

Economic and City Development Overview and Scrutiny Committee

13 July 2010

Report of the Director of City Strategy

2009/10 Finance and Performance Outturn Report

Summary

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

Analysis

Finance – outturn overview General Fund

2. The outturn position within the City Strategy Directorate was a net overspend of £+121k (£+580k) on a total net budget of £9.996m, Housing General Fund has a projected overspend of £-62k (£+60k) on a net budget of £2,247k. Variations by service plan are shown below:

	Net Budget £'000	Outturn £'000	Variance £'000	Monitor 3 Variance £'000
City Strategy Directorate				
City Development & Transport	4,541	4,466	-75	+142
Planning & Sust. Development	1,510	1,966	+456	+368
Resource & Business Management	389	464	+75	+85
Economic Development	3,556	3,471	-85	-15
LTP saving		-250	-250	0
Total	9,996	10,117	+121	+580
HASS Directorate				
Housing General Fund	2,247	2,185	-62	+60

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 £-75k (£+142k)

4. Car Parking income was £+267k below budget which is made up of £+70k short stay, £+191k standard stay, £+39k on-street offset by £-33k surplus on Respark and season tickets. This position has worsened by £+23k since monitor 3 due to the impact of the weather conditions in late December and January. Costs of car park promotions and transactions were £13k.

5. There was an underspend of £-97k on employee costs within Network Management where a number of posts were unfilled in the first part of the year, £-21k additional streetworks income, £-47k saving in traffic signal and CCTV maintenance, and £-11k underspend on new Respark schemes. Engineering Consultancy had £-69k additional fees from developer-funded highway projects.
6. There has been additional costs of £+184k 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 £-277k savings in road safety, speed camera trial, public transport, park & ride operations and other staff savings within the service area.
7. A saving of £-25k in City Development was offset by £+8k miscellaneous costs within the service area.

Planning and Sustainable Development £+456k (£+368k)

8. The economic downturn has continued to have a significant impact income within the Planning Service. The planning income shortfall was £+511k, a 49% reduction in income on the previous year following a sharp reduction in major scheme applications. This was offset by £-52k saving from staff vacancies, overheads and recruitment. Income from building control was £+180k below budget, £80k less than previously forecast, but offset by £-34k staff and overhead savings. There was a further saving of £-28k from reduced activity in Land Charges, £-29k saving in Design & Conservation costs, offset by additional £+10k maintenance on the Bar Walls.
9. 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 £+75k (£+85k)

10. The primary reason for this projected overspend was the lower than expected dividend from Yorwaste (£+122k) due to reduced tonnages and reductions in recyclates prices. There is additional financial, technical and legal costs incurred on the Waste PFI project (£+100k) but this is offset by an underspend on staffing (£-54k) due to a staff vacancy. Elsewhere, there are (£-93k) staff savings within finance and performance and from the Director covering Chief Executive post.

Economic Development £-85k (£-15k)

11. Market income improved in March and further savings in operating costs resulted in an underspend £-18k, with a further £-42k saving from City Centre staffing and maintenance. In addition, there were £-25k savings due to a staff vacancy, reduced Key Cities contribution and a freeze on overheads.

Underspend on LTP £-250k

12. In order to support the overall council position the directorate has been able to redesignate a number of other council schemes/projects to be charged to capital budgets. This has resulted in a £-250k saving in revenue budgets.

Conclusions

13. The overall overspend of £121k can be shown as shortfalls in income totalling £1080k (Parking, Planning, Building Control and Yorwaste Dividend) as well as uncontrollable additional expenditure totalling £284k on Concessionary fares and Waste procurement. This baseline overspend of £1,364k has been mitigated by additional Housing and Planning Delivery Grant £102k as well as management action through vacancy management (£476k), capital funding (£250k), control of project expenditure (£120k) and other directorate underspends (£518k). 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.

Housing Services £-62k (£+60k)

14. The outturn position for Housing General Fund is an underspend of £62k on a total net budget of £2.2m, primarily due to increased income from higher occupancy at Howe Hill and a number of staffing vacancies in the latter part of the year.

Housing Revenue Account (HRA)

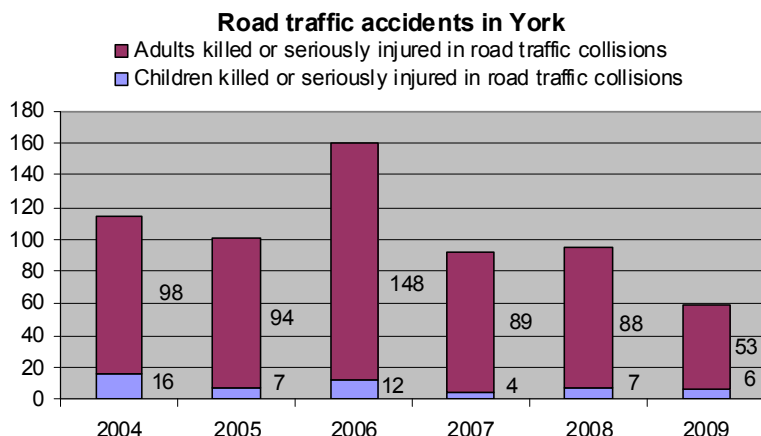
15. The budgeted working balance on the HRA for 2009/10 was estimated to be £8,052k, however the reported outturn is a balance of £8,914k, an increase of £862k. The underspend has resulted from reduced expenditure on Projects, Decorating and Estate Improvements (£159k), a reduction in recharges (£130k), overachievement of income on rent (£128k) and reduced running costs in Housing Operations (£108k). 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.

City Strategy Performance – Outturn Overview

16. Overall 64% of the 22 City Strategy indicators improved, with 59% achieving their 2009-10 target. 78% of the 9 LAA indicators are showing an improvement and 56% achieved target. Key performance headlines are:

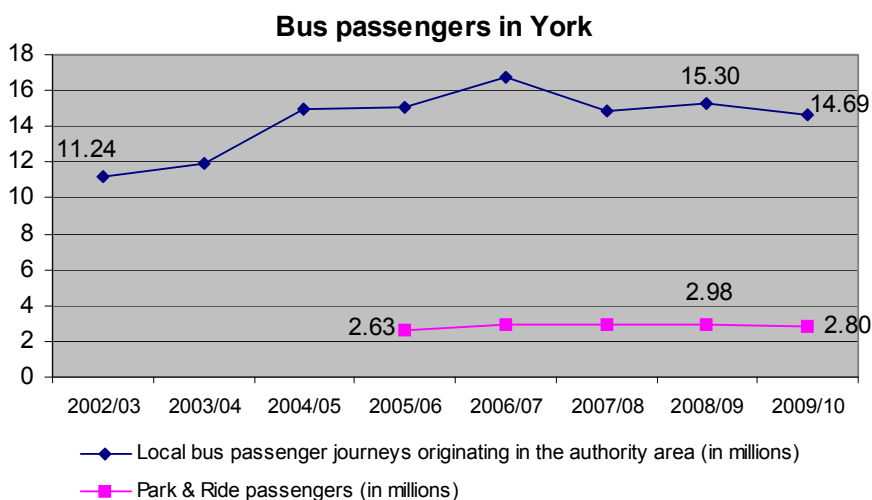
Roads & Transport

17. *NPI 47: Road traffic accidents* (LAA indicator). The number of people killed or seriously injured on York's roads reduced significantly in 2009-10 with just 59 incidents (a 38% decrease on the 95 reported in 2008-09). This was helped by a range of successful initiatives introduced in the last year, such as the 'Made you Look' campaign, which was launched in 2008 and re-launched again in February 2010. A 'Safer Business Driving Conference' was also run in June 09 for fleet managers in the York area, together with an event for older drivers in October 2009. Currently, York's KSI figures already exceed the 2009-10 and 2010-11 LAA targets of 87 and 81 respectively.



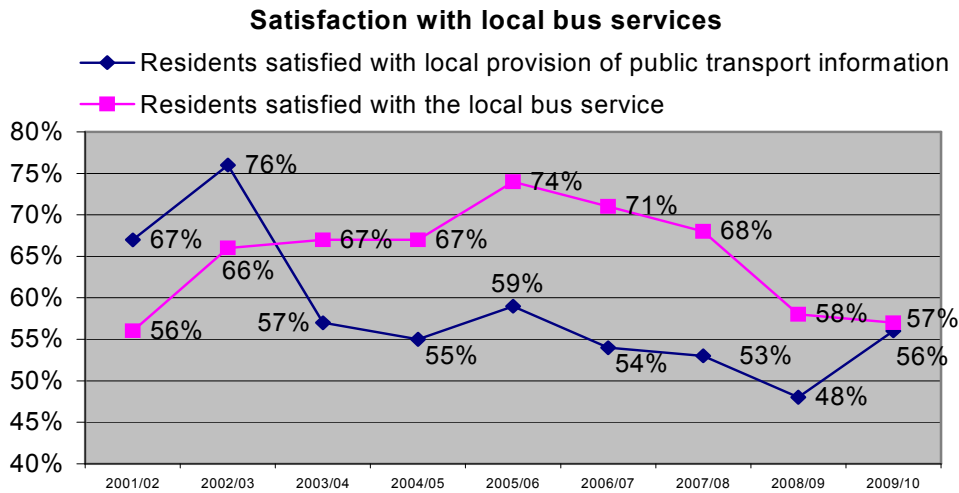
18. *NPI 177 & 178: Bus services.* The number of local bus passenger numbers in York reduced by 4% in 2009-10 (see graph below), although levels are still much higher than those experienced between 2002 and 2005. The decrease in passengers could be a result of the economic downturn, with less journeys being made into York. For example, the cost of subsidised bus services in York increased to £1.08 per passenger, which is a 6% increase on 2008-09. However, the overall costs (based on total passenger numbers) went up by just 2.3%, which indicates an increase in subsidised passengers mixed with a larger reduction in full-fare passenger journeys. Other factors affecting performance are:

- Bus fares have increase steadily since 2006, whilst car parking charges have not risen at the same rate, with some city centre car parks even reducing their charges. As a result, car travel may have become a more attractive option for travelling in and around the city.
- There have been a number of reductions to some bus services over the past few years.
- The bad weather experienced over the winter also affected bus patronage numbers, with park & ride passengers reducing by over a quarter in January alone (see graph below).



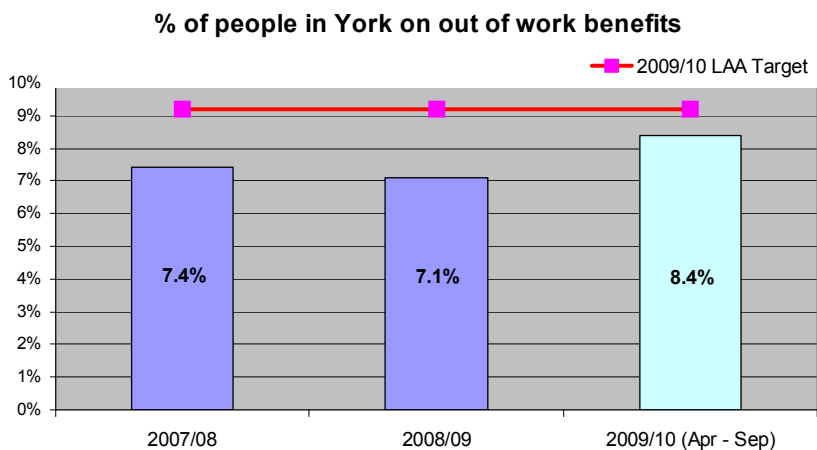
Park & Ride	Jan 09	Jan 10	Change
Askham Bar	55,544	45,363	-18%
Grimston Bar	33,622	26,198	-22%
Rawcliffe Bar	58,875	38,993	-34%
Designer Outlet	45,367	40,973	-9.7%
Monks Cross	36,096	35,845	-0.7%
Total	229,550	187,371	-26.4%

19. The % of bus services running on time increased to 70.1% in 2009-10, from 63.3% in 2008-09. In addition, the % of residents who were satisfied with the provision of local transport information increased by 8% points in 2009-10 (see graph below).



Economic Development

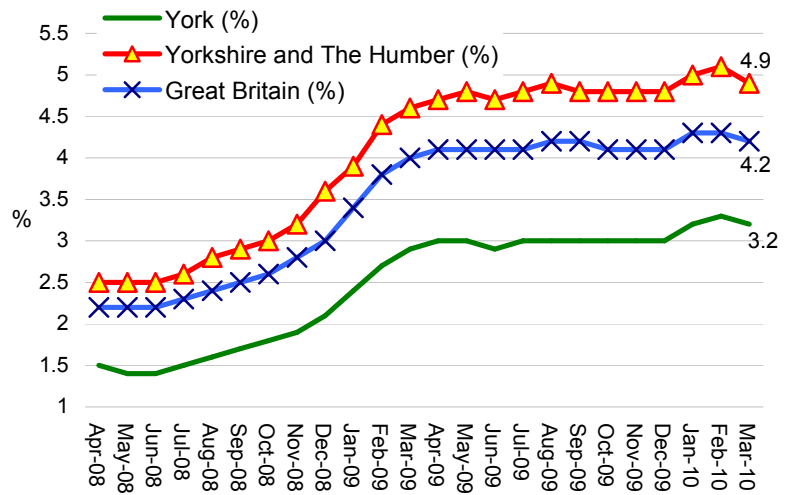
20. *NPI 152: Number of people on out-of-work benefits* (LAA indicator). The number of working age people in York on out of work benefits has increased to 8.4% based on latest data from April to September 2009. This is an increase of 1.3 percentage points since 2008-09 and is in line with national trend. The 2009-10 LAA target was amended in the recent refresh and is now to “maintain a 4.3 percentage point gap below the national rate”. Currently York exceeds this gap, although the final full 12 month figures for 2009-10 are not yet available.



21. A linked indicator for future performance on NPI 152 is York’s unemployment rate, which is currently 4% below the national rate and 5% below the regional rate. Another is the number of people in York claiming job-seekers allowance, which started to reduce in March 2009 (see chart below) and shows similar gaps between York and the regional/national average.

People claiming job seekers allowance in York

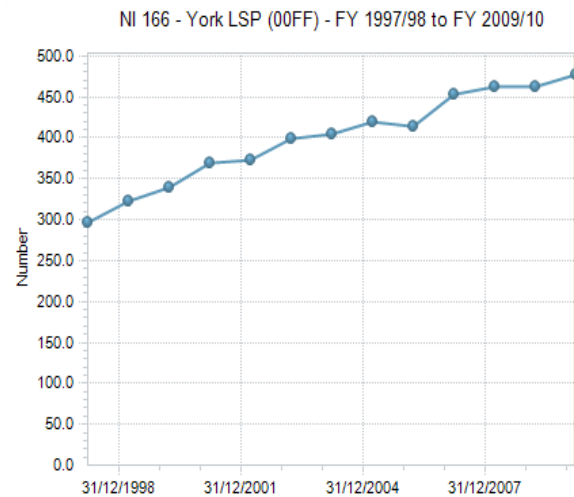
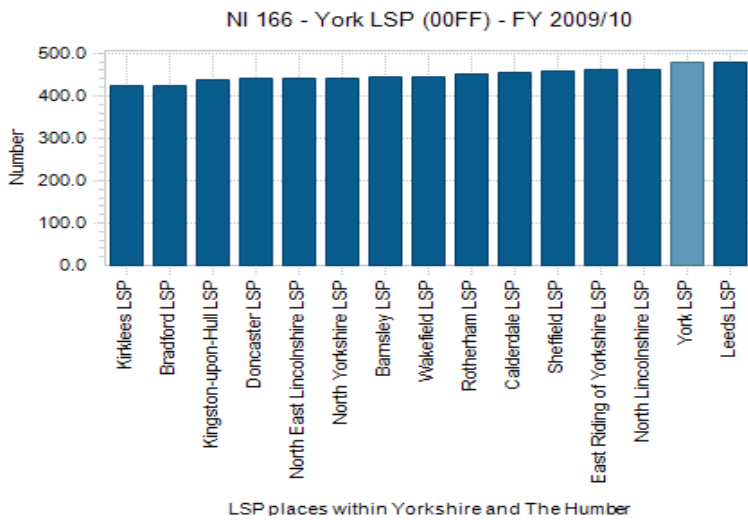
Mo	York (Numbe	Yor (%)	Y& (%)	GB
Apr	3,735	3.0	4.7	4.1
Ma	3,742	3.0	4.8	4.1
Jun	3,654	2.9	4.7	4.1
Jul0	3,730	3.0	4.8	4.1
Aug	3,819	3.0	4.9	4.2
Sep	3,808	3.0	4.8	4.2
Oct	3,820	3.0	4.8	4.1
Nov	3,856	3.0	4.8	4.1
Dec	3,858	3.0	4.8	4.1
Jan	4,094	3.2	5.0	4.3
Feb	4,134	3.3	5.1	4.3
Mar	4,006	3.2	4.9	4.2



22. Many factors have influenced these encouraging rates, one of which is the maintenance of employment levels within the city. 'One City' is one example initiative, which involves the council helping residents and businesses through the recession, with the main aim to support business growth, minimise job losses and help individuals limit debt.

23. *NPI 166: Average earning of York employees* (LAA indicator). Performance for this indicator is reported in 2 formats, both of which show good improvement:

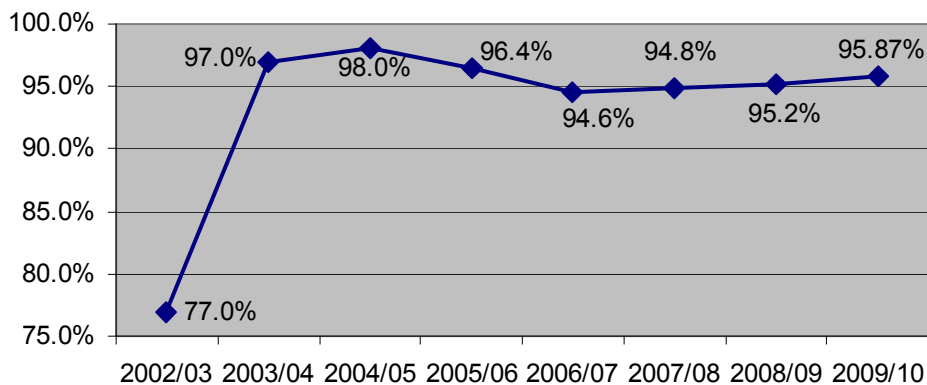
- The median average weekly pay, which was £477.5 for 2009-10, and represents a 5.2 % rise on the £453.4 reported for 2008-09 (see graphs on the next page).
- The ratio between York and the England average, which stood at 0.97:1 for 2009-10 compared to 0.94:1 in 2008-09. This was below the '0.99:1' LAA target set for 2009-10, but represents a much higher ratio rise than other areas in the Yorkshire & Humber region. Only Leeds is higher.



Environment

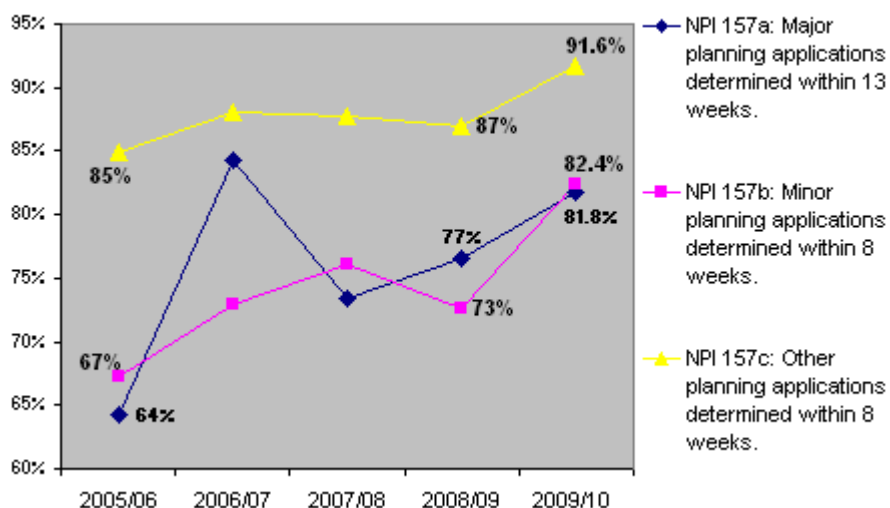
24. *BVPI 106 & NPI 170: Brownfield site development.* The % of new homes in York, which were built on previously developed land increased to 95.9% in 2009-10, the highest achieved since 2005-06 (see graph below). However, the % of brownfield land in York that has been vacant or derelict for more than 5 years increased slightly in 2009-10 to 1.06% from 0.96% in 2008-09. Despite the small increase, York is still 2nd quartile based on the latest benchmarking data.

Brownfield - % of new homes built on previously developed land



26. *NPI 157: Planning applications* – Significant improvement was achieved in terms of the processing times of planning applications in 2009-10. In particular, a 9.6% increase in the number of minor applications determined within 8 weeks. This moves York up from 2nd to top quartile, based on the latest benchmarking data. However, these improvements have been supported by a drop in the number of planning applications received due to the recession. In 2009-10 the council received significantly less ‘minor’ and ‘major’ applications than in 2008-09. These come on top of previous reductions, which equate to a 32% drop in minor and 65% drop in major applications since 2006-07.

Processing planning applications



28. *NPI 186: CO2 emissions in the York area - per capita* (LAA indicator). The 2009-10 figure is not yet finalised, but 2008 results suggest that there will be a 10% decrease in CO2 emissions in the York area. If achieved, this will exceed the 8% reduction target set for 2009-10.

29. *NPI 188: Adapting to climate change*. This indicator assesses local authority preparedness and plans to adapt to the changing climate, with grading ranging from level 0 – 4. York has achieved level 1 for 2009-10, which meets the LAA target. Arrangements are now in place to achieve the target of level 2 by March 2011, including the development of a new climate change strategy with partners, agreement for new Park & Ride sites through the Access York initiative, the Cycling city initiative, and new sustainable builds such as the council's new headquarters.

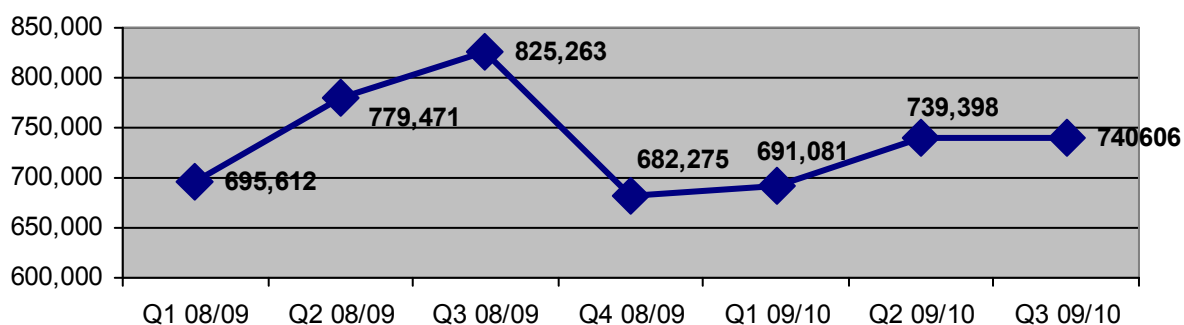
30. *NPI 47 (LAA): People killed or seriously injured in road traffic accidents*. The number of incidents for April to December 2009 currently stands at 37. This is significantly better than the 68 incidents that occurred for the same time period in 2008. Ranges of successful initiatives have been introduced 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.

31. 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.

32. *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.

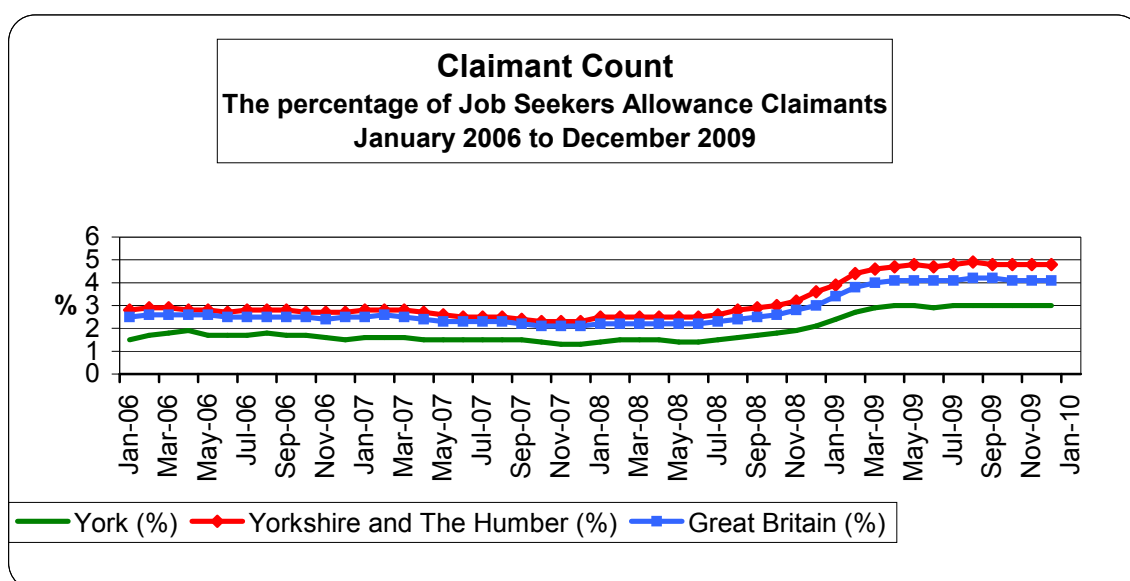
Note: It is not possible to compare to previous park and ride figures due to a change in the way the numbers are counted. There are also seasonal variations.



Economic Development

33.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.

34. Claimant Count Jan 06 to Dec 09



Resource and Business Management

35. 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

36. NPI 155: Affordable homes (LAA indicator). The original LAA target for the year of 280 completions has been revised to 146 after negotiations with the Government Office in the LAA refresh in March this year. The revision was 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. The number of affordable homes delivered in 09-10 was 130. The shortfall was mainly due to unusually bad weather in January and February, which impacted on the timescales for delivery of Discus bungalows completions on around 16 homes were delayed by approximately 4 weeks. However, if we illustrate all additional housing provided through the council's planning system, together with housing funded through external schemes (e.g. Golden Triangle private sector leasing, Social Homebuy and purchase & repair), there was actually a 13% rise in 'additional housing' in York throughout 2009-10.
37. 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 for 2009-10 was just 79, which represents a 67% decrease since 2007-08 and exceeds the 2010-11 LAA target of 110. York is a regional champion for homelessness and new facilities at Arclight and transitional facilities at the custom built Peasholme building has helped improve performance by supporting former homeless residents back into employment and private accommodation.

38. NPI 187: Fuel poverty (LAA indicator). This indicator measures the proportion of people living in York who receive income-based benefits and live in homes with a low or high-energy efficiency rating. People in York receiving income based benefits who live in homes with a low energy efficiency rating improved by 0.8% and York is now performing at the level of 2010-11 LAA target. The number of people living in homes with a high-energy rating appears to have declined to 41.4% in 2009-10, missing the target. However, the 2008-09 outturn for this indicator was incorrectly calculated at 60.4% by an external body and as a result, the 2009-11 targets set from this baseline were also incorrect. New 3-year targets will be set this year.
39. A range of other actions have also been implemented to support improvement, including the hotspot scheme, an area based insulation scheme targeted at the wards and areas with highest fuel poverty, changes to the grants and assistance policy to focus on energy efficiency, and improved advice available to households on accessing appropriate schemes. However, there are other 'economic factors' some of which are outside of the council's control that could also affect this indicator.
40. NPI 158: Non-decent homes. Improvement on NPI 187 above has also been helped by the council's housing modernisation programme, which has reduced the number of non-decent council homes in the city from nearly 16% in 2004 to 2.9% in 2009-10.
41. 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

42. 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

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

Risk Management

44. 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

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

Reason: To update the scrutiny committee of the final finance and performance position for 2009/10.

Contact Details

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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