
Executive Members for City Strategy and Advisory Panel

10 December 2007

Report of the Director of City Strategy

2007/08 SECOND MONITORING REPORT ECONOMIC DEVELOPMENT AND PARTNERSHIPS - FINANCE & PERFORMANCE

Summary

- 1 This report presents the latest projections for revenue and capital expenditure by Economic Development and Partnerships, as well as performance against target for:
 - Best Value performance indicators
 - Customer First targets (letter and telephone answering)
 - Staff Management targets (sickness absence & appraisals completed)

Background

- 2 This is the second monitoring report for 2007/08 combining financial and service performance information for the Economic Development and Partnerships Service 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.

Financial Summary

- 4 The current approved budget is £2,264k, including £7k carried forward from 2006/07, £20k for Christmas lights and £2.5k contribution for Citizens Advice Bureau rent. Current projections are that the Economic Development and Partnerships service will outturn at £2,273k, an overspend of £+9k. The key variances identified are detailed in the table below. There are also a number of areas where members receive a regular update and these are set out below in paragraphs 5 to 15.

| | £'000 | % |
|---|-----------|------------|
| <i>£+40k shortfall on Newgate market tolls following a spell of unsettled weather on top of an underlying downward trend in market income across the country. This is offset by £-4k additional income from the electricity substation in the compactor yard and £-6k additional income from specialist markets</i> | +30 | +5 |
| <i>£-15k savings in city centre from additional income from events and operational savings</i> | -15 | -42 |
| <i>£-20k saving in the Strategic Partnership team due to staff vacancies earlier in the year. All posts have now been filled.</i> | -20 | -12 |
| <i>The costs of the Future York which has been meeting over the last 6 months to discuss the future of the city amount to £+32k. The council is received a £-5k contribution from Yorkshire Forward towards these costs.</i> | +27 | +100 |
| <i>The contribution to Key Cities following changes to include other cities within region has resulted in a reduced contribution of £-8k. Further £-5k savings have been made in business support due to reductions in contributions.</i> | -13 | -19 |
| Total Economic Development | +9 | 0.1 |

York Training Centre (YTC)

- YTC continues to support the City's strategies for improving skills and reducing NEET (not in employment, education or training) figures for school-leavers. A new programme, E2V has recently started to support this. Progress is being made in offering apprenticeships within the City of York Council, which will be managed through York Training Centre. Partnership working continues to be a priority and YTC has recently been successful in a joint submission with Adult and Community Learning and Future Prospects for LSC and ESF tendering opportunities. YTC managers are active in many partnership groups in the City looking at developing work-based and work-related learning, reducing disaffection, promoting an alternative vocational curriculum and generally working with schools to offer a full range of opportunities for young people.

- 6 The financial position remains tight but increases in learner funding due to improved success rates and improved retention have helped this. It is still envisaged that YTC will break even at the end of the financial year but regular reviews are held to track this.

Future Prospects

- 7 This is a busy time in the city, particularly in the area of redundancy. Future Prospects are currently operating an on-site support service for Nestle, British Sugar and Remploy. This is in addition to a range of smaller redundancies. In partnership with the Learning and Skills, City of York Council through Future Prospects (FP) offers support for individuals at risk of redundancy to access other employment and brokers skills and training opportunities for those people looking at changing careers. This will continue throughout the next year.
- 8 FP continues to target specific groups and communities and projects working with minority ethnic groups, disabled people, homeless, teenage parents and carers continue to thrive. FP remain active in the Super Output Areas targeting 'hot-spots' and working closely with Jobcentre Plus and other community partners.
- 9 FP are leading on the council's worklessness proposal for the city. This has been developed in conjunction with the Economic Development Unit and other partners in preparation for applying to funding bodies, including Yorkshire Forward, Jobcentre Plus and the Learning and Skills Council.
- 10 Demand from migrant workers from EU accession countries, primarily Polish people, remains high. FP now has a Polish Learning and Work Adviser to meet demand and respond to this need. 7 This is a busy time in the city, particularly in the area of redundancy. Future Prospects are currently operating an on-site support service for Nestle, British Sugar and Remploy. This is in addition to a range of smaller redundancies. In partnership with the Learning and Skills, City of York Council through Future Prospects (FP) offers support for individuals at risk of redundancy to access other employment and brokers skills and training opportunities for those people looking at changing careers. This will continue throughout the next year.

Science City

- 11 In September, Richard Hutchins, newly appointed Chief Executive resigned from the post due to personal reasons. Science City York are to recruit a new Chief Executive. In the interim, Richard Gregory has agreed to become Executive Chair until the appointment of the new Chief Executive, and is providing as much time and support that is required by the Science City York team.

- 12 The new board for Science City Ltd was announced in October. Richard Gregory OBE, Yorkshire Bank Chair, became Executive Chair of Science City York's new company limited by guarantee. He is joined by David Dickson, Managing Director of Garbutt and Elliott. Simon Hill, Executive Director for Business at Yorkshire Forward also joins the board of Science City York Ltd together with the founding partners, Professor Brian Cantor, Vice-Chancellor of the University of York and City of York Council's Director of City Strategy, Bill Woolley.
- 13 Following recent delays with planning for the construction of a Digital, Creative Technologies Centre at the Terry's Chocolate Works development. This site was originally to be funded under the Northern Way Hub and Spoke Project with funding available until March 2008. Funding plans have now been reviewed and Yorkshire Forward will continue to fund this development through other sources. Science City York are currently in negotiations with Yorkshire Forward and a new funding proposal is being developed for an additional spoke project for the remaining £1.35m of Northern Ways funds.
- 14 In addition, Science City York are in the process of producing a proposal for early applications for European Regional Development Fund (ERDF) funding available from April 2008. The new activities proposed will compliment the existing business model across York and North Yorkshire under the Nurturing Project.

Markets (+£30k)

- 15 Members will be aware that over the last two financial years there has been a shortfall in income following reductions in stall take-up of £35k to £40k. It is considered that this trend will continue in 2007/08. The popularity of open markets is in significant decline nationally and, in spite of a range of new initiatives designed to increase trading, a loss continues to be made. Further initiatives are being considered. This shortfall has been partly offset by forecast additional income from specialist markets (£-6k) and other miscellaneous income (£-4k).

Performance Overview

- 16 Performance indicators for the Economic Development and Partnerships service plan are attached as Annex 1.
- 17 Indicators showing areas of success and concern are reported on an exception basis below.

| Performance indicator | Q1-2 2006/07 | Q1-2 2007/08 | Target 2007/08 | Performance vs trend | Performance vs target |
|---|--------------|--------------|------------------|----------------------|-----------------------|
| VJ3: % of residents using Future Prospect's services that obtain jobs or enter training | 22.32% | 55.00% | 20% | ✓ | ✓ |
| S3: Days lost for stress related illness as a% of sickness days taken. | 27.26% | 6.66% | Not target based | ✓ | N/A |
| CCP3: Percentage of stall take ups in Newgate Market | 72.02% | 72.31% | 73% | ✓ | ✗ |

- 18 VJ3 (percentage of residents using Future Prospect's services that obtain jobs or enter training) is performing at 55% for the first six months of the year. This exceeds the target of 20% and is a significant increase to the comparative 2006/07 figure of 22.32%. Performance can be attributed to Future Prospects increasing the amount of in-depth advice work and also the number of workshop programmes delivered.
- 19 S3 (days lost for stress related illness as a percentage of sickness days taken in Economic Development) is currently performing at 6.66% for the period 1 April 2007 to 30 September 2007. This indicator has seen a decrease compared to the same time period in 2006/07 when 27.26% of sick days taken were due to stress. The resolution of several long term sickness cases has contributed to the reduction of those on sick leave with stress related illness.
- 20 CCP3 (the percentage of stall take ups in Newgate Street) for the first six months of the year is marginally below target though slightly above comparative 2006/07 performance. Efforts have made to offer stalls at discounted rates to ensure that the market is seen as being busy and vibrant. This has helped to maintain occupancy at a generally satisfactory level but has not impacted upon income as set out in paragraph 14 of this report.
- 21 Sickness absence for Economic Development and Partnerships is 4.42 days per FTE for the first 6 months of the year. This level of performance is better than the 7.95 days lost to sickness for the same time period in 2006/07.
- 22 For Economic Development and Partnerships 95.39% (representing 11,692 out of 12,257) 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%.

- 23 Further details on performance data can be obtained from the City Strategy Performance Officer.

Capital Programme

- 24 The Economic Development and Partnerships capital programme comprises of two schemes for 2007/08.

| | Latest 2007/08 Budget £000 |
|---------------------------------------|---|
| Eco Business Centre (Amy Johnson Way) | 259 |
| Visitor Information Centre | 250 |
| Total | 509 |

- 25 Considerable progress has been made on the project to construct the Eco Business Centre, with the land issues settled by Resources Asset and Property Management with input from the council's legal services team and external solicitors acting for the authority. The constructors, Lotus Construction Ltd, laid the foundations for the new centre in Oct/Nov. The steelwork is expected to arrive in early January next year with the fitting out stage due to start in early April. Although building schedules can obviously be knocked off course at this time of year by adverse weather conditions and other unforeseen delays, the construction team plan to complete the building by late July 2008. Pupils from Canon Lee School will be involved in watching the centre being built during monthly site visits and some students will be building the wooden benches that will form the seating on the green roof terrace to the rear of the centre.

Conclusions

- 26 The Economic Development and Partnerships Service is expected to overspend its budget of £2,264k by £+9k. It is proposed that all budgets are carefully monitored throughout the year and remedial action taken where appropriate to ensure the budget is balanced by the end of the year.
- 27 Performance on key indicators are on target. Levels of sickness absence are better than 2006/07 for the comparative time period. The Directorate management team have successfully reviewed individual cases re sickness absence and have improved management training in order to address any further issues.

Consultation

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

Options

- 29 None

Corporate Priorities

- 30 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.

Other Implications

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

Risk Management

- 32 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 minimises its financial risks. This report provides members with a detailed position of the portfolio's performance to date in 2007/08.

Recommendations

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

Reason – In accordance with budgetary and performance monitoring procedures.

Contact Details

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Report Approved **Date** 20/11/2007

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 Economic Development Performance Indicators