
Executive Members for City Strategy and Advisory Panel

2 June 2008

Report of the Director of City Strategy

2007/08 CITY STRATEGY FINANCE & PERFORMANCE OUTTURN REPORT

Summary

- 1 This report presents two sets of data from the City Strategy Directorate
 - a) the outturn figures for revenue expenditure and capital expenditure for the City Strategy portfolio,
 - b) outturn (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 and telephone calls)
 - Staff Management Targets (sickness absence)

Background

- 2 The Executive Member has received two monitoring reports during the year and has been kept informed of expenditure and income trends for the portfolio. It should be noted that the figures reported are provisional and may be adjusted. However any changes are likely to be of a technical accounting nature and not significant in terms of impacting on the variances described in the report.
- 3 The performance data included is reported as part of the Council plan each year.

Management Summary

Financial Overview

- 4 The provisional revenue outturn for the City Strategy portfolio was £14,723k against a budget of £14,772k a gross underspend against budgets of £-49k and represents 0.1% compared to the portfolio's gross budget. The overall position is summarised below

	£000
Latest Budget	14,772
Provisional Outturn	14,723
Gross Underspend	<u>-49</u>
Carry Forward request	31
Revised Underspend	-18
% Of Latest Gross Budget	<u>-0.1%</u>

- 5 The 2nd Monitor report was presented to Members on 10th December 2007 and showed a projected outturn of £14,481k compared to a budget of £14,428k, a net overspend of £+53k. This position assumed a supplementary estimate of £200k would be provided by the Executive to support the ongoing concessionary fares overspend.

The outturn position by service plan is shown below

	Expend Budget £000	Income Budget £000	Net Budget £000	Projected Outturn £000	Var'n £000	% of gross exp
City Development & Transport	25,993	12,388	13,605	13,520	-85	-0.3
Planning	3,955	2,867	1,088	1,310	+222	+5.6
Resource & Business Mgt	4,334	4,255	79	-107	-186	-4.3
TOTAL CITY STRATEGY	<u>34,282</u>	<u>19,510</u>	<u>14,772</u>	<u>14,723</u>	<u>-49</u>	<u>-0.2</u>

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

- 6 The overall outturn position shows a provisional £-49k underspend. Details of the major variances are shown in the sections below whilst overall budget summary is shown in detail in Annex 1.
- 7 There is a carry forward request for the waste project work that has not been completed at 31st March totalling £31k. This is detailed in paragraph 55. If this request is approved the overall underspend within the City Strategy portfolio to support council reserves totals £18k.

Performance Overview

- 8 There are some marked improvements in service performance compared to 2006/07, particularly in relation to:
- BVPI 106: The percentage of new homes built on previously developed land.
 - BVPI 165: Percentage of pedestrian crossings with facilities for

disabled people

- all enquiries at reception are dealt with within 10 minutes, and this has consistently been the case since 2002/03.

9 Key areas where the directorate did not meet the target:

- BVPI 215a: The average time taken to repair a street lighting fault where the response time is under the control of the local authority.
- BVPI 99ai: The number of people killed or seriously injured in road traffic collisions.

10 The Customer First statistics for City Strategy are currently 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 Strategy Directorate¹ answered 96.59% (representing 1,075 out of 1,113) of letters between 1 April 2007 and 31 March 2008 within the Councils 10 days standard. This is above the corporate target of 95% and 2006/07 performance of 93.24%.
- For the City Strategy directorate² 95.22% (representing 149,341 out of 156,842) telephone calls were answered within 20 seconds between 1 April 2007 and 31 March 2008. This meets the corporate target of 95% and exceeds the corporate average of 93.88%.

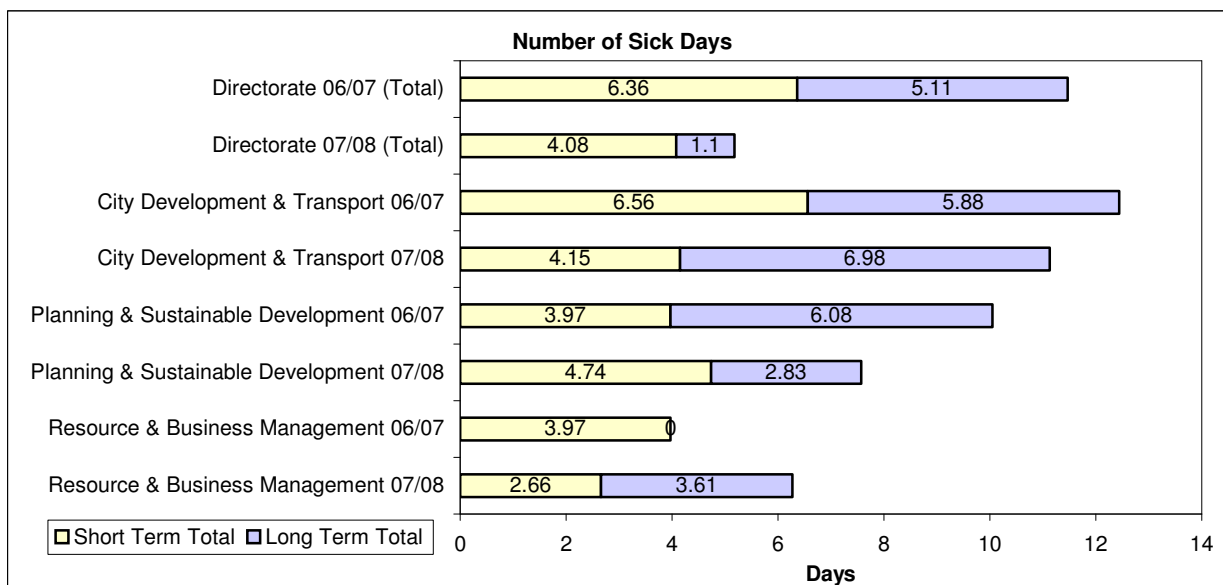
11 The 2007/08 year end sickness absence for City Strategy³ is 9.59 days per FTE (Full Time Equivalent). This is better than the 2006/07 directorate performance of 11.47 days and both the corporate target of 12 days and the corporate average of 10.20 days. The improvement in performance can be attributed to regular monitoring as well as stricter protocols and manager guidance which have been put in place.

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

¹ Excluding Economic Development as this information is reported in a separate report elsewhere on the agenda.

² See footnote 1

³ See footnote 1 – The sickness figure including Economic Development is 8.98 days.



City Development & Transport

Financial Overview

13 The provisional outturn shows an underspend within the City Development and Transport Service Plan of £-85k, or -0.3% 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:

- Concessionary Fares £+379k
- Parking Income surplus of £-93k. This is an improved position from the £-44k reported at Monitor 2. This is offset by £+155k shortfall in PCN income.
- Saving on parking expenditure £-33k
- Staffing savings across the service plan area £-180k
- Park & Ride £+116k
- Saving from the set up costs of the National Bus Pass scheme £-52k
- Deferred highway schemes (agreed at Monitor 1) £-370k
- Savings from the Street Lighting maintenance contract £-50k
- Highways Maintenance underspend £-23k
- Additional cost of dealing with Flooding Emergencies £+93k
- Lower than budgeted costs of Winter maintenance £-31k
- Other net overspends £+4k

Concessionary Fares

14 The total overspend for Concessionary Fares was £+379k (13.2% against a budget of £2,773k). This related to an overspend on fare reimbursements (£+476k) offset by reduced level of travel token take up (£-97k). This overspend is slightly lower than that reported earlier in the year (£+440k) but are a result of the DfT appeal resolution that ordered the council to pay £2m to First York for reimbursement in 2006/07. Agreement with the major operator over the final reimbursement claim for

2007/08 has still to be finalised. It is anticipated however that the cost can be contained within the assumed provision.

- 15 Members will be aware that the new national bus pass scheme was introduced on 1st April 2008 and an additional £1.1m funding was provided by government. The new scheme is based on local authorities reimbursing bus operators for any pass holder boarding a bus in their area, but not for pass holders who arrive from outside the area. The previous scheme was based on paying for resident pass holders who travelled within the N Yorkshire region. This will be closely monitored and reports will be brought to members during the year.

Car Parking

- 16 The table below shows detail of income from Car Parking to 31st March 2008 compared to the budget and the 2006/07 outturn.

	Income to 31 st March 2006/07 £'000	Income to 31 st March 2007/08 £'000	2007/08 Budget £'000	Variance to budget £'000	%
Short Stay	2,101	2,120	2,057	-63	-3.1
Standard Stay	3,797	3,612	3,686	+74	+2.0
On Street	513	481	507	+26	+5.1
Respark Income / Season Tickets	666	770	640	-130	-20.3
Total	7,077	6,983	6,890	-93	-1.3

- 17 The table shows that the outturn was £-93k above budget (-1.3%). This compares to a projected surplus of £-68k at Monitor 2. There has been an improvement therefore of £25k in the last three months of the year. This is primarily due to the impact of the early Easter. It should be noted that excluding Respark and Season Ticket income there was a shortfall of £37k which is due to the lost income following the withdrawal of evening parking charges for residents from the end of July.
- 18 There was a £155k shortfall in income from Penalty Charge Notices (against a budget of £762k (20%)). In general the reduction in issuing parking tickets has been following national experience in that there is an increasing compliance with parking regulations as motorists recognise that the enforcement regime operated by Local Authorities is significantly less open to abuse than the former arrangement managed by the Police. Whilst there are thus less offences to be detected the position is slightly worsened due to the reduction in the parking attendants establishment

compounded by the long term sickness absence of several attendants and maternity leave.

- 19 In addition, the parking team have been preparing for the implementation of Traffic Management Act 2004 on 31st March 2008, in particular the introduction of £70 and £50 offences and changes to the administration procedures. All staff attended training courses to understand the changes and there was a drop in activity during this period.
- 20 When considering all parking budgets the overall parking account showed an underspend of £7.5k for the year.

Employee Related Expenditure

- 21 There was an overall underspend on employee costs within the City Development and Transport service plan area totalling £180k. This was primarily within the Network Management (£-109k) where a number of staff left during the year and Parking Services (£-53k), again due to a number of vacancies and staff sickness within the year.

Highway Maintenance and Flooding

- 22 There was an overall underspend of £-381k on highway maintenance of which £-370k was agreed at Monitor 1 by deferring schemes to offset the predicted shortfall in concessionary fares and the drop in planning income. The remaining £-11k has been made up from savings on winter maintenance due to the mild winter period (£-31k), underspends on maintenance schemes £-104k and street lighting (£-50k), offset by overspends on drainage and gully-emptying (£+81k) and dealing with flood events (£+93k).
- 23 Following the relatively mild winter weather, winter maintenance budgets underspent by £-31k. The total number of gritting required during the year totalled 62 events which is significantly lower than the previous 10 year average of 73 events.
- 24 The mild winter was relatively dry but there was a significant flooding event in the first week in January requiring the York Flood Group to meet to monitor the situation and sandbagging in some areas. There were also a number of events during the summer leading to total expenditure of £138k which was £+93k above budget.

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	06/07 outturn	07/08 target	07/08 actual	06/07 vs. 07/08	Actual vs. Target
BVPI 106 – The percentage of new homes built on previously developed land	94.63%	65.00%	94.80%	✓	✓
BVPI 215a – The average time taken to repair a street lighting fault, where the response time is under the control of the local authority	2.13 days	1.9 days	5.9 days	✗	✗
BVPI 165 – Percentage of pedestrian crossings with facilities for disabled people*	67%	69%	74%	✓	✓
LTP A3(i) - Park & Ride usage - total passengers	3.14 million	3.25 million	3.12 million	✗	✗
BVPI 99ai: The number of people killed or seriously injured (KSI) in road traffic collisions.	101	95	160	✗	✗

* Please note that the definition for this indicator has changed since 2005/06.

- 27 For BVPI 106 (% of new homes built on previously developed land) the year end 07/08 figure of 94.80% represents 528 out of 557 homes that were built on brown field sites. This is above the 2006/07 outturn of 94.63%. In future years the percentage of new homes built on previously developed land will achieve levels closer to the 65% target set in Planning Policy Guidance 3 (March 2000) now that green-field sites allocated for housing at Derwenthorpe and Germany Beck have gained consent for development.
- 28 BVPI 215a did not meet the target of 1.9 days and did not meet the 2006/07 performance of 2.13 days. The time taken to attend to faults drastically increased in the autumn period peaking at an average of 13.50 days in September. At this point it was discovered that the problems were a direct result of daytime only working and a difficulty in accessing faults. The solution was to enact a night time repair regime in conjunction with scouting, and this has resulted in the improvement of performance. For example in March the average time taken to repair a street light was 1.29 days.
- 29 BV165 (percentage of pedestrian crossings with facilities for disabled people) has exceeded 2006/07 performance of 67% and the target of 69% achieving 74% for 2007/08. A change in the definition of the indicator in 2006/07 saw the performance drop from 100% in 2005/06 to 67% in 2006/0. Pedestrian crossings with facilities for disabled people was identified as a priority and remedial work began in 2007/08 concentrating on priority sites. Extra funding was resourced and secured

ensuring that additional sites were able to meet the required BVPI standard.

- 30 LTP A3i Park and Ride usage has a 2007/06 year end figure of 3.12 million total passengers. This is below the 2006/07 figure of 3.14 million passengers and the 2007/08 target of 3.25 million passengers. Performance is anticipated to improve in future with the expansion of current and the development of new Park and Ride sites.
- 31 BVPI 99ai (The number of people killed or seriously injured (KSI) in road traffic collisions) did not meet the set target of 95 or the 2006/07 performance (2005 calendar year) of 101. However, whilst the number of people killed or seriously injured in York for 2007/08 (2006 calendar year) was higher than in previous years it is important to look at the trends over a longer period. Over the past 6 years the overall level of casualties has fallen. Although the serious injury figure is higher than the previous year, the level of fatal accidents were at one of their lowest levels and analysing the early and unconfirmed 2007 calendar year figure of 93 shows that future performance is improving. Additionally new funding (£250,000 Road Safety Grant) which became available in April 2007 is also anticipated to help reduce the number of KSI casualties.
- 32 The Customer First figures show that City Development and Transport answered 97.22% of 1007 letters in 2007/08 within the Councils 10 days standard. This exceeds the corporate target of 95%.
- 33 For City Development and Transport 95.11% (representing 73,950 out of 77,752) telephone calls were answered within 20 seconds in 2007/08. This meets the corporate target of 95% and exceeds the corporate figure of 93.88%.
- 34 2007/08 year end sickness absence for City Development & Transport is 11.13 days per FTE. Performance meets the corporate target of 12 days.

Planning and Sustainable Development

Financial Overview

- 35 The provisional outturn identifies an overspend within the Planning and Sustainable Development service plan area of £+222k, or 5.6% of the gross expenditure budget. However, within this figure was a £+71k spend on the village green inquiry and £+58k shortfall on planning delivery grant so the underlying operating position was an overspend of £+93k. A detailed analysis of the revenue budget variances is shown in Annex 1. The key reasons for the underspend are:
- £+30k downturn in planning income. Although numbers of applications were slightly down (6%) compared 2006/07, total fees were 24% lower. This is due to a reduction in the number of major housing and commercial developments compared to 2006/07.
 - £+71k spend on the Metcalfe Lane village green inquiry
 - £+90k shortfall in Land Charges income due to a slowdown in the housing market and the impact of Home Information Packs.

- £+106k shortfall in Building Control Income. There has been a significant drop in the number of inspections as some construction work has been delayed.
- Other net overspends £+17k

36 The final overspend of £+222k compares to a projected overspend of £+23k at Monitor 2. The primary reason for the increased overspend is the downturn in the property market across the country resulting in reduced income by a further £166k. Some large planning applications which had been anticipated were not in fact submitted. In addition, there was a village green inquiry which had not been reported at Monitor 2.

Performance Overview

37 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	06/07 outturn	07/08 target	07/08 actual	06/07 vs. 07/08	Actual vs. Target
BVPI 109a % of major planning applications determined within 13 weeks	84.31%	65%	73.44%	✘	✓
BVPI 109b % of minor planning applications determined within 8 weeks	73%	75%	76.03%	✓	✓
BVPI 109c % of other planning applications determined within 8 weeks	88.12%	90%	87.67%	✘	✘

38 The 2007/08 year end performance figure for BVPI 109a (major applications) of 73.44% represents 47 out of 64 applications being determined within 13 weeks. The indicator has achieved 73.44%, which betters the set target of 65%.

39 BVPI 109b (minor applications) 2007/08 year end figure of 76.03% meets the set target of 75% and represents 444 out 584 applications that were determined within 8 weeks. The 2007/08 performance betters the 2006/07 outturn of 73%.

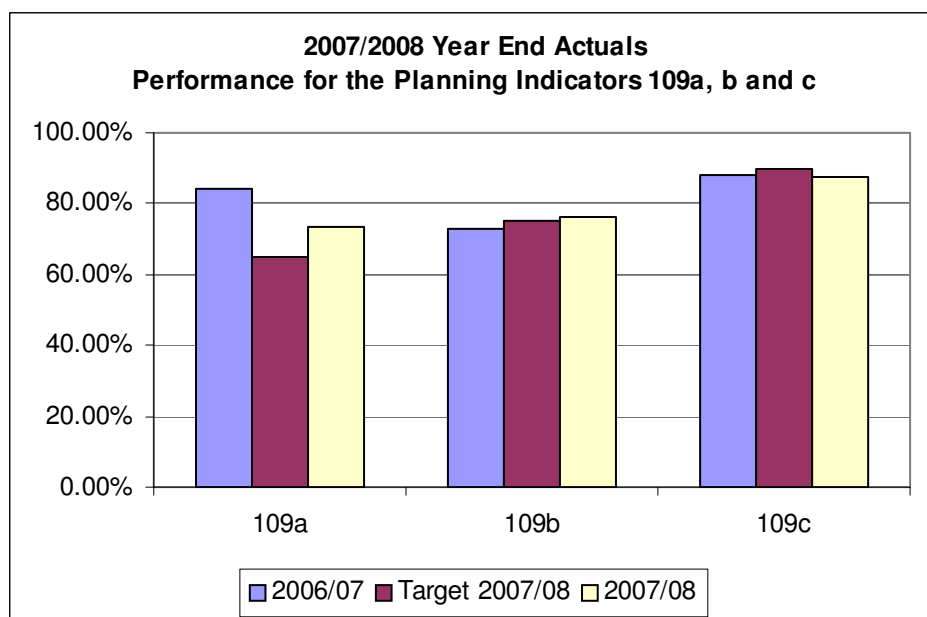
40 BV109c (other applications) has achieved a 2007/08 year end figure of 87.67% which is just below the target of 90% and the 2006/07 performance of 88.12%. This represents 1500 out of 1711 applications that were determined in 8 weeks.

41 From 2002 until 2006 York had been a Standards Authority for its Development Control performance. The Council has demonstrated that it can achieve and maintain performance above the national BVPI targets for speed of determination of planning applications. Consequently the Standards Authority status, and prospect of formal intervention in the

Service, have been removed.

42 Staffing is one issue that faces the Planning department. A number of experienced officers have left the authority in the last year and difficulties in recruiting and temporarily replacing the vacancies with experienced officers has led to significant pressure on the remaining staff in trying to maintain application performance. The submission of detailed applications for large scale major sites has exacerbated this problem, as has the large number of changes to the planning regime, for example, new validation requirements, new categories of applications and new fees. Over time the decline in performance may continue as larger schemes are submitted.

43 The performance of these three indicators is represented graphically in the chart below:



44 The Customer First figures show that Planning and Sustainable Development answered 92.30% of 96 letters in 2007/08 within the Councils 10 days standard. This falls below the 95% target set by the Council but exceeds the 2006/07 figure of 84.80%. Performance reflects workload levels, staff resource issues and the need to prioritise planning applications.

45 For Planning and Sustainable Development 95.63% (representing 62,563 out of 65,424) telephone calls were answered within 20 seconds in 2007/08. This meets the corporate target of 95% and exceeds the corporate figure of 93.88%.

46 2007/08 year end sickness absence for Planning and Sustainable Development is 7.57 days per FTE. Performance is better than the corporate 2007/08 target of 12 days per FTE and exceeds the 2006/07 planning sickness absence of 13.36 days.

Resource and Business Management

Financial Overview

- 47 The provisional outturn shows an underspend of £-186k within the Resource & Business Management Service Plan area or -4.3% the gross expenditure budget. A detailed analysis of the revenue budget variances is shown in Annex 1.
- 48 The primary reasons for this underspend are the delay in progress with waste project which is now at the stage of selecting the preferred solution (£-31k) and an additional one-off dividend from Yorwaste (£-154k). There was also underspends on staffing due to a number of staff vacancies held in the service area as well as savings in printing and equipment costs.
- 49 The windfall Yorwaste dividend has allowed for the early repayment of the outstanding Venture Fund loan (£79k) taken out to set up the Street Environment Service. By repaying the outstanding loan there will be a budget saving of £58k in 2008/09.
- 50 The £-31k underspend on the waste project is the subject of a carry forward request. The project is reaching the final stages and there remains significant levels of work to complete. The profile of expenditure does not necessarily correlate with the timing of budgets set each financial year which is why it is necessary to request a carry forward for this budget.

Performance Overview

- 51 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).
- 52 The Customer First figures show that Resource and Business Management answered 100% of letters in 2007/08 within the Council's 10 days standard.
- 53 For Resource and Business Management 93.87% (representing 12,828 out of 13,666) telephone calls were answered within 20 seconds in 2007/08. This is just below the corporate target of 95% but in line with the corporate average of 93.88%.
- 54 2007/08 year end sickness absence for Resource and Business Management is 6.27 days per FTE. Performance is significantly better than the corporate 2007/08 target of 12 days per FTE and the corporate outturn of 10.20 days per FTE. Sickness absence is greater for 2007/08 than in 2006/07. This is due to the impact of long term sickness absence

within the service area of which there was none in 2006/07.

Carry Forward Requests

- 55 The following budget carry forward is requested in order to complete projects for which funding was set aside in 2007/08 but which were unable to be completed within the year. Details of the underspends are included in the variance analysis above

<u>Waste PFI</u>	£'000
York has joined up with its neighbouring authorities to find a long-term solution to deal with waste. Slight delays in the project means that some of the work which will need to be carried out has been deferred to 2008/09.	
Total Requested Carry Forwards	£31k

Portfolio Capital Programme

- 56 The Planning & Transport capital programme is comprised of nearly 300 schemes and has budget of £9,534k.
- 57 The detailed update on the outturn position is reported elsewhere on this agenda. However, brief details of the budget allocations and provisional outturn as set out below:

	<u>Latest Budget</u> £'000	<u>Outturn</u> £'000s
Outer Ring Rd / James St Link Rd	4,093	3,874
Multi-modal schemes	110	123
Air Quality, Congestion /Traffic Mgt	123	72
Park and Ride	139	96
Public Transport Schemes	472	346
Walking Schemes	378	197
Cycling Schemes	383	319
Development Linked Schemes	176	20
Safety Schemes	633	554
School Schemes	163	91
Residual Schemes	100	99
Structural Maintenance	2,893	2,675
Elvington Flood Defence	20	141
City Walls	284	265
Overprogramming	-433	
Total	9,534	8,872

- 58 The provisional outturn shows an underspend of £662k (6.9%) compared

to budget. The LTP allocation from the government was fully utilised and the final underspend relates to slippage of schemes funded by CYC and developer contributions, in particular the £500k contribution to Hopgrove roundabout which was not required in 2007/08.

	<u>Monitor 2</u> <u>Budget</u> <u>£000s</u>	<u>Provisional</u> <u>Outturn</u> <u>£000s</u>
Local Transport Plan	6,310	6,310
Road Safety Grant	45	45
Government Grants	18	19
Developer Contributions	942	532
CYC Capital	2,219	1,936
Total	9,534	8,872

Conclusions

Financial Overview

- 59 The provisional revenue outturn position for the portfolio shows an underspend of £-49k for the financial year. This underspend has been achieved despite shortfalls in key income budgets primarily parking fines and planning fees and a significant increase in concessionary fares. The one-off additional Yorwaste dividend has enabled to the Directorate to repay an outstanding venture fund loan as well as fund the one-off cost of the public enquiry at Metcalfe Lane (£+71k).
- 60 It is important to consider the outturn position in terms of whether any variances highlighted are of a recurring nature that will affect 2008/09. The surplus of parking income and the cost of concessionary fares income have been addressed in the 2008/09 budget. The downturn in building control and land charges income may recur again as property market has declined nationally. Planning applications will also require detailed monitoring to look at changes in volume as well the impact of increased fees permitted by government. Income from major developments within the city may improve as major housing schemes are brought forward. The amount of Housing and Planning Delivery Grant has not been determined for 2008/09 and there is still a link to planning performance as well as success in meeting housing targets.
- 61 The capital programme was underspent by £662k relating to a number of schemes slipping into 2008/09. The Local Transport capital allocation has though been fully spent. Further details on the capital outturn are shown in another report on the agenda.

Performance Overview

- 62 Performance on key Best Value Indicators is improving in particular in relation to disabled facilities at pedestrian crossings and the development of brown field sites. Customer first targets are generally being achieved

and sickness absence is being effectively managed.

Consultation

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

Options & Analysis

- 64 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

- 65 The principal function of this report is to provide details of the directorate's financial and service performance for the 2007/08 financial year. As such it contributes to the proper financial management of the authority.

Implications

Financial

- 66 The report provides details of the portfolio revenue outturn and therefore implications are contained within the report.

Other Implications

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

Risk Management

- 68 The report is primarily a look back at finance and service performance and therefore there are no significant risks in the content of the report. Paragraph 57 considers issues following on from the outturn position where overspends may recur into future years.

Recommendation

- 69 That the Advisory Panel advise the Executive Member to approve the financial and performance position of the portfolio and the carry forward request set out in paragraph 55 (subject to the approval of the Executive)

Reason – In accordance with budgetary and performance monitoring procedures

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Specialist Implications Officers: None

Chief Officer Responsible for the report:

*Bill Woolley
Director of City Strategy*

Report Approved

Date 19th May 2008

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

All

For further information please contact the authors of the report

Background Papers:

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

Annexes:

Annex 1	Service Variations against budget
Annex 2	City Development and Transport Performance Indicators
Annex 3	Planning & Sustainable Development Perf. Indicators
Annex 4	Resource & Business Management Performance Indicators