

Economic and City Development Overview and Scrutiny Committee

8th December 2009

Report of the Director of City Strategy

2009/10 Finance and Performance Monitor 2 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 £+239k (£+163k) on a total net budget of £7.8m, Housing General Fund has a projected overspend of £+52k (£nil) on a net budget of £1,407k, and Licensing and Regulation has a net saving of £-16k (£nil) on a budget of £-21k. Service Plan Variations by service plan are shown below:

	Net Budget £'000	Projected Outturn £'000	Monitor 2 Variance £'000	Monitor 1 Variance £'000
City Strategy Directorate				
City Development & Transport	3,638	3,702	+64	+175
Planning & Sust. Development	1,364	1,520	+156	+169
Resource & Business Management	94	165	+71	+69
Economic Development	2,717	2,715	-2	-
Remedial Action Proposed		-50	-50	-250
Total	7,813	8,052	+239	+163
HASS Directorate				
Housing General Fund	1,407	1,459	+52	0
Neighbourhoods Directorate				
Licensing & Regulation	-21	-37	-16	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 £+64k (£+175k)

4. Car Parking income is forecast to be £+133k below budget which is made up of £+61k short stay, £+53k standard stay, £+37k on-street offset by £-18k surplus on Respark and season tickets.
5. There is an underspend of £-90k on employee costs within Network Management where a number of posts were unfilled in the first part of the year and £-15k underspend on new Respark schemes. This is offset by £+40k shortfall in income from new highway schemes.
6. There has been additional costs of £+216k compared to budget in issuing bus tokens and bus pass reimbursements to operators. The North Yorkshire Concessionary Fare partnership will reduce costs by bringing in revised reimbursement rates on 1st December 2009. This is offset by £-220k savings in road safety, speed camera trial, park & ride operations and other staff savings within the service area.

Planning and Sustainable Development £+156k (£+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 £-15k staff savings. There is a further saving of £-14k from reduced activity in Land Charges.
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 £+71k (£+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 (£+56k) but this is offset by an underspend on staffing (£-44k) due to a staff vacancy. Elsewhere, there are (£-71k) staff savings within finance and performance and from the Director covering Chief Executive post.

Economic Development £-2k (£+0k)

10. Latest projections are that the net shortfall in market income of £+32k will be offset by £-34k savings due to a staff vacancy, reduced Key Cities contribution and a freeze on overheads.

Remedial Action

11. It was reported at the last scrutiny committee meeting that the Departmental Management Team had identified actions to reduce the overspend by £250k comprising vacancy management measures as well as cash limiting budgets and reviewing project expenditure across the Directorate. The result of this action has been taken into account within the individual service plan areas (reported above) however a residual £50k assumed vacancy management saving remains.
12. The Executive meeting (17th November 2009) agreed to amend budget targets for Directorates based on a 1.5% saving target. This means that City Strategy has a revised budget target for the year allowing a year end overspend of £114k.
13. This means that the Directorate has to identify further savings of £125k. These savings options will be reported through the next monitoring report.

Housing Services £+52k (£0k)

14. The review of the Housing General Fund budgets indicates that the service will overspend the budget by £+52k due to increased cost of repairs and utilities at travellers sites.

Licensing & Regulation Services £-16k (£+0k)

15. The current projection forecasts that the service plan area will underspend by £-16k due to staff vacancy.

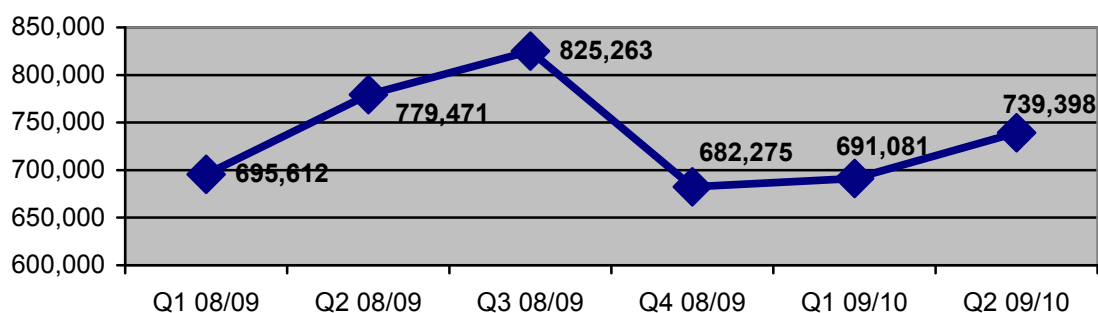
Housing Revenue Account (HRA)

16. 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 2 Overview

City Development and Transport

17. NPI 47 (LAA): People killed or seriously injured in road traffic accidents. The number of incidents for April to September 2009 currently stands at 19. This is significantly better than the 44 incidents that occurred for the same time period in 2008. A range of successful initiatives have been introduced over the past year, including the 'Made you Look' campaign, which was launched in 2008. Others include a 'Safer Business Driving Conference', coordinated by the council in June 2009 and a similar event for older drivers took place in October 2009. NI 47 is an LAA indicator and if the trend continues York will come in well under the 2009/10 target of 87 incidents.
18. 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.
19. Park and Ride: The number of Park and Ride passenger journeys has fallen compared to the same time period in 2008. Residents and visitors to York are being encouraged to use the bus through a variety of means. These include York's first 'Car Free Day' on 22nd September when two of the City's major bus operators were offering free day passes on their services (First/Park & Ride and Transdev/Coastliner). The council is also gradually rolling the 'Your next bus' initiative, providing SMS text, real time bus information to mobile phone users.



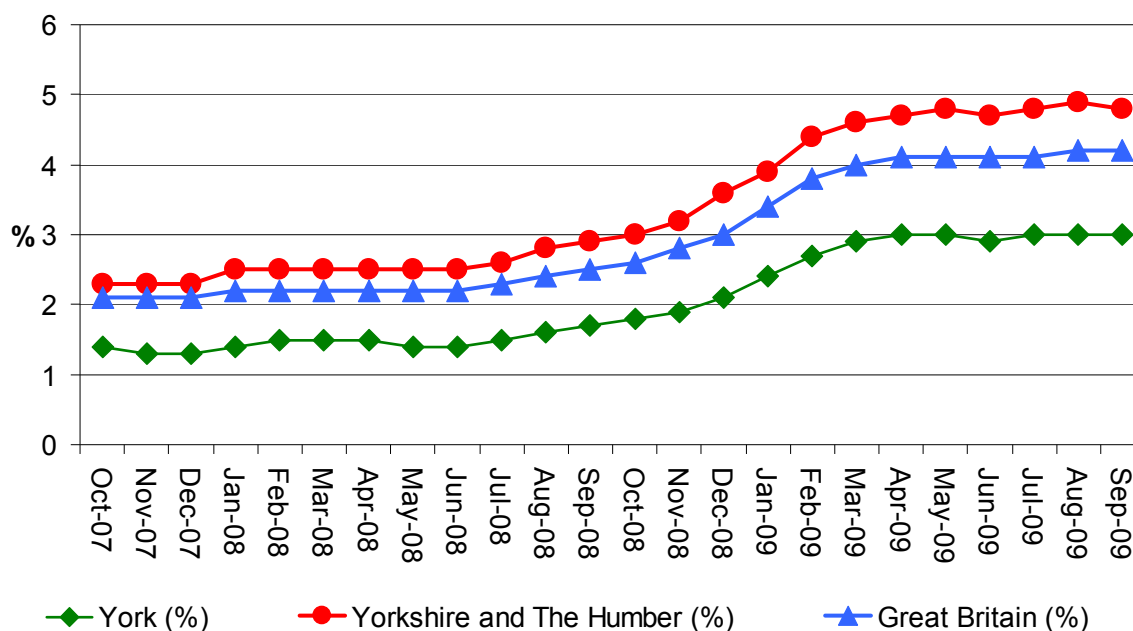
Note: It is not possible to compare to previous park and ride figures due to a change in the way the numbers are counted. There are also seasonal variations.

Economic Development

20. VJ15a&b: Unemployment. York's unemployment rate (12 month rolling average) is currently 1.8% below the regional and 1.2% below the national average. Despite the economic climate, the gap has widened from the same period last year and current monthly figures show the gap to be even higher. The % of people claiming job seekers allowance continues the local overall trend showing the decrease in claimants in June was an anomaly, although numbers have remained stable since April. The graph

below also shows that York is performing better than the Yorkshire and Humber Region and Great Britain. However the Yorkshire average did come down slightly in September.

Claimant Count Oct 07 to Sept 09



Resource and Business Management

- 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.

Housing Services

- NPI 155: Affordable homes (LAA indicator) - all bungalows on St Anne's site have now been demolished and work has started on building new 'affordable bungalows'. Work has also started on Phase 2 at Richmond & Regent Street. The number of affordable homes that will be delivered by the council this year is predicted to be around 150-180. This will be similar to the 155 delivered in 2008/09, but will fall short of the 2009/10 LAA target of 280 homes. The current economic climate has had a major impact on this indicator (the 2010/11 target of 350 was set before the recession started). Officers are meeting with the Government Office in November to help revise this target to reflect more achievable performance under the current economic circumstances.

Licensing

- Licensing is not responsible for NPIs or LAA indicators.

Corporate Priorities

24. 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

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

Risk Management

26. 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

27. 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

Second Performance and Financial Monitor for 2009/10 , Executive 17th Nov 2009

Annexes

None