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## Meeting of Executive Members for City Strategy and Advisory Panel

11 December 2006

Report of the Director of City Strategy

### 2006/07 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 (2006/07) 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 2006/07 combining financial and service performance information to be brought to City Strategy EMAP (Executive Members & Advisory Panel).
- 3 The performance data included is that which is reported as part of the Council plan each year.

#### Management Summary

##### Financial Overview

- 4 At the report at Monitor 1 an underspend of £63k was projected within the City Strategy Portfolio compared to a budget of £12,916k.
- 5 Following large projected overspends primarily within Children's and Adult Social Services, Corporate Management Team looked to see how all Directorates could mitigate this overspend by finding savings that could be used in the financial year. City Strategy was set a target of £213k which could be funded from:

- £63k previously identified at Monitor 1
- £100k additional car parking income (over and above the £250k identified at Monitor 1)
- £50k staffing savings across the Directorate.

- 6 This approach was agreed by the Executive on 10<sup>th</sup> October 2006 and all budgets have been aligned to take these savings into account. This report therefore highlights changes that have occurred since Monitor 1.
- 7 The budget for the City Strategy portfolio following the above adjustment was set at £12,703k. Since then a number of further budget adjustments have been made which has resulted in a current budget of £12,889k. These budget adjustments are shown in Annex 1.
- 8 Current projections are that the City Strategy Directorate will underspend by £-171k which represents 0.1% of the gross expenditure.
- 9 The financial position for each service area is dealt with separately in the following sections. The overall position can be summarised as follows:

	Expend Budget £000	Income Budget £000	Net Budget £000	Projected Outturn £000	Var'n £000	% of gross exp
City Development & Transport	24,401	12,721	11,680	11,664	-16	-0.1
Planning	4,036	2,915	1,121	991	-130	-3.2
Resource & Business Manag't	4,399	4,311	88	63	-25	-0.6
<b>PLANNING &amp; TRANSPORT</b>	<b>32,837</b>	<b>19,947</b>	<b>12,889</b>	<b>12,865</b>	<b>-171</b>	<b>-0.1</b>

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

- 10 The overall projected position shows a provisional £-171k underspend. 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

- 11 There are some marked improvements in service performance particularly in relation to:
- planning application indicator BVPI 109a
  - all enquiries at reception are dealt with within 10 minutes, and this has consistently been the case since 2002/03

- 12 A key area where the directorate is not forecast to achieve the target in:
- COLI 33a the percentage of street lamps not working as planned (excluding vandalism)
- 13 The Customer First statistics for City Strategy are currently not performing on 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 the City Directorate<sup>1</sup> answered 93% (representing 835 out of 896) of letters between 1 April 2006 and 30 September 2006 within the Councils 10 days standard. This is below the corporate target of 95%.
  - For the City Strategy directorate<sup>2</sup> 93% (representing 62,096 out of 66,778) telephone calls were answered within 20 seconds between 1 April and 30 September 2006. This is just below the corporate target of 95% but exceeds the corporate average of 87.13%.
- 14 Sickness for City Strategy directorate<sup>3</sup> is currently at 5.14 days per FTE (Full Time Equivalent) for the first six months of the year. This is better than the corporate target of 5.24 days and the corporate average of 5.37 days for the equivalent period. Sickness is monitored regularly with more rigorous management protocols and guidance in operation.
- 15 Set out below is more detailed information on performance in each service plan area.

## City Development & Transport

### Financial Overview

- 16 The current projection shows an underspend within the City Development and Transport Service Plan of £-16k, or -0.1% of the gross expenditure budget. A detailed analysis of the revenue budget variances is shown in Annex 1. The key reasons for the underspend are:
- Staffing vacancies totalling **£-172k** within Network Management (£-114k), Emergency Planning (£-10k), Parking (£-55k) and Transport Planning (£-23k) offset by overspend in Highway Infrastructure (£+30k)
  - Reduced Capital programme fees due to reduced employee levels **+£91k**
  - Income from S38 Developer fees **+£30k**
  - Additional expenditure on Highway maintenance **+£34k**

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<sup>1</sup> excluding Economic Development as this information is reported to the Leader Executive Member Advisory Panel.

<sup>2</sup> excluding Economic Development as this information is reported to the Leader Executive Member Advisory Panel.

<sup>3</sup> excluding Economic Development as this information is reported to the Leader Executive Member Advisory Panel.

## Car Parking

- 17 The table below shows detail of income from Car Parking to 31<sup>st</sup> October 2006 compared to the budget and the corresponding 2005/06 position.

	Income to 31 <sup>st</sup> Oct 2005 £'000	Income to 31 <sup>st</sup> Oct 2006 £'000	Forecast 2006/07 £'000	2006/07 Budget £'000	Variance to budget £'000	%
Short Stay	1,176	1,199	2,057	2,027	-30	-1.5
Standard Stay	1,979	2,249	3,743	3,705	-38	-1.0
On Street	251	286	508	475	-33	-6.9
Respark/ Season Tickets	324	356	652	670	+18	+2.7
Total	3,730	4,090	6,960	6,527	-83	-1.3

- 18 The table shows that £-83k additional income is expected compared to budget (1.3%). This in addition to £-350k additional income reported at the Corporate Monitor report.

## Highway Maintenance

- 19 There are two main variations anticipated with the Highway Maintenance budget a) street lighting and b) general maintenance overspend.
- 20 Since the last meeting officers met with npower and have successfully negotiated a fixed unit price until October 2008. In addition, the inventory has been audited and has been backdated to 1<sup>st</sup> September 2005. The inventory contains more accurate information on numbers of columns and on the types of lamps used (which are now more energy efficient than in the past) and as a result energy consumption has reduced by 15%.
- 21 However, latest figures for numbers of faults during the first 8 months of the year have increased by 11% for street-lights and 20% for illuminated bollards, increasing overall maintenance costs. These faults are putting significant pressure on the budgets and the overall service has only been able to come in approximately on budget due to a one-off saving from lighting energy due to a rebate on 2005/06 energy costs. There remains a significant pressure on this budget given the demand for the service.

- 22 The remaining highway maintenance budgets are anticipated to overspend by £27k. Officers are carefully monitoring the situation as the year progresses.

### Concessionary Fares

- 23 Members will be aware that the Government introduced free travel for all bus pass holders over 60 from the 1<sup>st</sup> April 2006. The council assumed an additional cost of £730k in implementing this scheme.
- 24 At the last meeting a significant reduction in tokens issues and an increase in passes overall was reported, a net increase in claimants of 8%. This will result in saving of c £200k from the token budget. It is assumed that this will be required to reimburse bus operators following an increase in bus pass journeys and one operator has formally appealed to the Department of Transport against the levels of reimbursement. The result of the appeal is expected to be made within the next two months. Until this result is known no assessment can be made as to whether this will impact on the costs of operating the scheme. Evidence suggests a big increase in pass journeys within the city but at this time it does not appear to have had a significant impact on capacity and therefore under the principle that operators should be “no better or worse off” under the scheme this increase in pass numbers will not necessarily have an additional cost. Officers are monitoring the situation closely and as soon as a financial impact is identified a report will be brought back to Members.

### Performance Overview

- 25 Performance indicators on the City Development & Transport service plans are attached as Annex 3.
- 26 Performance indicators showing areas of concern and success are reported on an exception basis below.

PI Description	Q1-Q2 2005/06	06/07 target	Q1-Q2 2006/07	05/06 vs 06/07	Actual vs. Target
BVPI 106 – The percentage of new homes built on previously developed land	97%	65%	93.9%	✓	✓
BVPI 215a – The average time taken to repair a street lighting fault, where the response time is under the control of the local authority	1.07 days	2 days	0.87 days	✓	✓
COLI 33a % of street lamps not working as planned ( <b>excluding</b> vandalism)	New PI	0.8%	0.97%	-	✗
COLI 33b - % of streetlamps not working as planned ( <b>including</b> vandalism)	0.98%	0.90%	1.04%	✗	✗

- 27 For BVPI 106 (% of new homes built on previously developed land) the performance of 93.9% for the first six months of 2006/07 exceeds the government set target (65%) due to the large number of homes built on brown field sites that have come forward in recent years. In comparison with 2004/05 data this indicator is performing in the top quartile in comparison with other authorities and above the 2004/05 national average of 73.69%<sup>4</sup>. In future years 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) should greenfield sites allocated for housing gain consent for development.
- 28 BVPI 215a (The average time taken to repair a street lighting fault, where the response time is under the control of the local authority) has exceeded the set target of 2 days. Performance for 1 April 2006 to 30 September 2006 has improved compared to the same time period in 2005/06.
- 29 COLI 33 (% of street lights not working as planned) has previously been calculated to include vandalism data. Over the past year vandalism is thought to have significantly contributed to the performance of this indicator. Consequently COLI 33 has now been split into two indicators, one that excludes vandalism data (COLI 33a) and one that includes vandalism data (COLI 33b).<sup>5</sup>
- 30 For the first six months of the year COLI 33a (% of street lights not working as planned excluding vandalism) has performed at 0.97% which is below the set target of 0.8%<sup>6</sup>. This represents approximately 175 street lamps not working as planned out of an estimated total of 18,000 street lamps across the city.
- 31 COLI 33b (% of street lights not working as planned including vandalism) shows that 141 individual acts of vandalism were recorded between 1<sup>st</sup> April 2006 and 30 September 2006. Performance has fallen compared to the same time period in 2005/06.
- 32 The Customer First figures show that City Development and Transport answered 96.1% (representing 640 out of 666) of letters between 1 April 2006 and 30 September 2006 within the Councils 10 days standard. This is above the corporate target of 95%.
- 33 Sickness absence for City Development & Transport is at 5.17 days per FTE for the first six months of the year. This level of performance is better than the corporate average of 5.37 days and meets the corporate target of 5.24 days per FTE.

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<sup>4</sup> 2005/06 data information has not yet been released by the Office of the Deputy Prime Minister.

<sup>5</sup> The main purpose of COLI 33b is to monitor vandalism and compare performance with previous years data since COLI 33a is new and does not have any historical information for comparison.

<sup>6</sup> The targets for both COLI 33a and b have recently been amended after a report was submitted to and approved by EMAP. COLI 33a was originally 0.6% and has been changed to 0.8%. COLI 33b was originally 0.7% and is now 0.9%. It became apparent that the targets originally set were too stringent and did not take into account the frequency of scouting periods. For further information please see the 'Street Lighting' report submitted to EMAP on 30 October 2006.

- 34 For City Development and Transport 93.3% (representing 30,343 out of 32,514) telephone calls were answered within 20 seconds between 1 April and 30 September 2006. This is just below the corporate target of 95% but is above the City Strategy average of 93% and exceeds the corporate average of 87.13%.

## **Planning and Sustainable Development**

### Financial Overview

- 35 Current projections are that there will be an underspend within the Planning and Sustainable Development service plan area of £-130k, or 3.2% of the gross expenditure budget. A detailed analysis of the revenue budget variances is shown in Annex 1. The key reasons for the underspend are:
- £-45k additional planning income. This is due to receiving a number of large fees since our last report. The forecast will be updated as and when these are received
  - £-5k additional bar walls income. Following a number of rent reviews income has increased by £-5k
  - £-80k underspend in planning inquiry costs. (see paragraph 37 below).
- 36 As part of the 2006/07 budget a contingency of £50k was set aside for the anticipated shortfall in income from Land Charges. The introduction of Home Information Packs is now set for June 2007 but is still uncertain. It is unlikely that there will be any affect from their introduction in this financial year.

### **Planning Inquiries**

- 37 Members allocated a total budget of £500k for the housing and university expansion planning inquiries. The housing inquiry has already been completed and an announcement is expected in April 2007. The university inquiry will be completed this month, 4 days earlier than expected. A full report will be brought to members in 2007. The latest forecast suggests that there will be an overall cost of £320k, a further saving of £80k in addition to the £100k reported to the September meeting. The saving has mainly arose from the lower than expected legal costs and from the inquiries finishing on time.

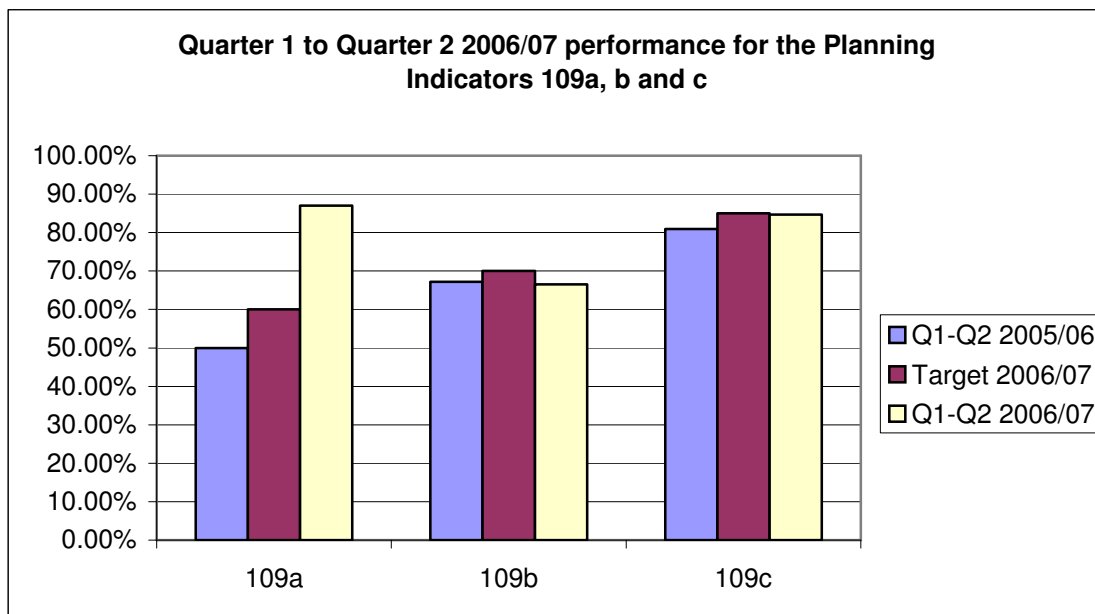
### Performance Overview

- 38 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-Q2 05/06	06/07 target	Q1-Q2 06/07	05/06 vs. 06/07	Actual vs. Target
BVPI 109a % of major planning applications determined within 13 weeks	50%	60%	87%	✓	✓
BVPI 109b % of minor planning applications determined within 8 weeks	67.2%	70%	66.5%	✗	✗
BVPI 109c % of other planning applications determined within 8 weeks	80.9%	85%	84.7%	✓	✗

- 39 The performance figure for BVPI 109a (major applications) of 87% represents 20 out of 23 applications being determined within 13 weeks for the first six months of 2006/07. This significantly better than the set target of 60% and the 2005/06 figure of 50%. Performance will hopefully be sustained and maintained through the year to ensure potential Planning Delivery Grant is maximized because there are greater rewards for those authorities exceeding the target by higher margins.
- 40 The performance figure for BVPI 109b (minor applications) of 66.5% is below the set target of 70% and represents 185 out of 278 applications that were determined within 8 weeks between 1 April 2006 and the 30 September 2006. Staffing issues have effected performance which has also led this indicator to fall below the 2005/06 performance of 67.2% for the same period.
- 41 BV109c (other applications) has achieved 84.7% in the first six months of 2006/07 which is just short of the target of 85%. This represents 781 out of 922 applications determined within 8 weeks. The indicator exceeds the 2005/06 performance of 80.9% for the same time period.
- 42 The performance of these three indicators is represented graphically in the chart below:





- 43 The Customer First figures show that Planning and Sustainable Development answered 88.8% (representing 170 out of 199) of letters between 1 April 2006 and 30 September 2006 within the Councils 10 days standard. This is below the corporate target of 95%.
- 44 Sickness absence for Planning and Sustainable Development is at 6.73 days per FTE for the first six months of the year 2006/07. This level of performance is higher than the corporate average of 5.37 days and does not meet the corporate target of 5.24 days per FTE.
- 45 For Planning and Sustainable Development 92.82% (representing 24,608 out of 26,511) telephone calls were answered within 20 seconds between 1 April 2006 30 September 2006. This is just below the corporate target of 95% but exceeds the corporate average of 87.13%.

## **Resource and Business Management**

### Financial Overview

- 46 Current projections are that Resource and Business Management will have an underspend of £-25k, or -0.1% of the gross expenditure budget. The underspend has arisen from a vacancies within finance and savings from printing and stationery budgets.
- 47 The budget for the Yorwaste dividend has been included within the City Strategy portfolio due to the Director of City Strategy being the shareholder representative for City of York council. The budget for the dividend totals £340k. Due to a review of Yorwaste's cash balances it is anticipated that the dividend receivable to the council will be £820k. This is £480k above the budget. It is proposed that when the additional income is received it is incorporated into council reserves.

## Performance Overview

- 48 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 Planning and Transport and City Strategy EMAP reports).
- 49 The Customer First figures show that Resource and Business Management answered 50% (representing 1 out of 2) of letters between 1 April 2006 and 30 September 2006 within the Councils 10 days standard. This is below the corporate target of 95%.
- 50 Sickness absence for Resource and Business Management is at 2.2 days per FTE for the first six months of the year. This level of performance significantly better than the corporate average of 5.37 days and the corporate target of 5.24 days per FTE.
- 51 For Resource and Business Management 94.5% (representing 4,479 out of 4,739) telephone calls were answered within 20 seconds between 1 April and 30 September 2006. This is just below the corporate target of 95% but is above the City Strategy average of 93% and exceeds the corporate average of 87.13%.

## **Portfolio Capital Programme**

- 52 The City Strategy capital programme is comprised of over 200 individual schemes and has a budget of £10,835k. The proposed budget at monitor 2 is £10,509k. The budget is funded from a number of sources including the Local Transport Plan (LTP), Government Grants, Developer contributions and City of York Council (CYC) capital resources as detailed below.

	<b>Monitor1 Total £000s</b>	<b>Revised Total £000s</b>
LTP element	6,378	6,378
Government Grant	196	42
Developer and other contribs	1,713	1,541
CYC resources	2,548	2,548
<b>Total</b>	<b>10,835</b>	<b>10,509</b>

- 53 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	2,609	2,694
Air Quality, Congestion /Traffic Mgt	321	235
Park and Ride	211	196
Public Transport Schemes	635	1,043
Walking Schemes	353	134
Cycling Schemes	481	267
Development Linked Schemes	20	20
Safety Schemes	435	370
Accessibility / Village Traffic Schemes	895	709
School Schemes	287	293
Residual Schemes	100	100
Travel Awareness	40	0
LTP Structural Maintenance	1,900	1,900
CYC Structural Maintenance	2,400	2,400
City Walls	148	148
<b>Total</b>	<b>10,835</b>	<b>10,509</b>
Replacement Foss Islands Depot	9,131	9,131

- 54 The budget decrease of £326k relates to the removal of grant funding for the station access ramp scheme which can not be delivered in the year and the deferral of the schemes funded from the Barbican s106 agreement. It is currently anticipated that the capital budget will be fully spent during the financial year.

## Conclusions

### Financial Overview

- 55 The provisional outturn position for the portfolio shows an underspend of £-171k for the financial year. The main reason for the underspend is from staff vacancies across the directorate, planning inquiry costs, and improved planning.
- 56 This projected underspend is a further improvement on £-213k savings achieved in Monitor 1. There remain a number of variable budgets within the directorate primarily relating to income (parking and planning) as well as the uncertainty regarding the Concessionary Fares reimbursements. The other uncertainty is the budget required for Winter Maintenance over the winter months.
- 57 It is reported elsewhere on the Agenda within the Economic Development Monitor report that the Economic Development portfolio is anticipating an overspend of £119k for the financial year. This is primarily due to the

additional cost of employing temporary staff to support the Director of City Strategy following the retirement of the Assistant Director (Economic Development). There have also been costs of recruiting a permanent replacement due to start in late January. This support has been essential given the recent announcement of job losses within the local economy eg. Nestle, British Sugar and Norwich Union. Additional work has been required supporting the Future York group. Given this support it is proposed that part of the City Strategy underspend is used to offset the overspend within the Economic Development portfolio.

- 58 If Members agree to the virement of £119k above the net underspend for City Strategy is projected at £52k. It is proposed that this is not allocated at this time and used to deal with any potential overspends that arise later in the year particularly relating to those issues identified in para 56 above.

### **Performance Overview**

- 59 Performance on key indicators are improving in particular major planning applications. In relation to Customer First indicators, poor performance has been identified and addressed and these areas are expected to improve and to be on target for the second half of the year.

### **Consultation**

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

### **Options**

- 61 The report is primarily an information report for Members and therefore no specific options are provided to Members regarding the contents of the report.

### **Corporate Priorities**

- 62 The principal function of this report is to provide a snapshot of the directorate's financial performance during the 2006/07 financial year. As such it contributes to the proper financial management of the authority.

### **Implications**

- 63 Financial – these are addressed in the body of the report
- 64 Human Resources - there are no human resources implications within the report.
- 65 Equalities - there are no equalities implications within the report.
- 66 Legal – there are no legal implications within the report
- 67 Crime and Disorder - There are no crime and disorder implications within the report.

- 68 Information Technology – there are no Information Technology implications within the report.
- 69 Property – there are no property implications within this report
- 70 Other – there are no other implications within the report

## **Risk Management**

- 71 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 2006/07. There remain a number of uncertainties within the budget but specific attention is given to these so that potential overspends can be addressed within the overall budget.

## **Recommendation**

- 72 That the Advisory Panel advise the Executive Member to note the financial and performance position of the portfolio.

Reason – In accordance with budgetary and performance monitoring procedures

- 73 That the Advisory Panel advise the Executive Members to agree to the virement of £119k from City Strategy portfolio to the Economic Development portfolio in support of the temporary management arrangements.

Reason – In accordance with financial regulations

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**Sian Hansom**  
**AD Resource and Business Management**

Report Approved  Date 29<sup>th</sup> November 2006

Bill Woolley  
 Director of City Strategy

Report Approved  Date 29<sup>th</sup> November 2006

Specialist Implications Officers: None  
**Wards Affected:**

All

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

## **Background Documents:**

2006/07 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