

Economic and City Development Overview and Scrutiny Committee

9th March 2010

Report of the Director of City Strategy

2009/10 Finance and Performance Monitor 3 Report

Summary

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

Analysis

Finance – forecast outturn overview General Fund

2. The current outturn position within the City Strategy Directorate is a projected overspend of £+580k (£+239k) on a total net budget of £8.7m, Housing General Fund has a projected overspend of £+60k (£+52k) on a net budget of £1,407k. Variations by service plan are shown below:

	Net Budget £'000	Projected Outturn £'000	Monitor 3 Variance £'000	Monitor 2 Variance £'000
City Strategy Directorate				
City Development & Transport	4,259	4,401	+142	+64
Planning & Sust. Development	1,457	1,825	+368	+156
Resource & Business Management	143	228	+85	+71
Economic Development	2,822	2,807	-15	-2
Remedial Action Proposed			0	-50
Total	8,681	9,261	+580	+239
HASS Directorate				
Housing General Fund	1,407	1,467	+60	+52

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 £+142k (£+64k)

4. Car Parking income is forecast to be £+244k below budget which is made up of £+73k short stay, £+155k standard stay, £+38k on-street offset by £-22k surplus on Respark and season tickets. This position has worsened since monitor 2 due to the impact of the weather conditions in late December and January.

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.
6. There has been additional costs of £+213k compared to budget in issuing bus tokens and bus pass reimbursements to operators. The North Yorkshire Concessionary Fare partnership has reduced costs by bringing in revised reimbursement rates from 1st December 2009 but a number of operators have appealed against the changes, which may impact on the level of savings that can be delivered. This is offset by £-189k savings in road safety, speed camera trial, park & ride operations and other staff savings within the service area.

Planning and Sustainable Development £+368k (£+156k)

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. This is offset by £-50k other income and £-43k from staff vacancies. Income from building control is projected to be a further £+100k below budget but offset by £-22k staff and overhead savings. There is a further saving of £-15k from reduced activity in Land Charges.
8. The government has reviewed the distribution of Housing and Planning Delivery Grant for 2009/10 and York has received an additional -£102k.

Resource & Business Management £+85k (£+71k)

9. The primary reason for this projected overspend is the lower than expected dividend from Yorwaste (£+132k) due to reduced tonnages and reductions in recyclates prices. There is additional financial, technical and legal costs incurred on the Waste PFI project (£+108k) but this is offset by an underspend on staffing (£-53k) due to a staff vacancy. Elsewhere, there are (£-102k) staff savings within finance and performance and from the Director covering Chief Executive post.

Economic Development £-152k (£-2k)

10. Latest projections are that the net shortfall in market income of £+20k will be offset by £-35k savings due to a staff vacancy, reduced Key Cities contribution and a freeze on overheads.

Conclusions

11. The overall projected overspend of £580k can be shown as shortfalls in income totalling £974k (Parking, Planning, Building Control and Yorwaste Dividend) as well as uncontrollable additional expenditure totalling £321k on Concessionary fares and Waste procurement. This baseline overspend of £1,295k has been mitigated by additional Housing and Planning Delivery Grant £102k as well as management action through vacancy

management £324k and control of project expenditure (£170k) and other directorate underspends £119k. Contingencies had been set aside in the budget process for items such as the impact on the Economic downturn and shortfall in parking income, cost of concessionary fares but in terms of presenting the overall council position these have been presented as corporate underspends.

12. The Directorate is also looking to underspend the LTP capital programme by £250k in order to support the overall council position allowing for a redesignation of other council schemes/projects funded from revenue to be charged to capital.

Housing Services £+60k (£+52k)

13. The review of the Housing General Fund budgets indicates that the service will overspend the budget by £+60k due to £+120k increased cost of repairs and utilities at travellers sites, offset by £-36k additional grant income and £-24k saving on homelessness and temporary accommodation.

Housing Revenue Account (HRA)

14. The working balance budget on the HRA is £8,111k and this first review indicates a net overspend of £318k, leaving a projected working balance of £7,793k. The main area of concern remains the Housing Repairs Partnership which is forecasting an overspend of £518k. The More For York programme is progressing with the housing blueprint and should start to deliver efficiencies during 2010/11 to bring the partnership spend back towards the approved budget.

Performance – Monitor 2 Overview

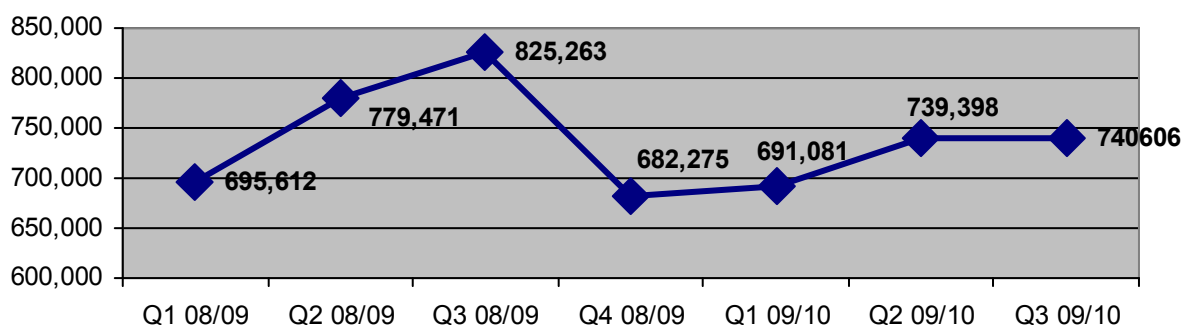
City Development and Transport

15. NPI 47 (LAA): People killed or seriously injured in road traffic accidents. The number of incidents for April to December 2009 currently stands at 37. This is significantly better than the 68 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. The 'Look Again' campaign is to be re-launched in February designed to encourage pedestrians, cyclists and motorists to be more aware of accident causing risks. NI 47 is an LAA indicator and if the trend continues York will come in well under the 2009/10 target of 87 incidents.
16. 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.

17. 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. The bad weather in quarter 3 has contributed to the declining figure in comparison to 08/09.

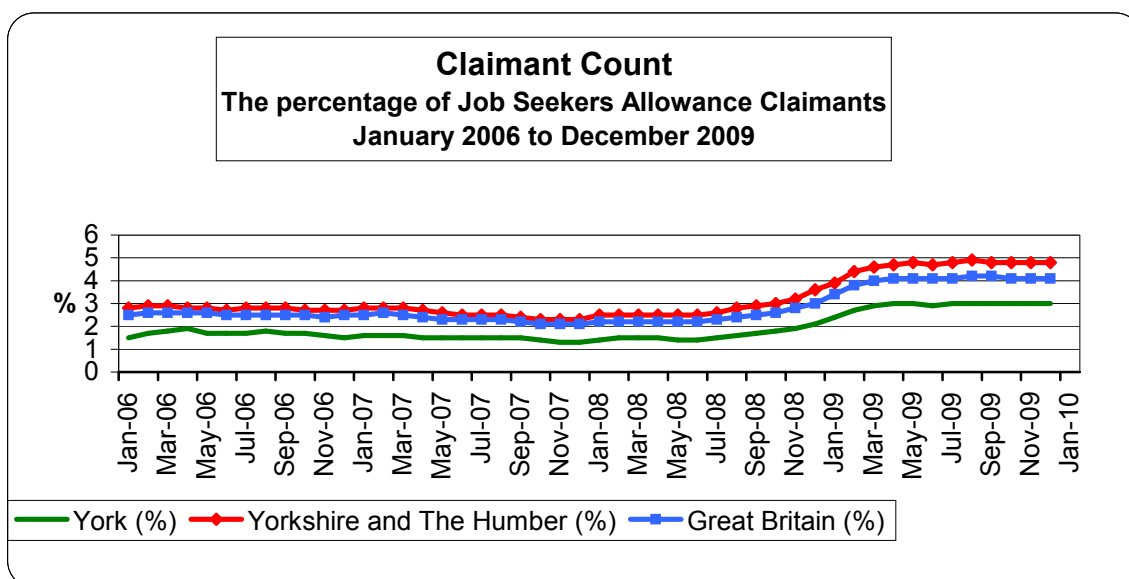
Note: It is not possible to compare to previous park and ride figures due to a change in the way the numbers are counted. There are also seasonal variations.



Economic Development

18. VJ15a&b: Unemployment. York's unemployment rate (12 month rolling average) is currently 2.5% below the regional and 1.6% 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 significantly better than the Yorkshire and Humber Region and Great Britain.

Claimant Count Jan 06 to Dec 09



Resource and Business Management

19. 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

20. NPI 155: Affordable homes (LAA indicator). The number of affordable homes delivered in York by the end of December 2009, is 99. The original LAA target for the year of 280 completions has been revised to 146 after negotiations with the Government Office. The revision is largely due to the downturn in the housing market and needs to be considered in the context that the original LAA targets were set in 2007 at the peak of the market. Since then, some developments have stalled and others slowed down. Latest projections however, indicate that the 146 target will be met.
21. NPI 156: Homelessness (LAA indicator). The number of York households living in temporary accommodation continues to reduce, despite the national increase in home repossessions across England. Performance currently stands at 109 (well below the LAA target of 120) and indications are that this could reduce further to below 80 before the end of the financial year, which would represent a 62% reduction since 2007-08.

Corporate Priorities

22. 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

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

Risk Management

24. 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

25. 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

Third Performance and Financial Monitor for 2009/10 , Executive 16th Feb 2010

Annexes

None