon emissions to 5.9 tonnes by 2010/11 (2008 data). PwC data indicates that York has the second best performance in the region, just behind Rotherham, but well ahead of Leeds, Nottingham, Doncaster, Barnsley, Sheffield and Northeast Lincolnshire.
- 47 *NPI195a-d: Street environment and cleanliness.* 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 street cleanliness survey three times a year. In 2008/09 performance on all four indicators declined slightly. However, the first 2 surveys of 2009/10 show encouraging results and forecasts across all 4 areas (see table below).

Since the first survey in June 2009, Neighbourhood Services have taken additional steps to improve performance in areas where the survey was suggesting a problem, such as industrial areas and high density housing areas. In high density housing areas (terraced streets and other streets with high levels of parked cars), they have implemented a second full clean each year, with residents being asked to move their cars to allow cleaning to take place. The final winter survey will be undertaken in February 2010 and in previous years this has proved the worst survey result, largely due to weather impact on operations and detritus levels.

NI195 – 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 (1 st survey in June)	4.5%	13.3%	2.6%	0.0%
2009/10 (2 nd survey in October)	3.3%	4.0%	1.9%	0.0%
2009/10 (year to date)	3.9%	8.7%	2.3%	0%
2009/10 year-end forecast	6.5%	9%	2.3%	0.0%
2009/10 target	7.5%	9.0%	4.0%	1.0%

Adult Care

- 48 *NPI 130 (LAA): Self directed support for Adults.* HASS continues to make improvements to the number of adults receiving self-directed support, with performance currently running at 8.54% (projecting 14% for year-end). This compares well to the 7.39% outturn for 2008/09 and if achieved, would exceed the 12.5% LAA target and move York from the third to top quartile based on PwC data. HASS have

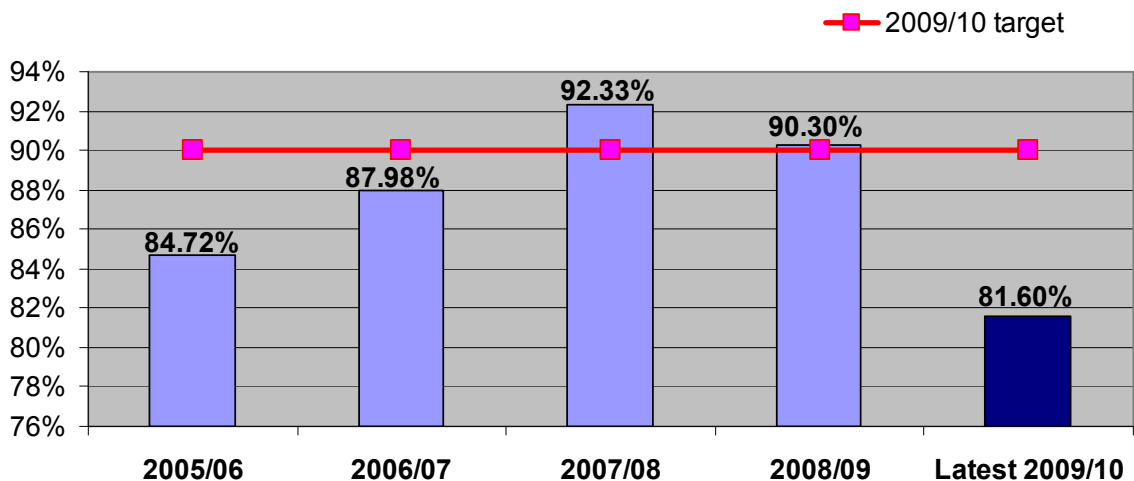
set a more challenging internal target of 15% (which came out of regional improvement meetings) and York's forecast performance would fall 1% short of this.

49 *NPI 135 (LAA): % of carers receiving needs assessments.* Performance is currently running at 16.2%, with a year-end projection of 22.5% (which matches the 2009/10 LAA target). If achieved, this would raise York from the bottom to the third quartile, based on PwC Q1 data.

50 *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 so far this year is mixed:

- *Timeliness of assessments:* Performance has improved from 67.1% to 78.37%, which exceeds the 2009/10 target of 77%. If this was maintained, it would move York up from the bottom to the 3rd quartile, based on PwC comparative data.
- *Timeliness of care packages:* Performance has dropped in the first period of this year (currently 81.6% 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 to the bottom quartile of unitary authorities. There are a number of issues that have caused this drop in performance, including a lack of availability of EMI (elderly mentally ill) beds leading to people having to wait longer from a completed assessment. HASS are taking a number of actions to address performance, including addressing incorrect reporting (i.e. how certain types of residential stays are reported), and improving the delivery of re-enablement home care when people leave hospital is also being explored. These actions should lead to improvement and performance may be closer to target by March 2009.

NI 133: Timeliness of Social Care Packages



Children & Education

51 *NPI 62: CLA placements.* The % of children in care having 3 or more moves of placement, is showing continued good performance, and if trends continue this could significantly improve on past years performance. This is significant due to the recent high volumes of looked after children placing increasing pressure on resources. It is now top quartile performance compared to 21 unitary authorities in the PwC benchmarking club.

- 52 *NPI 68: Children's Social Care referral.* The % of referrals to children's social care services going on to initial assessment. Current trends show that this indicator will be close to the 2009/10 target of 68% by year-end, however it is currently not performing at target levels. It has been significantly impacted by short-term resource issues and it is hoped that by the third quarter improvements will be seen from the current performance of 42.5%. This indicator is a proxy for several issues (i.e. the appropriateness of referrals coming into social care and the thresholds, which are being applied). Continuing high referral rates are contributing to the number of referrals falling below initial assessment threshold.
- 53 *NPI 112 (LAA) - Under 18 conception rate (Percentage difference from 1998 baseline).* Although interim conception rates are showing the lowest recorded for 2 quarters (2008) since 2004, these figures need to be treated with caution as there are marked seasonal variances. It is therefore still suggested that the required reduction cannot be achieved by 2010 to hit the LAA target of a 50% reduction.

Culture

- 54 *LI 5: Adult physical activity (Local LAA):* Results are now available for the % of adults (16+) participating in at least 30 minutes moderate intensity physical activity (inc. sport) on 5 or more days each week. 56.8% of respondents to the February Talkabout Survey are achieving the required amount of moderate physical activity to maintain their level of health (this will set the baseline). It must be noted that whilst this indicator is linked to NI8 (% of adults participating in 30 mins of sport on 3 days per week), which performed at only 19.3%, it is not directly comparable. LI5 measures a significantly broader scope of physical activity including active travel, home and work based activity (e.g. gardening, housework or working as a postman), and wider active leisure choices (e.g. dancing or rambling). It also has an explicitly different criteria and method of data collection including activities done in 10 minute blocks as opposed to 30 minute blocks as required for NI8. Given this wider scope, it is not unexpected that the results are significantly higher than those reported for NI8. Also worthy of note from the same data is that 25.7% of York's adults are not active enough in any part of their daily lives and 42% significantly underestimated the amounts of activity they should be undertaking to maintain their levels of health.
- 55 The 'Just 30' physical activity campaign aims to improve on this result and will target some of the 14% who almost achieve the level, and is due to be launched in January 2010. The 'Just 30' will talk directly to York residents through a wide variety of traditional and online channels. It will raise awareness of the benefits of healthy lifestyles and ask them to get more active. Working with a range of partners across the city, Just 30 will be looking for WOW stakeholders to champion their own activities under the brand.

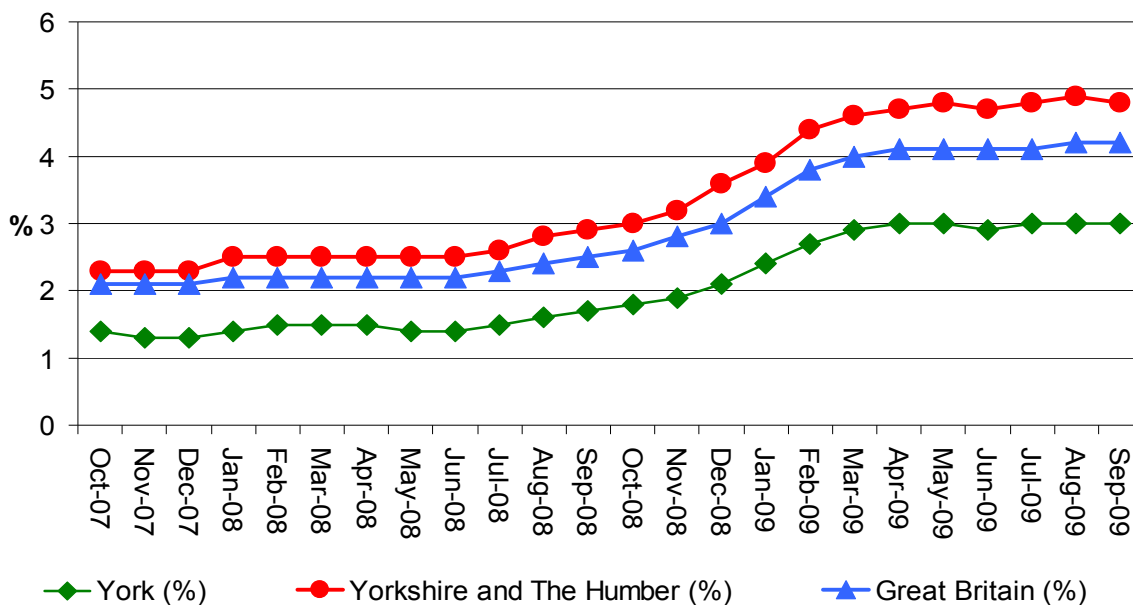
Economy

- 56 *NPI 45: Young offenders who are NEET.* The % of young offenders engaged in suitable education, employment or training aged 10-17 is currently performing at 64.5% between April and September 2009, which is well below the target of 72% and is bottom quartile performance. This indicator is split into 2 categories: pre- and post-statutory school (SSA) age provision. The provision for school age children is well above target at 79% (50/63) but the post-SSA group has suffered recently, achieving 53% (41/78). Recently the post-SSA group has not responded and is now mirroring NPI 117 (overall NEET group). The post-SSA group is the larger group and although

some targeted work is underway the YOT will press the issue through the NEET strategy arrangements, as this is a wider problem than YOT effectiveness.

- 57 *NPI 117: Overall NEET (LAA).* Whilst this quarter's performance on NEET is more in line with the profile for this time of year (5.2% in Q2 compared to 5.1% Q2 target), it is unlikely the 2009/10 target of 3.5% can be achieved in this current economic climate. It should be noted that York will still remain in the top quartile based on PwC benchmark data.
- 58 *NPI 181: Benefits processing.* The time taken to process Housing Benefit/Council Tax Benefit new claims and change events is currently forecast to be at the target level 15 days of the end of the year. Although this would stay stable since last year it represents good performance considering the increased number of people claiming benefit (see below). This would move York up from the third to second quartile based on PwC Benchmarking data.
- 59 *VJ15a&b: Unemployment.* York's unemployment rate (12 month rolling average) is currently 1.8% below the regional and 1.2% below the national average. Despite the economic climate, the gap has widened from the same period last year and current monthly figures show the gap to be even higher. The % of people claiming job seekers allowance continues the local overall trend showing the decrease in claimants in June was an anomaly, although numbers have remained stable since April. The graph below also shows that York is performing better than the Yorkshire and Humber Region and Great Britain. However the Yorkshire average did come down slightly in September.

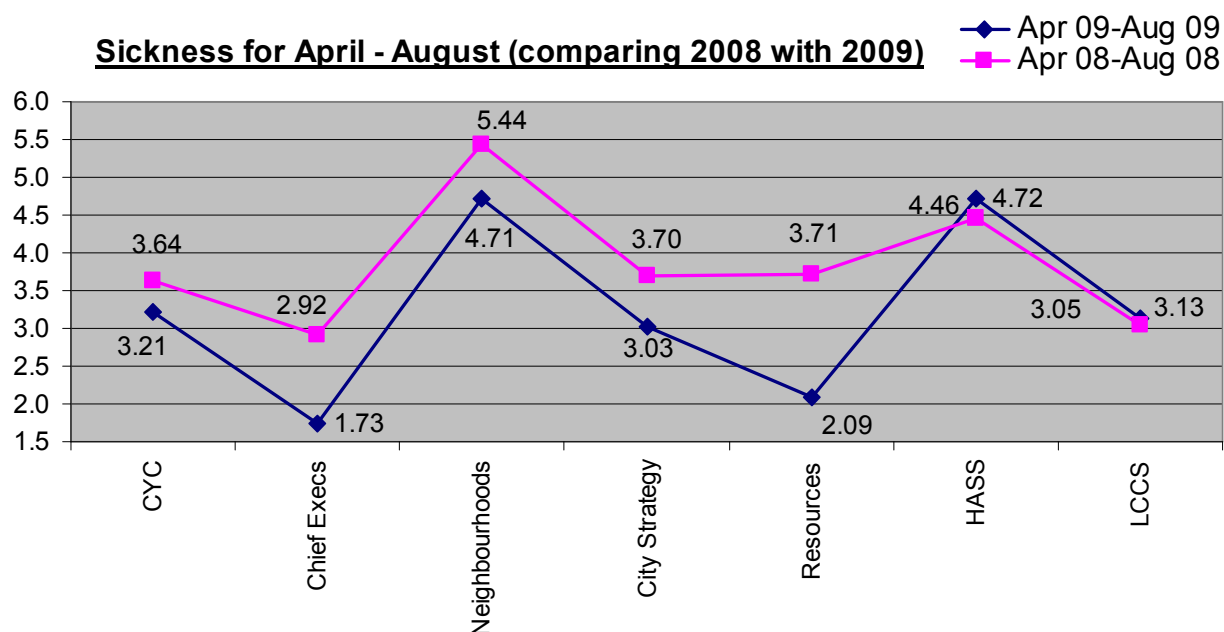
Claimant Count Oct 07 to Sept 09



Corporate Health

Corporate health performance area	Latest 2009/10 (Apr – Sep)	Improving since last year?
Average days sickness per FTE	3.21 days	Yes (3.64 for Apr-Aug last year)
H&S: Major injuries to employees	2	Yes (3 for Apr-Aug last year)
H&S: Minor injuries to employees	19	Yes (27 Apr-Aug last year)
H&S: Injuries to non-employees	10	Stable (10 Apr-Aug 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)

- 60 Staff attendance levels continue to show good improvement with the average sickness days per FTE currently standing at 3.21 days compared to 3.64 days for the same period last year (see graph below).



- 61 After 5 months of reductions in sickness, levels in HASS and LCCS are reporting slightly higher sickness levels compared to last year, although these are still much lower than 2 years ago. Other directorates continue to report reductions in sickness, with the most significant being in Resources and Chief Executive's, which are both reporting over 40% reductions on the same period last year. If this reduced trend continues over the next 7 months, projected performance indicates the council could achieve 7.9 days per FTE, which would exceed the 2009/10 target of 8.6 days and place York high into the 2nd quartile based on PwC benchmark data. However, the predicted high levels of absenteeism due to flu over the winter months could undermine this forecast.
- 62 Health and Safety reported accidents continue to show encouraging results for the first 6 months of 2009/10, with a continued decline in 'major' and 'minor' incidents compared to the same period last year. The major incidents so far this year occurred in Neighbourhood Services and LCCS (1 each), and nearly all the public incidents occurred in schools. The predicted increase in H&S incidents (due to more robust

incident reporting arrangements being introduced) has failed to materialise over the first half of the year.

Update on risk management linked to performance

- 63 The acceptance of risk management as a fundamental element in the successful delivery of key projects and services has not only helped to support the organisation's performance but has also been recognised by the Audit Commission in the latest Use of Resources assessment. The importance of continuing to review the risks to the organisation is critical in delivering effective risk management. Council Leadership Group (CLG) recently reviewed the key corporate risks and while some risks were removed, six new risk focus areas have been added:
- 1) Equal Pay
 - 2) Fairness and Inclusion
 - 3) Capital Projects
 - 4) More for York
 - 5) Impact of an Aging Population
 - 6) Safeguarding.
- 64 The high/critical risks associated with the existing and new focus areas will be provided as part of future Finance and Performance monitors.

Progress on corporate strategy actions

- 65 The summary table below shows progress on the council's 54 milestone actions which support priority improvement for the 2009/12 corporate strategy. No further actions have been completed since the Q1 report, however, 39 (72%) are on track to hit their agreed deadline and 10 actions are reporting slippage (up from 6 last quarter). Half of those reporting slippage are forecasting to still deliver before March 2009/10 (i.e. within year 1 of the strategy).

	Milestone actions			
	Number	Completed	On track	Not on track
Thriving City	6	0 (0%)	4 (100%)	2 (0%)
Sustainable City	10	1 (10%)	7 (70%)	2 (20%)
City of Culture	5	1 (20%)	3 (60%)	1 (20%)
Healthy City	5	0 (0%)	3 (60%)	2 (40%)
Inclusive City	10	0 (0%)	9 (90%)	1 (10%)
Learning City	5	1 (20%)	3 (40%)	1 (40%)
Safer City	8	0 (0%)	7 (88%)	1 (12%)
Effective Organisation	5	3 (60%)	2 (40%)	0 (0%)
Total	54	6 (11%)	39 (72%)	10 (17%)

- 66 Status on 12 milestone actions was reported in detail for Quarter 1 and these have therefore been listed in the table overleaf for reference.

Theme	Milestone action	Current Status	Delivered by March 2010?
City of Culture	Carry out a market analysis and get a decision on interim use of the Barbican Auditorium by June 2009.	Complete	Yes
	Develop and hold a Young Peoples Festival by Dec 2009, involving 90% of cultural agencies.	Slippage	No
Healthy City	Launch a campaign by Sept 2009 to encourage an additional 1,600 adults to participate in regular weekly physical activities (5x30mins).	Slippage	Yes
Learning City	Completion of a pilot in 14 schools involving YorOK brokers which targets early intervention to those children identified as vulnerable by Mar 2010.	Complete	Yes
	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.	Slippage	No
Sustainable City	Complete the Groves recycling pilot by Sept 2009.	Complete	Yes
	Complete an easy@york review of waste, neighbourhood pride and street environment services by Summer 09.	Slippage	Yes
	Introduce new technological devices to improve the identification and removal of street litter by Sept 09.	Slippage	Yes
Safe City	Commission at least 50 restorative justice and young people's service interventions by March 2010 with children at risk of becoming first time offenders:	Slippage	No
Effective Organisation	Commit to the introduction of quality city-wide magazine	Complete	Yes
	Incorporate actions in response to 09 staff survey into the refreshed SIP	Complete	Yes
	Implement an Engagement Strategy to help communicate, consult and involve York residents about changes and improvements the council makes	Complete	Yes

67 The following 4 milestone actions are reporting slippage for the first time:

Inclusive City milestone

- *Assist 10 priority households through the Golden Triangle 'Homesave Plus' Mortgage Rescue Scheme by Mar 2010.* Take up to date has been slow with just one household assisted. Amendments have been made to the eligibility criteria, raising the maximum property value from £280k to £350k. A two-month advertising campaign in October/November on Minster FM is underway.

Thriving City milestone

- *Use the Eco Business Centre to support 20 enterprises through the newly established Enterprise Fund by Mar 2010.* Only 6 applications for the enterprise fund have been determined and so the prospect of meeting the target of '20' for the year is looking increasingly less likely. Discussions are in progress to determine initiatives to turn performance around.
- *Create a state of the art modern visitor information service for the city by summer 2009.* This has been slightly delayed, but will be delivered well before the end of the 2009/10.

Healthy City milestone

- *Complete a corporate review of the response needed to meet the needs and aspirations of the increasing population of older people by Mar 2010.* The start of this work has been delayed. Scoping work on the brief and process for undertaking the review is being completed and a report on this was submitted to CMT on the 21st October 2009.

Options

- 68 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. Whilst significant progress has been made by directorates to contain and reduce expenditure, further action is still required both to balance the budget this year and to ensure a firm base for the future. It must be clearly stated that the council can only spend what it can afford, and whilst certain actions will have service implications, the consequences of a major overspending are very significant and therefore corrective action must be taken.

Analysis

- 69 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

- 70 A number of performance and financial 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

- 71 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

- 72 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

- 73 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

- 74 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 that are still evident across the council.
- The work already undertaken within directorates to contain financial pressures.
- That work continues to identify and implement options to meet the 1.5% savings targets required to contain spending within budget by the end of the financial year.
- The longer term need for growth in some budgets, which will require compensating efficiencies and service transformation across the council.

Reason: So that the council's expenditure can be contained within budget.

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	Report Approved	Yes	Date 4/11/2009
Specialist Implications Officer(s) - None			
Wards Affected: <i>None</i>		All	
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