
Executive Members for City Strategy and Advisory Panel

11 September 2006

Report of the Director of City Strategy

2006/07 First Monitoring Report Economic Development Service - Finance & Performance

Purpose of Report

- 1 This report presents the latest projections for revenue and capital expenditure by Economic Development, 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 first monitoring report for 2006/07 combining financial and service performance information for the Economic Department 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.

Finance Summary

- 4 Current projections are that Economic Development will be able to contain its expenditure within the approved budget of £1,843k. However, there are a number of areas where members receive a regular update and these are set out below in paragraphs 5 to 8.

York Training Centre

- 5 As reported to previous meetings the work of the York Training Centre is dependent on external contracts (wholly funded from external income) and is subject to bi-monthly reviews of their trading position. The significant changes introduced in the last financial year, to deal with reducing external

finances, have been fully implemented. However, changes in the funding source for 14-16 learners may have an impact on the scale of activities from the autumn term onwards, necessitating a review of the required scale of activity, and of anticipated income. The impact of this will not be known for a few weeks. Any necessary action will be reported to a later meeting of this Panel.

- 6 Current projections suggest that a break-even position can be achieved at year-end. The position is being monitored monthly and action will also be focused on 2007/08.

External funding

- 7 Science City York is bringing forward a proposal to make use of £2.63m of Northern Way funding available through Yorkshire Forward. The proposal would enhance the activities of SCY by creating a series of “Spokes” linked to the existing “Hub” to enable the project to deliver specialist services in at least four sites across the city. A final decision on support for the project can be expected before Christmas.

Markets

- 8 Members will be aware that over the last two financial years there has been a shortfall in income following reductions in stall take up. It is currently forecast that this will continue resulting in a budget shortfall of c £20k. It is anticipated however that this will be offset by additional income from speciality markets.

Performance Overview

- 9 Performance indicators for the Economic Development service plan are attached as Annex 1.
- 10 Where necessary more detailed information is given on the performance of certain indicators on an exception basis below.

Performance indicator	Q1 05/06	2005/06 outturn	Q1 06/07	Target 06/07	Performance vs trend	Performance vs target
CCP3: Percentage of stall take-ups in Newgate Market.	72.6%	65.3%	68.7%	75%	✘	✘

- 11 CCP3 (The percentage of stall take-ups in Newgate Market) is currently performing below the comparative period in 2005/06 and below the 2006/07 target of 75%. However the indicator is performing above the 2005/06 outturn of 65.3% and has shown improvement in April, May and June by achieving 60%, 71% and 75% respectively.

- 12 Stall allocations are also dependent on favourable weather conditions. An action plan has been agreed to attract more traders – including additional advertising, customer research, a new market brochure, a customer charter and an enhanced maintenance programme. There will also be action to attract new casual traders to come and stand on the market.
- 13 Sickness absence for Economic Development is 3.98 days per FTE for the first 3 months of the year. This level of performance is poorer than the corporate Quarter 1 average of 2.81 days and the corporate target of 2.62 days per FTE.
- 14 The Customer First figures show that so far for Economic Development 100% of all letters received are answered within the 10 days Council standard. This exceeds the corporate target set of 95% for prompt replies to correspondence
- 15 For Economic Development 90.1% (representing 2,701 out of 2,997) telephone calls were answered within 20 seconds in Quarter 1. This is below the corporate target of 95% and the City Strategy Directorate average of 92.4%
- 16 Further details on performance data can be obtained from the City Strategy Performance Development officer.

Capital Programme

- 17 The Economic Development capital programme comprises of two schemes for 2006/07.

	Original 2006/07 Budget £000	C/ forward from 2005/06 £000	Current 2006/07 Budget £000
Small Business Workshops (Amy Johnson Way)	0	260.9	260.9
Tourist Information Centre	100	0	100
Total	100	260.9	360.9

- 18 Leader EMAP approved a capital scheme for managed workspace at Amy Johnson Way, Clifton Moor to replace both the Parkside and Fishergate Centres on 20th March. A design submitted by The Helmsley Group was approved for a scheme where the council takes a head lease on the building and recovers rents from individual tenants over the term of the lease. The lease will be for 11 years with an initial 12 month rent-free period. The building is triangular in design, with ground-floor workshops

and offices or studios to the first floor and is designed to be as sustainable a building in terms of construction and use as possible, minimising use of both electricity and water. Final design details are being drawn up currently with the architect and developer with regular meetings and the intention of submitting a planning application in September for consideration by the Planning Committee in December. Provided the approval of the committee to the proposed design is obtained, construction will begin on site in January with a completion date of October 2007.

- 19 An Action Plan is being prepared at the moment for the relocation of the De Grey Rooms Visitor Information Centre into an alternative location in Parliament Street. This Plan will seek to resolve outstanding issues relating to financial and business planning, and physical planning issues. Included in the capital programme is a total of £250,000 (over two years) required to relocate the current public lavatories and release the site for this alternative use.

Conclusions

- 20 Economic Development is expected to control expenditure within its budget of £1,843k.
- 21 Performance on most key indicators is improving or on target. Levels of sickness absence are above the council average and corporate target. The Directorate management team are reviewing individual cases re sickness absence and also looking into improved management training in order to address the issue.

Consultation

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

Options

- 23 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

- 24 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

- 25 Financial – these are addressed in the body of the report
- 26 Human Resources - there are no human resources implications within the report.
- 27 Equalities - there are no equalities implications within the report.
- 28 Legal – there are no legal implications within the report
- 29 Crime and Disorder - There are no crime and disorder implications within the report.
- 30 Information Technology – there are no Information Technology implications within the report.
- 31 Property – there are no property implications within this report

Risk Management

- 32 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.

Recommendations

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

Reason – In accordance with budgetary and performance monitoring procedures.

Contact Details

Author:
Patrick Looker
Finance Manager
City Strategy
Tel No.551633

Sarah Milton
Performance Development
Officer
City Strategy
Tel No.551460

Chief Officer Responsible for the report:
Sian Hansom
AD Resource and Business Management

Report Approved **Date** 29th August 06

Bill Woolley
Director of City Strategy

Report Approved **Date** 29nd August 06

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 Economic Development Performance Indicators