

Economic and City Development Overview and Scrutiny Committee

29th September 2009

Report of the Director of City Strategy

2009/10 Finance and Performance Monitor 1 Report

Summary

1. This report provides details of the 2009/10 forecast outturn position for both finance and performance in City Strategy, Housing Services and Licensing and Regulation within Neighbourhood Services.

Analysis

Finance – forecast outturn overview General Fund

2. The current outturn position within the City Strategy Directorate is a projected overspend of £+458k on a total net budget of £8.50m. The Housing General Fund has a budget of £1,407k and Licensing and Regulation has a budget of £-21k. Both are expected to contain expenditure within budget. Service Plan Variations by service plan are shown below:

	Net Budget £'000	Projected Outturn £'000	Variance £'000
City Strategy Directorate			
City Development & Transport	3,669	3,844	+175
Planning & Sustainable Development	1,364	1,533	+169
Resource & Business Management	331	400	+69
Economic Development	2,717	2,717	-
Property	419	714	+295
Remedial Action Proposed		-250	-250
Total	8,500	8,958	+458
Housing & Adult Social Services Directorate			
Housing General Fund	1,407	1,407	0
Neighbourhood Services Directorate			
Licensing & Regulation	-21	-21	0

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

3. Details of the main variations by service plan are detailed in the following paragraphs.

City Development and Transport (£+175k)

4. Car Parking income is forecast to be £+200k below budget which is made up of £+58k short stay, £+141k standard stay, £+33k on-street offset by £-32k surplus on Respark and season tickets.
5. There is an underspend of £-40k on employee costs within Network Management where a number of posts were unfilled in the first part of the year.
6. There has been additional costs of £112k compared to budget in issuing bus tokens however this is offset by a forecasted in-year reduction (£-125k) in concessionary fare subsidies as the North Yorkshire Concessionary Fare partnership seeks to reduce the council's rate used to reimburse bus operators later in the year.

Planning and Sustainable Development (£+169k)

7. The economic downturn has continued to have a significant impact income within the Planning Service. The planning income projected shortfall is £+500k, a 46% reduction in income on the previous year following a sharp reduction in major scheme applications. Income from building control is projected to be a further £+125k below budget but offset by £-18k staff savings.
8. The government is reviewing the distribution of Housing and Planning Delivery Grant for 2009/10 and 2010/11. The total 2008/09 distribution was £101m and this increases to £135m and £200m respectively. York would receive an additional -£440k in 2009/10 based on a similar proportion of funding.

Resource & Business Management (£+69k)

9. The primary reason for this projected overspend is the lower than expected dividend from Yorwaste (£+130k) due to reduced tonnages and reductions in recyclates prices. There is additional financial, technical and legal costs incurred on the Waste PFI project (£+34k) but this is offset by an underspend on staffing (£-40k) due to a staff vacancy. Elsewhere, there are (£-55k) staff savings within finance and performance and from the Director covering Chief Executive post.

Economic Development (£+0k)

10. Officers have carried out a detailed review of markets and city centre budgets and have realigned the budgets accordingly. Other budgets for Science City, Tourism and Inward Investment relate to guaranteed contributions to partner organisations who deliver the service. Overall, expenditure is expected to be kept within budget.

Property Services (£+295k)

11. The main variation within Property Services is that Commercial property income is expected to be £+170k below budget, linked to not receiving

wayleave income at Harewood Whin that was anticipated when setting the budget.

12. There are further overspends due to the decision to defer asset sales in the current economic climate which has resulted in £+50k additional costs of holding surplus assets such as Manor school Lowfields school and Edmund Wilson Swimming Pool.

Remedial Action

13. The Departmental Management Team have identified actions to reduce the overspend by £250k comprising vacancy management measures (£-100k) as well as cash limiting budgets and reviewing project expenditure across the Directorate (£-150k).
14. The above action results in a revised projected overspend within City Strategy Directorate totalling £458k.

Housing Services (£0k)

15. The review of the Housing General Fund budgets indicates that the service will outturn on budget. An overspend of £61k on utility costs at travellers sites is offset by an additional income being received at Howe Hill due to higher occupancy than forecast (£38k) and other minor variations (£23k).

Licensing & Regulation Services (£+0k)

16. The current projection forecasts that the service plan area will outturn within budget.

Finance Housing Revenue Account (HRA) - Non General Fund account

17. The working balance budget on the HRA is £8,149k and this first review indicates a net overspend of £415k, leaving a projected working balance of £7,734k. The variances include:
 - a. Overspends totalling £1,297k, the main areas being jobs general, where there has been an increase in both the cost and volume of repairs work completed under the repairs partnership amounting to £447k, increased provision for bad debts of £49k mainly due to higher level of write-offs and £735k for the reduction in rents in line with the Government determination.
 - b. Underspends totalling £882k, including £748k from a reduction in the negative subsidy payable to Government following the rent decrease and £48k on housing operations and asset management mainly due to staff vacancies.

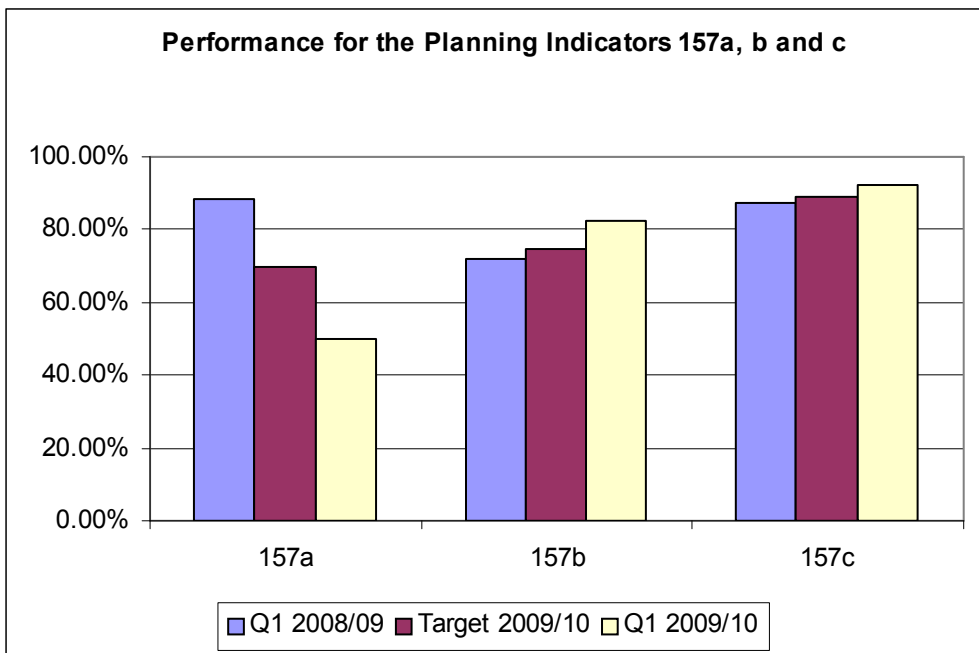
Performance – Monitor 1 Overview

City Development and Transport

18. For NPI 47 (people killed or seriously injured in road traffic accidents) performance for April to June 2009 is currently 10. This is significantly better when compared with the figure of 30 for the same time period in 2008. A range of successful initiatives have been introduced in the last year such as the 'Made you Look' campaign which was launched in 2008. A 'Safer Business Driving Conference' was also co-coordinated by the Council in June 09 for fleet managers in the York area and an event for older drivers is planned for October as the days start getting shorter and the nights longer.
19. Though these figures are exceptionally positive it must be noted that these are provisional figures which are subject to change once the data has undergone a quality checking process. The numbers are also relatively small so are potentially subject to significant variations from month to month and year to year.

Planning and Sustainable Development

20. NPI 157a: The number of major planning applications determined within 13 weeks is currently performing at 50% (which represents 2 out of 4 applications). This is below the target of 70% and 2008/09 performance of 88.23%. Performance can be explained by the low overall number of applications. The complexity and referral to Government Office of one application (HSBC Data Centre) before a decision could be taken has also contributed to the performance of this indicator.
21. The authority has been able to meet the government targets for the past 3 years, and expects to be able to continue to meet the targets. However there is likely to be a reduction in the percentage of applications determined within the timescales because of the drop in new major applications being received as well as the number of current applications that have already gone beyond the 13 week target still to be decided. In addition several new expected major applications will be of considerable size and would not be expected to be dealt with in 13 weeks e.g. redevelopment of Terry's Chocolate Factory.
22. The performance of NPI 157a, b and c is represented graphically in the chart below:

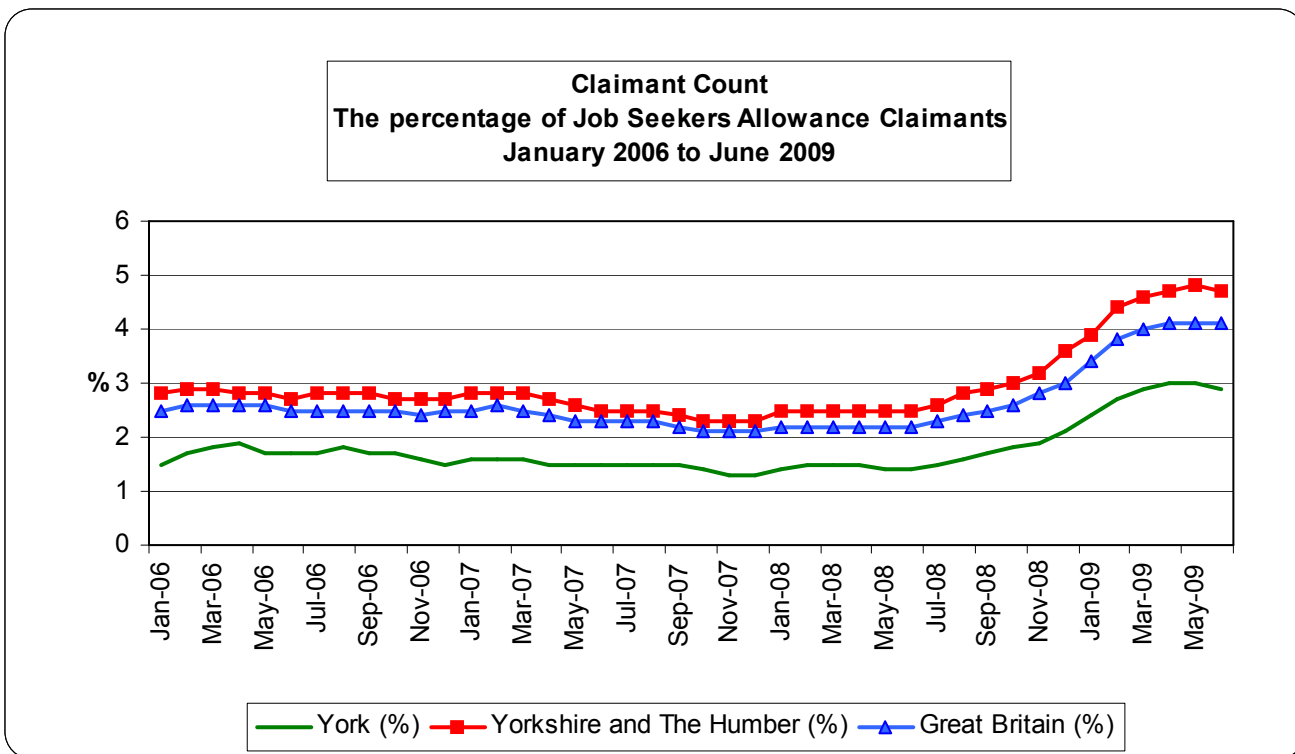


Resource and Business Management

- 23. This service plan area 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. Resource and Business Management is not responsible for any National Performance Indicators.

Economic Development

- 24. The graph below shows the percentage of people claiming job seekers allowance and illustrates the worsening economic conditions experienced locally, regionally and nationally over the past months. Recent data is showing that the rise in those claiming job seekers allowance is slowing and levelling off and has fallen in York in June. However this is most likely to be a seasonal variation. The graph also shows that York is performing better than the Yorkshire and Humber Region and Great Britain.



25. It is important to put this indicator into context. York has enjoyed relatively high levels of employment and encouraging economic growth over recent years. However trends are now beginning to reflect global economic conditions with the number of people claiming Job Seekers Allowance rising and confidence levels falling.
26. Through the up-to-date monthly release of Job Seekers Allowance claimant data, which makes up one part of the data used for NPI 152, the graph below shows that after July 2008 the percentage of people claiming Job Seekers Allowance has increased in York. Though this rise follows a national and region trend York's unemployment rate remains below Yorkshire and Humber and Great Britain performance.

Housing Services

27. NI 155: Affordable homes (LAA indicator) - 13 affordable homes were delivered in Q1 of this year, which is well down on the level delivered last year (155 for 2008/09). The current economic climate has had a major impact on the council's performance and the LAA targets of 280 and 350 for 2009-11 will be reviewed in the next LAA refresh.
28. NPI 156: Homelessness. The number of households living in temporary accommodation has declined significantly so far this year and is now below the Q1 target. The improvement results from changes to the council's letting and registration policy, supported by a significant increase in prevention work. This is particularly encouraging in the current economic climate and HASS expect to exceed the 2009/10 LAA target of 120 if this trend continues.

Licensing

29. Licensing is not responsible for NPIs or LAA indicators.

Corporate Priorities

30. The information included in this report demonstrates progress on achieving the council's corporate strategy (2009-12) and the priorities set out in it.

Implications

31. There are no financial, human resources, equalities, legal, crime & disorder, information technology, property or other implications associated with this report.

Risk Management

32. The report provides Members with updates on finance and service performance and therefore there are no significant risks in the content of the report.

Recommendations

33. As this report is for information only, there are no recommendations.

Reason: To update the scrutiny committee of the latest finance and performance position.

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Specialist Implications Officer(s) None

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

All

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Background Working Papers

First Performance and Financial Monitor for 2009/10 , Executive 22nd Sept 2009

Annexes

None