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## **Executive Members for City Strategy and Advisory Panel**

10 December 2007

Report of the Director of City Strategy

## **2007/08 CITY STRATEGY FINANCE & PERFORMANCE MONITOR TWO REPORT**

### **Summary**

- 1 This report presents two sets of data from the City Strategy Directorate
  - a) the latest projections for revenue expenditure and capital expenditure for City Strategy portfolio,
  - b) Monitor 2 (2007/08) performance against target for a number of key indicators that are made up of:
    - Best Value Performance Indicators owned by City Strategy
    - Customer First targets (letter answering)
    - Staff Management Targets (sickness absence)

### **Background**

- 2 This is the second monitoring report for 2007/08 combining financial and service performance information to be brought to City Strategy EMAP.
- 3 The performance data included is that which is reported as part of the Council plan each year.

### **Management Summary**

#### Financial Overview

- 4 At Monitor 1 a forecast overspend of £+774k was reported against a budget for the City Strategy portfolio of £14,428k. At the meeting Members agreed to recommend to the Executive that they release £200k from contingency to cover the forecast shortfall in planning income and land charges income, £200k from contingency to part cover the overspend on concessionary fares and to defer highway maintenance to the value of £370k. These actions were agreed to ensure the budget could be balanced.

- 5 In considering the first monitoring report the Executive approved the release of £200k from contingency to cover the shortfall in planning and land charges income. The decision to provide a supplementary estimate for concessionary fares was deferred until central government respond to the Council's representations for an increase in grant entitlement to offset the additional costs.
- 6 Since Monitor 1 there has also been a transfer of £-201k Road Safety grant plus other minor adjustments totalling £+1k. This has resulted in a current budget of £14,428k. These budget adjustments are shown in Annex 1.
- 7 Current projections are that the City Strategy Directorate will overspend by £+253k which represents 0.7% of the gross expenditure.

	Expend Budget £000	Income Budget £000	Net Budget £000	Projected Outturn £000	Var'n £000	% of gross exp
City Development & Transport	25,465	12,734	12,731	13,021	+290	+1.1
Planning	3,841	2,877	964	987	+23	+0.6
Resource & Business Manag't	4,908	4,175	733	673	-60	-1.2
<b>City Strategy</b>	<b>34,199</b>	<b>19,786</b>	<b>14,428</b>	<b>14,681</b>	<b>+253</b>	<b>+0.7</b>

Note: '+' indicates an increase in expenditure or shortfall in income  
 '-' indicates a reduction in expenditure or increase in income

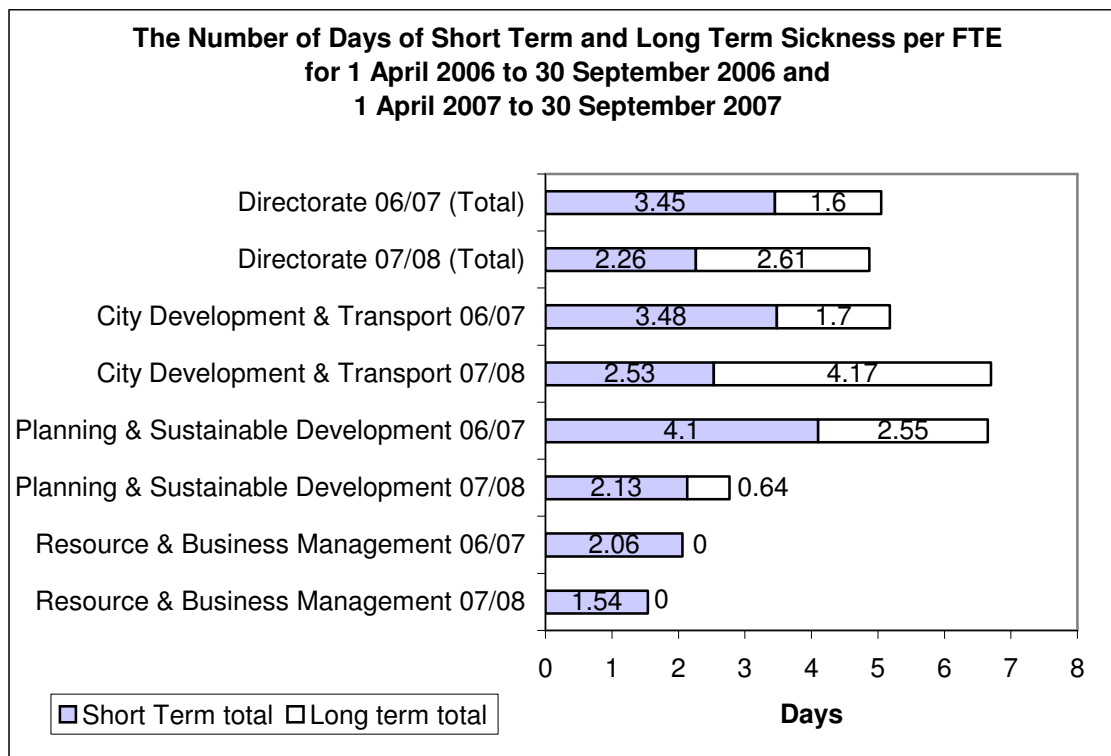
- 8 The overall projected position shows a £+253k overspend. Details of the major variances are shown in the sections below whilst overall budget summary is shown in detail in Annex 1 and further details of the variations are shown in Annex 2.

### Performance Overview

- 9 Some consistent and noteworthy performance includes:
- BVPI 109b: Percentage of minor planning applications determined within 8 weeks
  - all enquiries at reception are dealt with within 10 minutes, and this has consistently been the case since 2002/03
  - BVPI 106 the percentage of new homes built on previously developed land
- 10 The Customer First statistics for City Strategy are currently on or just below target. Regular monitor reports, reminders and coverage at Directorate Management Team meetings are supporting staff and increasing the knowledge of and awareness in meeting these targets. The Customer First statistics are as follows:

- The Customer First figures show that City Strategy Directorate<sup>1</sup> answered 97.70% (representing 510 out of 522) of letters between 1 April 2007 and 30 September 2007 within the Councils 10 days standard. This is above the corporate target of 95% and is better than 2006/07 performance of 93.23% (867 out of 930 letters were answered on target) in the comparative time period.
- For the City Strategy Directorate 94.78% (representing 76,186 out of 80,379) telephone calls were answered within 20 seconds between 1 April 2007 and 30 September 2007. This is just below the corporate target of 95% but exceeds the corporate average of 93.46%. Performance in 2007/08 also better the performance of 92.99% (62,096 out of 66,778 calls were answered on target) for the equivalent time period in 2006/07.

11 Sickness for City Strategy directorate is currently at 4.87<sup>2</sup> days per FTE for the first six months of the year. Performance shows improvement compared to the same time period in 2006/07 where the sickness figure for the directorate was 7.95 days per FTE. Sickness is monitored regularly and stricter protocols and manager guidance have been put in place. It is thought poor performance can be attributed to long term sickness. In July and August 2007 seven long term sick cases were resolved which has improved sickness performance and this will be reflected further in future reporting. Short term and long term sickness has been broken down for the first 6 months of 2007/08 and are compared against the first 6 months of 2006/07 in a graph below.



<sup>1</sup> This figure excludes Economic Development as this service area is reported separately. When 'City Strategy' is further mentioned it will always exclude Economic Development.

<sup>2</sup> For information: The total sickness figure for City Strategy if Economic Development were included is 4.61 days.

- 12 Set out below is more detailed information on finance and service performance in each service plan area.

## **City Development & Transport**

### Financial Overview

- 13 The current projection shows an overspend within the City Development and Transport Service Plan of £+290k, or +1.1% of the gross expenditure budget. A detailed analysis of the revenue budget variances is shown in Annex 1. The key reasons for the overspend are:
- Additional parking Income of £-44k
  - Shortfall in parking fines of £+160k
  - Concessionary Fares of £+640k (passes £+740k, tokens £-100k)
  - Shortfall in Park & Ride income £+100k
  - Staff vacancies £-184k
  - Parking operational budgets £-56k
  - Deferred highway schemes £-370k
  - Retail study £+49k

### **Concessionary Bus Travel**

- 14 Members were updated at Monitor 1 regarding the potential liability of £640k facing the directorate in relation to concessionary bus travel. This has arisen due to additional cost of reimbursing bus operators for concessionary fares (£+740k offset by an anticipated saving on bus tokens of £-100k). Since Monitor 1 the council has written to the Department for Transport detailing its concerns over the lack of funding provided by government for the scheme. To date no written response has been received by the Council.
- 15 The Council has yet to finalise the reimbursement arrangements for the financial year with the major operator, indeed officers have requested justification from the operator regarding the level of lost revenue. On writing this report no further information has been provided to the Council and we are continuing to reimburse based on the value determined in the 2006/07 appeal of £2m. There has also been no further information provided by the operator on concessionary pass usage since the first quarter.
- 16 Without further information we are not in a position to reassess the forecast overspend however it is still clear that the provision from Contingency is still required to support the City Strategy budget. It is recommended that this sum be released from the contingency to support the budget. If this request is accepted by the Executive the overspend will be reduced to £440k.

### **Car Parking**

- 17 The table below shows detail of income from Car Parking to 31st October 2007 compared to the budget and the position to the same date in 2006/07.

	Income to 31 <sup>st</sup> Oct 2006 £'000	Income to 31 <sup>st</sup> Oct 2007 £'000	2007/08 Forecast £'000	2007/08 Budget £'000	Variance to budget £'000	%
Short Stay	1,199	1,217	2,117	2,056	-61	-2.9
Standard Stay	2,254	2,146	3,614	3,686	+72	1.9
On Street	304	285	483	507	+24	4.7
Respark/ Season Tickets	357	421	719	640	-79	-12.3
Total	4,114	4,069	6,933	6,889	-44	-0.6

- 18 The table shows that £44k additional income is expected compared to budget (0.6%). The majority of the additional income has come from an increase in season ticket sales. There is also a projected increase in the number of Respark tickets being sold giving a small increase. Income from the car parks is in line with budget with a small overall deficit of £35k projected. This is taking into account an assumed loss of income totalling £55k following the withdrawal of evening parking charges for residents from the end of July.
- 19 Prior to the introduction of free residents evening parking in early August parking income showed a 2.5% increase ahead of projections (£51k) . Since August there has been a shortfall against projection totalling 2.2% (£36k). Whilst there are a large number of variables impacting the parking account (eg. weather, alternative provision, economic activity) this will need to be monitored carefully to determine any longer term trends.

### **Engineering Consultancy**

- 20 The Engineering Consultancy group operate a trading account undertaking design and supervision on highway revenue and capital schemes as well as supporting other directorates. The staffing requirements are primarily determined by the level of income available from the programmes. During 2007/08 there is anticipated to be a reduction of income available forecast at £198k. This is anticipated to be contained by a corresponding saving in employee costs of £198k. This will have no impact on the directorate budget however in ensuring proper budget management it is proposed to make a budget virement between income and expenditure to reflect the current trading position. This virement being in excess of £100k must be approved by the Executive Member.

### **Performance Overview**

- 21 Performance indicators on the City Development & Transport service plans are attached as Annex 3.

22 Performance indicators showing areas of concern and success are reported on an exception basis below.

PI Description	Q1-2 2006/07	Target 2007/08	Q1-2 2007/08	2006/07 vs. 2007/08	Actual vs. Target
BVPI 106 – the percentage of new homes built on previously developed land	93.87%	65%	94.8%	✓	✓
BVPI 215a – The average time taken to repair a street lighting fault, where the response time is under the control of the local authority	0.64 days	1.9 days	5.12 days	✗	✗

23 For BVPI 106 (% of new homes built on previously developed land) the performance of 94.8% for the first 6 months of 2007/08 exceeds the set government target of 65% due to the large number of homes built on brown field sites that have come forward in recent years. Current performance of 94.8% (237 out of 250 new homes built on previously developed land) is better than the 2006/07 performance of 93.87% for the same time period. In the future the percentage of new homes built on previously developed land may achieve levels closer to the 65% target set in Planning Policy Guidance 3 (March 2000) now that consent has been given for development on several greenfield sites.

24 BVPI 215a (the average time taken to repair a street lighting fault where the response time is under the control of the local authority) is currently performing at 5.12 days against a target of 1.9 days. The reasons for this are:

- The burn to extinction arrangements that have been in place for a number of years, prior to the start of the new contract in May 2007, are resulting in a high number of faults. This high level of faults will continue but to a decreasing extent as the cyclic maintenance arrangements, now in place for bulk clean and change, are carried out. A quarter of the streetlights in the city are cleaned and the lamps changed each year.
- Some of the faults being logged via the dedicated answering machine are extremely vague and/or inaccurate. It is has not been possible to detect these faults during daylight hours and as a result these potential faults have had to be referred to the night scouting team. This results in delays to detect any faults and all of this adversely affects the performance of this indicator. To improve reporting of faults, any vague or inaccurate faults will be entered onto the management system only when they can be properly identified as faults.
- The street lighting faults in the city centre area are often proving difficult to attend during the day due to high levels of pedestrian and vehicular traffic and this has contributed to the increase in the response times. Regular night working is expensive but discussions have taken place to improve daytime working

arrangements in the city centre and to enable limited night time working when necessary.

As a result of actions and interventions made and also due to an increase in resources by the contractor, the indicator is now very close to the target level.

- 25 In the short term resources are currently being increased and the backlog of lighting faults is expected to be resolved by mid November.
- 26 The Customer First figures show that City Development and Transport answered 98.89% (representing 446 out of 451) of letters between 1 April 2007 and 30 September 2007 within the Councils 10 days standard. This is above the corporate target of 95% and betters 2006/07 performance of 96.10% (640 out of 666 letters) in the same time period.
- 27 Sickness absence for City Development & Transport is at 6.7 days per FTE for the first 6 months of the year. Several long term sickness cases have been resolved and this will improve sickness absence.
- 28 For City Development and Transport 95.05% (representing 35,669 out of 37,526) telephone calls were answered within 20 seconds between 1 April 2007 and 30 September 2007. This is above the corporate target of 95% and the corporate average of 93.46%. Current performance for 2007/08 also betters the equivalent time period in 2006/07 where performance was 93.32% (30,343 out of 32,514 calls were answered on target).

## **Planning and Sustainable Development**

### Financial Overview

- 29 Current projections are that there will be an overspend within the Planning and Sustainable Development service plan area of £+23k, or +0.6% of the gross expenditure budget (this is after reducing planning income by £150k and land charges by £50k). A detailed analysis of the revenue budget variances is shown in Annex 1. The key reasons for the overspend are:
- £-50k additional planning income. Fees received so far this year have recovered slightly and there are a number of large planning fees expected later this year or in 2008/09. This will be closely monitored as the year progresses.
  - £+71k shortfall in planning delivery grant (PDG). The government did not announce the amount of PDG until the summer and, despite the improved performance, the amount received is £71k less than last year. Although there was a reduction in the total amount of money available from £127m to £118m, the share allocated to York reduced from 2.5% to 2.0%
  - £+80k shortfall in building control income. This continues the decline in activity last year where developers were submitting their building plans for checking but were deferring the developments which resulted in a sharp decline in income from on-site inspections. In addition, although the volume of work is similar to last year, the average fee received is lower. This will be closely monitored as the year progresses.

- £+30k shortfall in land charges income. This is the result of a further slow-down in the housing market
- £-108k savings in overheads and staffing due to problems in recruiting experienced staff

### Performance Overview

- 30 The indicators on the Planning and Sustainable Development service plan are attached as Annex 4. Where appropriate indicators are reported below in more detail.

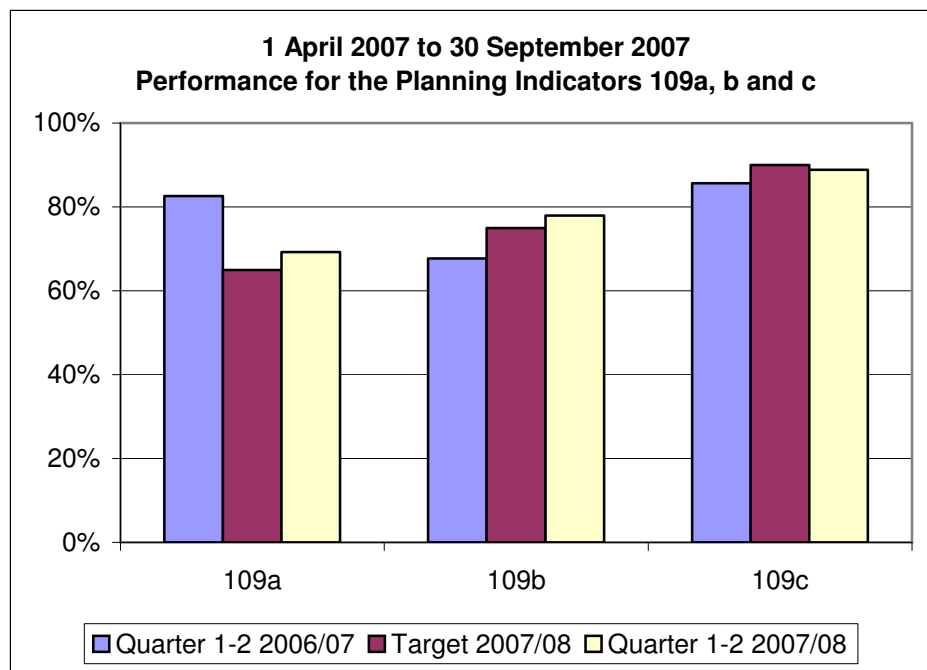
PI Description	Q1-2 06/07	Target 2007/08	Q1-2 07/08	06/07 vs. 07/08	Actual vs. Target
BVPI 109a % of major planning applications determined within 13 weeks	82.61%	65%	69.23%	✗	✓
BVPI 109b % of minor planning applications determined within 8 weeks	67.72%	75%	77.91%	✓	✓
BVPI 109c % of other planning applications determined within 8 weeks	85.64%	90%	88.87%	✓	✗

- 31 The current 2007/08 performance figure for BVPI 109a (major applications) of 69.23% represents 27 out of 39 applications being determined within 13 weeks. This betters the set target of 65% though it is performing below the 2006/07 figure of 82.61%. Performance on major applications has been hampered by a number of factors in the last 2 quarters, namely:
- Loss of more experienced staff to other authorities and maternity leave.
  - An increase in the number of applications (including major applications).
  - Imminent submission of detailed applications for the key sites including Metcalfe Lane and the University both requiring preparation and full time engagement of remaining experienced staff.
  - In addition, since May, a small but significant number of 'in time' major applications have been deferred at Committee and are therefore taking longer than 13 weeks to be determined.
- 32 The 1 April 2007 to 30 September 2007 performance figure for BVPI 109b (minor applications) of 77.91% is above the set target of 75% and represents 261 out of 335 applications that were determined within 8 weeks. The 2007/08 performance betters the 2006/07 performance of 67.72%.
- 33 PV109c (other applications) has achieved a figure of 88.72% for the first 6 months of the year which is just below the target of 90%. This represents 830 out of 934 applications determined within 8 weeks. This indicator is



performing above the 2006/07 performance of 85.64%.

- 34 The rolling year performance on minor (109 b) and other (109 c) applications has improved as poorer months of last year are taken out of the calculation. Also more consistent use of the delegation scheme and extra Area Sub Committees have helped further performance.
- 35 The time required to process key major applications and the shortage of experienced planners at the Authority will inevitably continue to impact upon performance in the next 2 quarters and is a cause for concern that has been highlighted.
- 36 The performance of these three indicators is represented graphically in the chart below:



- 37 The Customer First figures show that Planning and Sustainable Development answered 90.38% (representing 47 out of 52) of letters between 1 April 2007 and 30 September 2007 within the Councils 10 days standard. This is below the corporate target of 95% however shows improvement compared to the same time period in 2006/07 where performance was 85.43% .
- 38 Sickness absence for Planning and Sustainable Development is at 2.77 days per FTE for the first 6 months of the year. This level of performance is better than the 2006/07 6 month figure of 6.73 days.
- 39 For Planning and Sustainable Development 94.84% (representing 32,501 out of 34,268) telephone calls were answered within 20 seconds in between 1 April 2007 and 30 September 2007. This is below the corporate target of 95% but above the corporate average of 93.46%. Performance for the first 6 months of 2007/08 also betters the same time period in 2006/07 where

performance was 92.82% (24,608 out of 26,511 calls were answered within target).

## **Resource and Business Management**

### Financial Overview

- 40 Current projections are that Resource and Business Management will underspend by £-60k, or -1.9% of the gross expenditure budget. This has resulted from staff vacancies and savings in operational budgets. Following the decision to repay an additional £125k from the Venture Fund loan (which funded a major restructure in planning and set up the street environment service in 2000) there is a saving of £25k in the repayment charges in 2007/08.

### Performance Overview

- 41 The performance indicators on the service plan for Resource and Business Management are attached as Annex 5. This service plan holds the cross cutting performance information for the directorate of City Strategy; for example, indicators relating to Health and Safety, Human Resources, Customer First and Finance. These figures have been provided without in depth analysis for information (as in previous City Strategy EMAP reports).
- 42 Resource and Business Management answered 100% of letters that had to be replied to within the Council 10 day standard between 1 April 2007 and 30 September 2007. This is above the target of 95%.
- 43 Sickness absence for Resource and Business Management is at 1.54 days per FTE for the first 6 months of the year. This level of performance is better than the 2006/07 6 month figure of 2.2 days.
- 44 For Resource and Business Management 93.77% (representing 6,433 out of 6,860) telephone calls were answered within 20 seconds between 1 April 2007 and 30 September 2007. This is slightly below the corporate target of 95% but above the corporate average of 93.46%.

## **Portfolio Capital Programme**

- 45 The City Strategy capital programme is comprised of over 200 individual schemes and has a budget of £9,534k. The budget is funded from a number of sources including the Local Transport Plan, Government Grants, Developer contributions and CYC capital resources as detailed below.

	<b>Total £000s</b>
LTP element	5,560
Government Grant	813
Developer and other contribs	942
CYC resources	2,219
<b>Total</b>	<b>9,534</b>

- 46 The detailed update on progress is reported elsewhere on this agenda. However, brief details of the current and proposed budget allocations and are set out below:

	<u>Monitor 1</u>	<u>Proposed</u>
	<u>Budget</u>	<u>Budget</u>
	<u>£000s</u>	<u>£000s</u>
Outer Ring Rd / James St Link Rd	3,953	4,093
Multi-modal schemes	50	110
Air Quality, Congestion /Traffic Mgt	128	123
Park and Ride	189	139
Public Transport Schemes	574	472
Walking Schemes	371	378
Cycling Schemes	493	383
Development Linked Schemes	176	176
Safety Schemes	606	633
School Schemes	233	163
Residual Schemes	100	100
LTP Structural Maintenance	1,042	1,135
CYC Structural Maintenance	2,113	1,758
Elvington Flood Defence	0	20
City Walls	284	284
<b>Total</b>	<b>10,312</b>	<b>9,967</b>
Over-programming	-660	-433
	<b>9,652</b>	<b>9,534</b>

- 47 It is currently projected that the capital budget will be fully spent during the financial year.

## Conclusions

### Financial Overview

- 48 The provisional outturn position for the portfolio shows an overspend of £+253k for the financial year. This is made up of key identified overspends totalling £+1,448k offset by identified savings totalling £-1,195k.
- 49 The primary reason for the level of the projected overspend is that of the forecasted additional liability for concessionary fares of £+740k less £-100k saving on bus tokens. To offset this highway schemes have been deferred and underspends have been identified in parking income and expenditure as well as staff vacancies across the directorate. There remains a forecast overspend of £+253k however a provision is identified within the contingency for concessionary fares (£200k).
- 50 It is recommended that the Executive Member request that the Executive approve the release of the contingency to support the City Strategy budget. If that is approved a forecast budget deficit will remain totalling £+53k.

- 51 The General Contingency for 2007/08 was set at £600k. Potential areas that might require funding during the year were identified as part of the budget process, and totalled £1.025m. To date £200k has been released leaving £400k available. It is too early to know yet how many of the identified areas of financial pressure will be brought before Members for funding. The key pressures identified where there may be a need for additional funding included within the £1.025m, are: the costs of meeting the demand and complexity of social care needs, concessionary fares, planning income service pressures and possible additional pay award costs. These requests were included in the £600k identified in the budget. Any release from the contingency will reduce sums available for distribution during the remainder of the year. The balance available, if this application is approved, will be £200k.
- 52 If the Executive approve the release of contingency the revised overspend will be £+53k (0.1% of the gross budget). The financial position will continue to be monitored to the end of the year. It is currently anticipated that the overspend can be managed so that the Directorate will be within the overall budget.

### **Performance Overview**

- 53 Directorate customer first targets are being achieved and exceeded. The directorate has seen a decrease in the number of long term sickness days and continues to monitor this on a regular basis. Work is ongoing into the results of the staff satisfaction survey. Analysis has highlighted communications, learning and development and job security as issues to be addressed.

### **Consultation**

- 54 The report is primarily an information report for Members and therefore no consultation has been undertaken regarding the contents of the report.

### **Options**

- 55 Members have the option of whether to support the request of a supplementary estimate from contingency or whether to require the Director of City Strategy to deliver alternative savings.

### **Corporate Priorities**

- 56 The principal function of this report is to provide a snapshot of the directorate's financial performance during the 2007/08 financial year. As such it contributes to the proper financial management of the authority.

### **Financial Implications**

- 57 The financial implications of the report are included in the financial overview section of the conclusions (paragraphs 48-52).

## Other Implications

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

## Risk Management

- 59 In compliance with the Council's risk management strategy, there are no risks associated with the recommendations of this report. Budget monitoring is a key element of the management processes by which the council mitigates its financial risks. This report provides members with a detailed position of the portfolio's performance to date in 2007/08.

## Recommendation

- 60 That the Advisory Panel advise the Executive Member to
- a) note the financial and performance position of the portfolio.
  - b) recommend to the Executive to release a contingency sum of £200k to support pressure on Concessionary Fares budget.
  - c) To approve the virement of £198k within Engineering Consultancy income and expenditure as detailed in paragraph 20

Reason – In accordance with budgetary and performance monitoring procedures

## Contact Details

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**Sian Hansom**  
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Report Approved  Date 19/11/07

Bill Woolley  
Director of City Strategy

Report Approved  Date 19/11/07

Specialist Implications Officers – N/A

**Wards Affected:**

All

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

## **Background Documents:**

2007/08 Budget Monitoring files held in City Strategy Finance  
Performance Management Framework held by Business and Policy Development

## **Annexes**

Annex 1	Expenditure by Service Plan
Annex 2	Service Variations against budget
Annex 3	City Development and Transport Performance Indicators
Annex 4	Planning & Sustainable Development Performance Indicators
Annex 5	Resource & Business Management Performance Indicators