
Executive Members for City Strategy and Advisory Panel

8 December 2008

Report of the Director of City Strategy

2008/09 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 (2008/09) performance against target for a number of key indicators that are made up of:
 - National Performance Indicators and local indicators owned by City Strategy¹
 - Customer First targets (letter answering)
 - Staff Management Targets (sickness absence)

Background

- 2 This is the second monitoring report for 2008/09 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 £+228k was reported against a budget for the City Strategy portfolio of £17,015k. At the meeting Members agreed to recommend to the Executive that they release £180k from contingency to cover the forecast shortfall in parking fines leaving a remaining deficit of £48k.
- 5 Since Monitor 1 there have also been budget transfers totalling £596k. This has resulted in a current budget of £17,611k. These budget adjustments are shown in Annex 1.

¹ Unless otherwise specified City Strategy excludes Economic Development as this service area is reported separately.

- 6 Current projections are that the City Strategy Directorate will overspend by £+208k which represents 0.6% 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	28,301	13,130	15,171	15,256	+103	+0.4
Planning	3,833	2,602	1,231	1,499	+265	+6.9
Resource & Business Manag't	4,818	3,609	1,209	1,049	-160	-3.3
City Strategy	36,952	19,341	17,611	17,687	+208	+0.6

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

- 7 The overall projected position shows a £+208k overspend. There is also a proposal included in the report by utilising an additional capital grant to reduce the projected overspend to £+73k. 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

- 8 Some consistent and noteworthy performance includes:
- NPI 157a: Percentage of major 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
 - BVPI215a: The average time taken to repair a street lighting fault in calendar days where the response time is under the control of the local authority
- 9 The Customer First statistics for City Strategy are currently not 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 City Strategy Directorate² answered 89.09% (representing 547 out of 614) of letters between 1 April 2008 and 30 September 2008 within the Councils 10 days standard. This is below the corporate target of 95% and 2007/08 performance of 97.70% (510 out of 522 letters were answered on target) in the comparative time period. Though performance is not on target the average time in which to respond

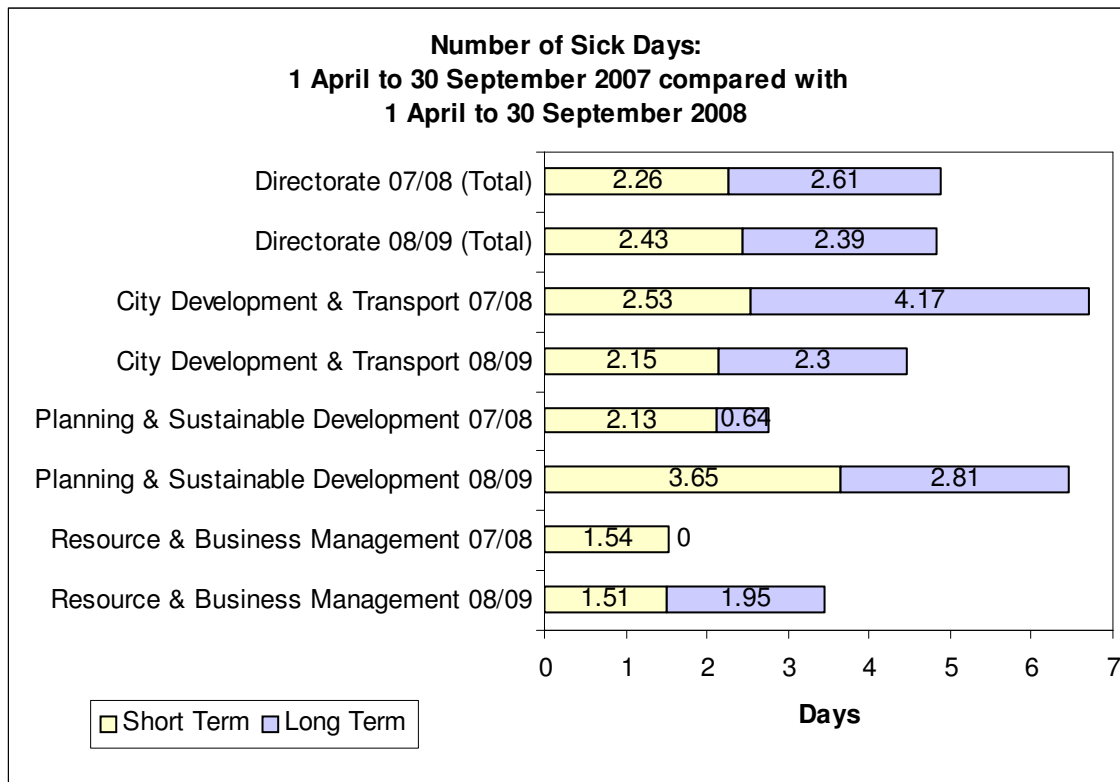
² This figure excludes Economic Development as this service area is reported separately. When 'City Strategy' is further mentioned it will always exclude Economic Development.

to letters is 8 days. Additionally further analysis shows that performance has dropped during the holiday season (June, July and August). The percent of letters answered within 10 days is expected to stabilise and improve to 95% or over before the end of the financial year.

- For the City Strategy Directorate 94.87% (representing 77,816 out of 82,027) telephone calls were answered within 20 seconds between 1 April 2008 and 30 September 2008. This is just below the corporate target of 95% but is above the corporate average of 94.15%. Performance in 2008/09 also better the performance of 94.78% (76,186 out of 80,379 calls were answered on target) for the equivalent time period in 2007/08.

10 Sickness for City Strategy directorate is currently at 4.82³ days per FTE for the first six months of the year. Performance is better compared to the same time period in 2007/08 where the sickness figure for the directorate was 4.87 days per FTE. Sickness is monitored regularly and stricter protocols and manager guidance have been put in place

11 Short term and long term sickness have been broken down for the first 6 months of 2008/09 and are compared against the first 6 months of 2007/08 in a graph below.



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

³ For information: The total sickness figure for City Strategy if Economic Development were included is 4.4 days.

City Development & Transport

Financial Overview

13 The current projection shows an overspend within the City Development and Transport Service Plan of £+103k, or +0.4% 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:

- Shortfall in parking income of £+128k
- Shortfall in parking fines of £+21k
- Shortfall in Park & Ride income £+48k
- Staff vacancies £-95k
- Underspend in parking operational budgets £-35k
- Additional cost of concessionary fares £+11k
- Shortfall in cycle training income £+25k

Car Parking

14 The table below shows detail of income from Car Parking to 31st October 2008 compared to the budget and the position to the same date in 2007/08.

	Income to 31 st Oct 2007 £'000	Income to 31 st Oct 2008 £'000	2008/09 Forecast £'000	2008/09 Budget £'000	Variance to budget £'000	%
Short Stay	1,217	1,152	2,020	2,079	+59	+2.8
Standard Stay	1,914*	1,854	3,109	3,219	+110	+0.3
On Street	285	276	474	441	-33	-7.5
Respark/ Season Tickets	421	366	690	682	-8	-1.2
Total	3,837	3,647	6,293	6,421	+128	+2.0

* excluding Shambles car park

15 The table shows that £+128k shortfall income is expected compared to budget (2.0%) as the economic downturn continues and fewer journeys are made by car. It should be noted however that the shortfall is an improvement on the figure projected at Monitor 1 (£+156k). There is a small projected increase in the number of Respark tickets being sold and in the amount of on-street parking income.

16 When considering the overall parking account it is currently projected that there will be a shortfall in the budget of £43k. Underspends in parking maintenance and enforcement staffing are being used to offset the shortfall in parking income.

Concessionary Fares

- 17 Members will be aware that the national bus pass was introduced from 1st April 2008 which allows bus pass holders from across the country free bus travel across England. The cost of the free travel is reimbursed by the local authority where the journey begins. In the 2008/09 budget additional resources were made available to the City Strategy to fund both the shortfall of budget from previous years as well as additional resources from the government to fund the move to a national scheme.
- 18 The latest projections indicate an overspend of £49k for Concessionary Fares. This is primarily due to increased reimbursement for services managed by the North Yorkshire Concessionary Fares partnership (NYCFP). The main liability is due to the council being liable to a much greater percentage of the Yorkshire Coastliner service than has been historically charged to York. The total cost of services managed by the NYCFP is resulting in a projected overspend of £300k. Information from operators managed by the council shows that passenger numbers are approximately 5% lower than those originally estimated resulting in a projected underspend of £189k. There is a further £62k underspend projected on other areas of the budget.
- 19 Overall therefore it is currently projected that this budget will overspend by £49k however this will be greater if additional cost claims are received and settled. It is important to note that as this is the first year of the national scheme there is no truly comparative historic data and therefore these forecasts are liable to change.
- 20 There have been 1,900 less people claiming tokens than was assumed resulting in a saving of £38k on the token budget.

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 2007/08	Target 2008/09	Q1-2 2008/09	2007/08 vs. 2008/09	Actual vs. Target
BVPI 106 – The percentage of new homes built on previously developed land	94.8%	65%	93.39%	✘	✓
BVPI 215a – The average time taken to repair a street lighting fault, where the response time is under the control of the local authority	5.12 days	5 days	0.24 days	✓	✓

- 23 BVPI 106 (% of new homes built on previously developed land) the

performance of 93.39% for the first 6 months of 2008/09 exceeds the government set target (65%) due to the large number of homes built on brown field sites. Despite such a good performance if it is compared to the same time period in 2007/08 the percentage of new homes built on previously developed land has fallen slightly which may reflect the consent that has been given for development on several Greenfield sites. It is anticipated that this indicator may not achieve the same levels as in previous years.

- 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 0.24 days against a target of 5 days. Performance also exceeds the comparative time period in 2007/08 when 5.12 days was achieved. Performance can be attributed to:
- The burn to extinction arrangements that were in place for a number of years, prior to the start of a new contract in May 2007, resulted in a high number of faults. This high level of faults has decreased 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.
 - In previous years some of the faults being logged via the dedicated answering machine are extremely vague and/or inaccurate. Additionally it has not been possible to detect these faults during daylight hours and as a result these potential faults had to be referred to the night scouting team. This resulted in delays to detect any faults, effecting the previous performance of this indicator. To improve repair times the night time scouting regime was adapted to include an element of night time fault repairs. The successful implementation of this has resulted in no backlog and the majority of faults being attended to the evening they are reported.
- 25 The Customer First figures show that City Development and Transport answered 89.32% (representing 485 out of 543) of letters between 1 April 2008 and 30 September 2008 within the Councils 10 days standard. This is below the corporate target of 95% and the 2007/08 performance of 98.89% (representing 446 out of 451) in the same time period.
- 26 Sickness absence for City Development & Transport is at 4.45 days per FTE for the first 6 months of the year. Though performance is currently predicted to be slightly higher than the target of less than 8 days sickness absence per FTE it is significantly better than comparative 2007/08 performance of 6.7 days per FTE.
- 27 For City Development and Transport 95.19% (representing 37,646 out of 39,549) telephone calls were answered within 20 seconds between 1 April 2008 and 30 September 2008. This is above the corporate target of 95% and the corporate average of 94.15%. Current performance for 2008/09 also better the equivalent time period in 2007/08 where performance was 95.05% (35,669 out of 37,526 calls were answered on target).

Planning and Sustainable Development

Financial Overview

- 28 Current projections are that there will be an overspend within the Planning and Sustainable Development service plan area of £+265k, or +6.9% 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:
- £+180k shortfall in building control income.
 - £+180k shortfall in land charges income.
 - £ - 80k surplus on development control fees
 - £+165k cost of planning inquiries & appeals
 - £ +15k Central Historic Core Conservation Appraisal
 - £-135k additional grant funding from Housing & Planning Delivery Grant.
 - Savings from staffing vacancies across the sections £-60k

Land Charges and Building Control Income

- 29 It was reported to members at Monitor 1 that the downturn in the housing market and impact of the credit crunch was impacting on income for both Land Charges and Building Control. Current projections forecast a shortfall of £360k compared to the forecast of £410k at Monitor 1.

Planning Appeals and Enquiries

- 30 The directorate has been required to represent the council on a number of minor planning inquiries / appeals that have led to significant costs to the council. These include the Village Green inquiry at Germany Beck, Clifton Grain Store, and Elvington Airfield. It is anticipated that these will cost approximately £195k compared to the budget of £30k leading to an overspend of £165k.

Housing & Planning Delivery Grant

- 31 The Housing & Planning Delivery Grant (H&PDG) was introduced by the Government in 2008/09 as a replacement for the Planning Delivery Grant. (PDG). However whilst PDG focussed on improvements in planning performance as the main driver for allocating the grant the H&PDG is more focussed on rewarding Local Authorities who are able to deliver increases in housing supply. The final allocation for City of York Council for 2008/09 was announced in mid November and totalled £415k split £280k revenue grant and £135k capital grant. This compared to an assumed revenue budget provision of £145k.
- 32 The allocation for York is much better under the new system as the national allocation of £100m shows York received 0.415% of the total value compared to 0.21% under the old system. The grant is not ring-fenced and in effect rewards local authorities for their plan making and encouragement for housing growth in the council area. Whilst 32.5% of the grant is to be funded on capital it is very difficult to directly support the planning service with

additional capital budgets.

- 33 The additional £135k revenue grant is proposed to be used to offset shortfalls in land charges and building control income highlighted above. It is proposed to use an accounting adjustment to use the capital element of the grant to further support planning budget and reduce the directorate overspend (see para 52 for details).

Performance Overview

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

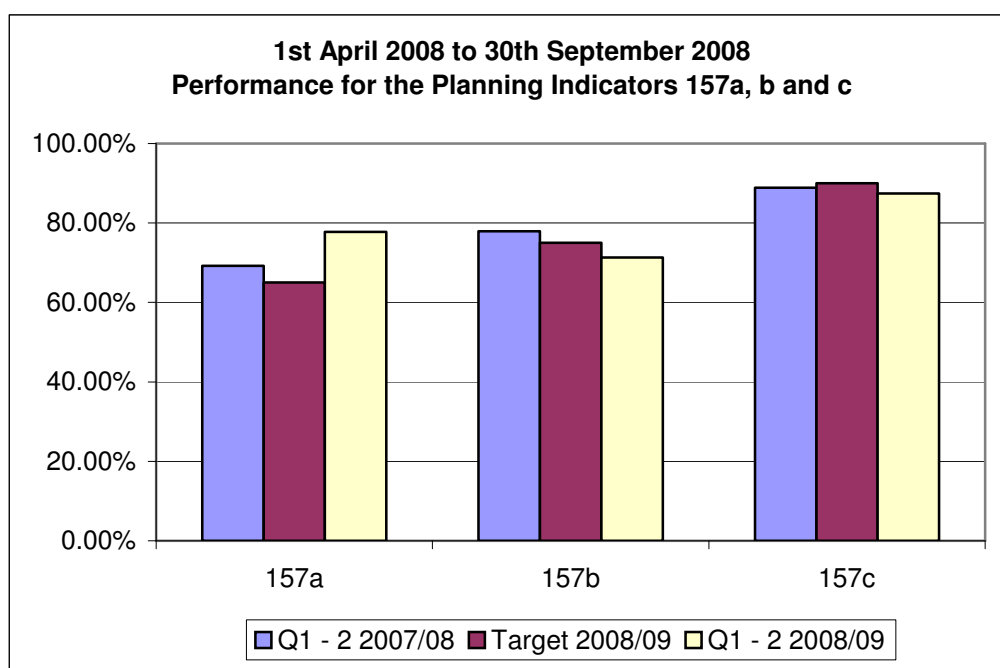
PI Description	Q1-2 07/08	Target 2008/09	Q1-2 08/09	07/08 vs. 08/09	Actual vs. Target
BVPI 157a % of major planning applications determined within 13 weeks	69.23%	70%	77.77%	✓	✓
BVPI 157b % of minor planning applications determined within 8 weeks	77.91%	75%	71.32%	✗	✗
BVPI 157c % of other planning applications determined within 8 weeks	88.87%	92%	87.43%	✗	✗

- 35 The current 2008/09 performance figure for BVPI 157a (major applications) of 77.77% represents 21 out of 27 applications being determined within 13 weeks. This betters the set target of 70% and the 2007/08 comparative figure of 69.23%.
- 36 The 1 April 2008 to 30 September 2008 performance figure for BVPI 157b (minor applications) of 71.32% is below the set target of 75% and represents 184 out of 258 applications that were determined within 8 weeks. Performance for 157b in first 6 months of 2008/09 falls below that of the same comparative time period in 2007/08 of 77.91%
- 37 PV157c (other applications) has achieved a figure of 87.43% for the first 6 months of the year which is just below the target of 92%. This represents 661 out of 756 applications determined within 8 weeks. This indicator is performing just below the 2007/08 performance of 88.87%.
- 38 The submission of applications for large scale major sites has led to significant pressure in trying to maintain application performance in categories b and c. This is because the most experienced officers are spending a large proportion of their time on single applications which has a detrimental effect on performance in regards to Minor and Other applications.
- 39 The number of changes to the planning regime e.g. new validation requirements, new categories of applications, new fees, changes to the

General Permitted Development Order have meant time has to be taken to learn and adapt. In addition, Public Inquiries for 5 medium/large sized appeals, generating significant amounts of additional work, have fallen closely together over the summer, further demanding officer and support staff time.

40 Despite the economic downturn the decline in category b and c performance would continue if unaddressed as the submission of larger schemes tying up key officers would persist. However agency staff, funded through the larger fees being received from the major applications, have been recruited to support the staffing levels at this time.

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



42 The Customer First figures show that Planning and Sustainable Development answered 87.72% (representing 50 out of 57) of letters between 1 April 2008 and 30 September 2008 within the Councils 10 days standard. This is below the corporate target of 95% and falls slightly short of the same period in 2007/08 where performance was 90.38% . A significant drop in performance can be attributed to the holiday season as during the months of June, July and August 70%, 80% and 78% was achieved respectively.

43 Sickness absence for Planning and Sustainable Development is at 6.46 days per FTE for the first 6 months of the year. Performance has not met that of 1st April 2007 – 30th September 2007 of 2.77 days.

44 For Planning and Sustainable Development 94.53% (representing 32,484 out of 34,362) telephone calls were answered within 20 seconds in between 1 April 2008 and 30 September 2008. This is below the corporate target of 95% but above the corporate average of 94.15%. Performance for the first 6 months of 2008/09 is just short of the same time period in 2007/08 where performance was 94.84%.

Resource and Business Management

Financial Overview

- 45 Current projections are that Resource and Business Management will underspend by £-160k, or –3.3% of the gross expenditure budget.
- 46 The main variations are listed below:
- The contribution required as part of the joint waste project with North Yorkshire is significantly higher than budget due to the complex financial and legal issues involved at this key stage of the procurement. The additional costs for the year are anticipated to be £157k above the budget. This is offset by a saving of £24k from underspends on employee costs of staff directly employed on the project.
 - Additional assumed dividend from Yorwaste of £238k. This is the final year of significant additional dividends from Yorwaste.
 - Saving to the directorate following the early repayment of the Venture Fund Loan to fund the DEDS restructure which was paid off as part of 2007/08 year end. The in year saving is £59k.
 - Staff savings across the service area due to vacancies £-46k.

Performance Overview

- 47 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).
- 48 Resource and Business Management answered 100% of letters that had to be replied to within the Council 10 day standard between 1 April 2008 and 30 September 2008. This is above the target of 95%.
- 49 Sickness absence for Resource and Business Management is at 3.46 days per FTE for the first 6 months of the year. Performance higher compared to the same time period in 2007/08 of 1.54 days. The increase in sickness can be attributed to two long term sickness cases in a service area where there is the equivalent of 32 FTEs.
- 50 For Resource and Business Management 93.46% (representing 6,274 out of 6,713) telephone calls were answered within 20 seconds between 1 April 2008 and 30 September 2008. This is slightly below the corporate target of 95%.

Conclusions

Financial Overview

- 51 The provisional outturn position for the portfolio shows an overspend of

£+208k for the financial year. This is made up of key identified overspends totalling £+994k offset by identified savings totalling £-786k.

- 52 The primary reasons for the level of the projected overspend is the downturn in parking and planning income resulting from the current economic climate. There have also been additional costs defending planning appeals and inquiries.
- 53 In order to bring the budget into balance it is recommended that the capital element of the Housing & Planning Delivery Grant £135k is used to fund an element of structural highway maintenance currently funded by revenue. This will allow the grant to be utilised without impacting services. Should Members agree to this course of action the projected overspend will reduce to £73k.
- 54 Management Team will continue to review the position and look to ensure that the Directorate (including Economic Development) as a whole will not overspend. The main unknown variables at this time continue to be trends of concessionary fares usage / additional cost claims, parking income in the pre Christmas period, continuing issues re Planning income and future Winter Maintenance / flooding events. A further update will be brought to Members in January updating these issues.

Performance Overview

- 55 Directorate customer first targets are not being achieved. Overdue correspondence is reviewed weekly at Directorate Management Teams and lists of unanswered correspondence are sent to relevant managers. The directorate has seen a continued decrease in the number of sickness days taken and continues to monitor this on a regular basis.

Consultation

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

Options

- 57 Members have the option of whether to support the request of using the Capital element of H&PDG to support the revenue budget by using to fund parts of the Highway Maintenance budget or whether to require the Director of City Strategy to deliver alternative in year savings.

Corporate Priorities

- 58 The principal function of this report is to provide a snapshot of the directorate's financial performance during the 2008/09 financial year. As such it contributes to the proper financial management of the authority.

Financial Implications

- 59 The financial implications of the report are included in the financial overview section of the conclusions (paragraphs 50-53).

Other Implications

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

Risk Management

- 61 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 2008/09.

Recommendation

- 62 That the Advisory Panel advise the Executive Member to
- a) note the financial and performance position of the portfolio.
 - b) recommend the Executive to agree to the capital element of the additional Housing & Planning Delivery Grant (£135k) to fund structural maintenance currently charged to revenue.

Reason – In accordance with budgetary and performance monitoring procedures

Contact Details

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Report Approved



Date 25/11/08

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Specialist Implications Officer(s) None

Wards Affected:

All



For further information please contact the author of the report

Background Documents:

2008/09 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