

Economic and City Development Overview and Scrutiny Committee

28th September 2010

Report of the Director of City Strategy

2010/11 Finance and Performance Monitor 1 Report

Summary

1. This report provides details of the 2010/11 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 £+937k on a total net budget of £8,125k. The Housing General Fund has a budget of £1,483k and is expected to overspend by £124k. Service Plan Variations by service plan are shown below:

	Net Budget £'000	Projected Outturn £'000	Variance £'000
City Strategy Directorate			
City Development & Transport	4,277	4,508	+231
Planning & Sustainable Development	1,358	1,638	+280
Resource & Business Management	-296	-120	+176
Economic Development	2,186	2,206	+20
Property	600	830	+230
Total	8,125	9,062	+937
Housing Services			
Housing General Fund	1,483	1,607	+124

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 (£+231k)

4. Car Parking income is forecast to be £+306k below budget which is made up of £+118k short stay, £+201k standard stay, £+8k on-street offset by net £-21k surplus on Respark and season tickets.

5. There is an underspend of £-26k on employee costs within School Crossing Patrols where a number of posts were unfilled in the first part of the year, and a further £-22k from a vacancy in Emergency Planning.
6. There are expected to be £+20k additional consultation costs in preparing the LTP3, however this is offset by £-7k saving in new residents parking zone due to low demand, and £-40k saving in public transport.

Planning and Sustainable Development (£+280k)

7. The economic downturn has continued to have a significant impact income within the Planning Service. The planning income projected shortfall is £+150k due to low numbers of major scheme applications, but an improvement on the £+500k reduction in income reported last year. Income from building control is projected to be a further £+180k below budget but offset by £-68k staff savings. Income from local searches is expected to be £+60k below budget due to low activity in the housing market, also offset by £-42k staff savings.

Resource & Business Management (£+176k)

8. The primary reason for this projected overspend is the lower than expected dividend from Yorwaste (£+230k) due to reduced tonnages and reductions in recyclates prices. This is offset by £-54k staff saving due to apprentices leaving or providing maternity cover.

Economic Development (£+20k)

9. 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 that deliver the service. However, due to withdrawal of Yorkshire Forward funding inward investment is expected to overspend by £+20k.

Property Services (£+230k)

10. The main variation within Property Services is that Commercial property income is expected to be £+188k below budget, linked to not receiving wayleave income at Harewood Whin and from lost income due to property sales.
11. There are further overspends due to the decision to defer asset sales in the current economic climate which has resulted in £+99k additional costs of holding surplus assets such as Manor school Lowfields school and Parkside.
12. There is expected to be £-57k energy saving in the council's accommodation budget

Remedial Action

13. The Departmental Management Team have asked managers to review expenditure budgets and consider what actions can be undertaken to bring the budget back into a balanced position.

Housing Services (£+124k)

14. The review of the Housing General Fund budgets indicates that the service will be £+124k over budget. An overspend of £+161k on utility costs at travellers sites is offset by £-19k additional income being received at Howe Hill due to higher occupancy than forecast and £-18k savings on removals.

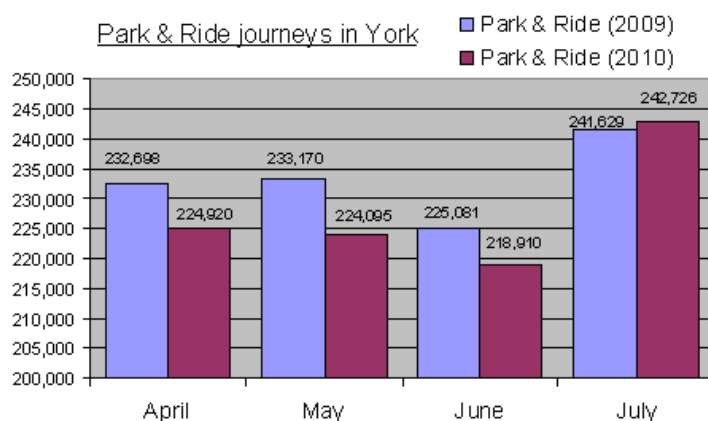
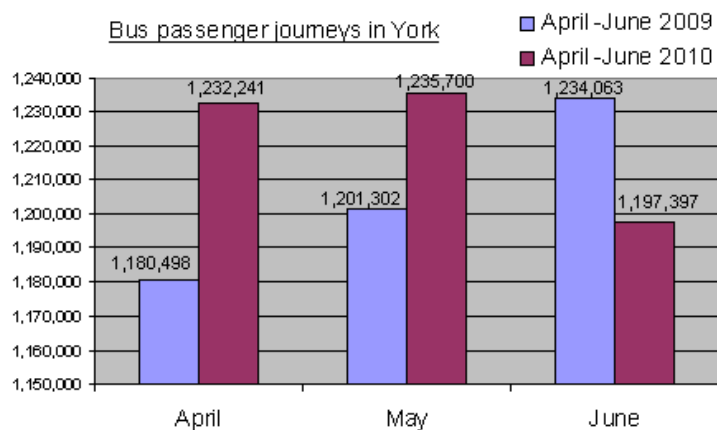
Finance Housing Revenue Account (HRA) - Non General Fund account

15. The working balance budget on the HRA is £8,777k and this first review indicates a net underspend of £-383k, leaving a projected working balance of £9,160k. The variances include:
- Overspends totalling £+120k, the main areas being overspends on lift repairs and additional health and safety equipment purchased for estate workers along with reduced income and a reduction in interest received on the balances held.
 - Underspends totalling £-503k, mainly due to staff vacancies across housing operations, asset management and temporary accommodation along with reductions in interest payable and increased income from leaseholders and shops.

Performance – Monitor 1 Overview

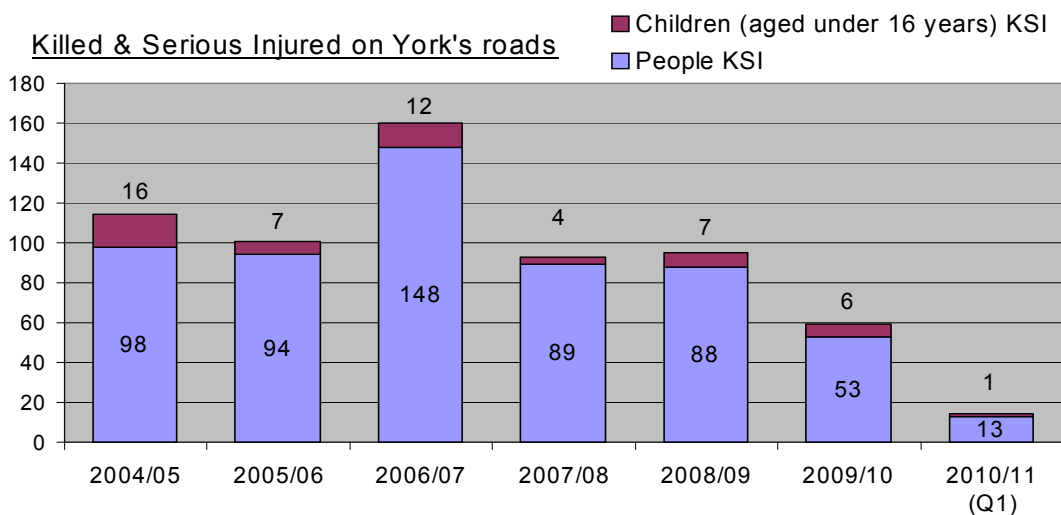
City Development and Transport

16. For Bus and Park & Ride Passengers: The overall number of passenger journeys in York improved slightly on the same period last year (currently 3.67m for April - June compared to 3.61m in the same period in 2009). Park & Ride data is now available up to July and shows a 2.3% decrease (910,651 compared to 932,578 in the same period last year). Although passengers for the first 3 months show slight reductions on last year, July figures show a 4.5% increase and it is hoped that this trend will continue over the next 8 months of 2010-11. Residents and visitors to York continue to be encouraged to use the bus through a variety of means, including more 'Car Free Days'. The council is also gradually rolling the 'Your next bus' initiative, providing SMS text real time bus information to mobile phone users.



	Apr – Jul 2009	Apr-Jul 2010	% change
Askham Bar	173,898	181,510	+4.4%
Grimston Bar	155,723	145,510	-6.6%
Rawcliffe Bar	243,061	215,303	-11.4%
Designer Outlet	193,163	196,659	+1.8%
Monks Cross	166,733	171,669	+3.0%

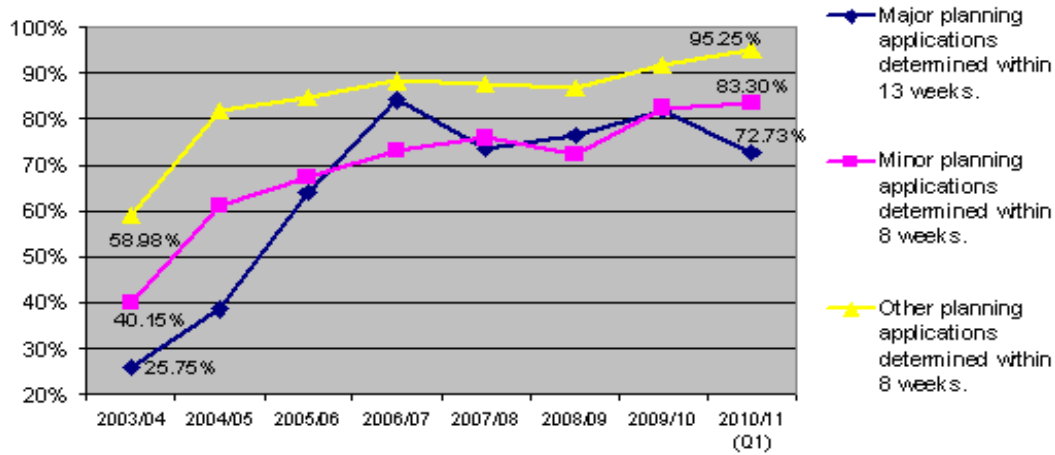
17. *NPI 47: People killed or seriously injured in road traffic accidents (LAA indicator).* A range of successful initiatives introduced in the last year, such as the 'Made you Look' campaign and the 'Safer Business Driving Conference' has resulted in a significant improvement in the number of people killed and seriously injured on York's roads over the past 18 months and this trend has continued in Q1 (see graph below). A safer driving campaign for event for older drivers is planned for October.



Planning and Sustainable Development

18. *NPI 157a-c: Processing planning applications.* The number of 'minor' planning applications determined within 8 weeks stands at 83.3% for Q1 (a 1% increase on last year). The number of 'major' applications determined within 13 weeks declined in Q1 (currently 73% compared to 82% in 2009-10). This was due to 4 of 11 applications in April and May failing to make the 13-week timescale (see graph overleaf). Despite this decline, all 3 indicators are currently performing in the top quartile for unitary authorities.

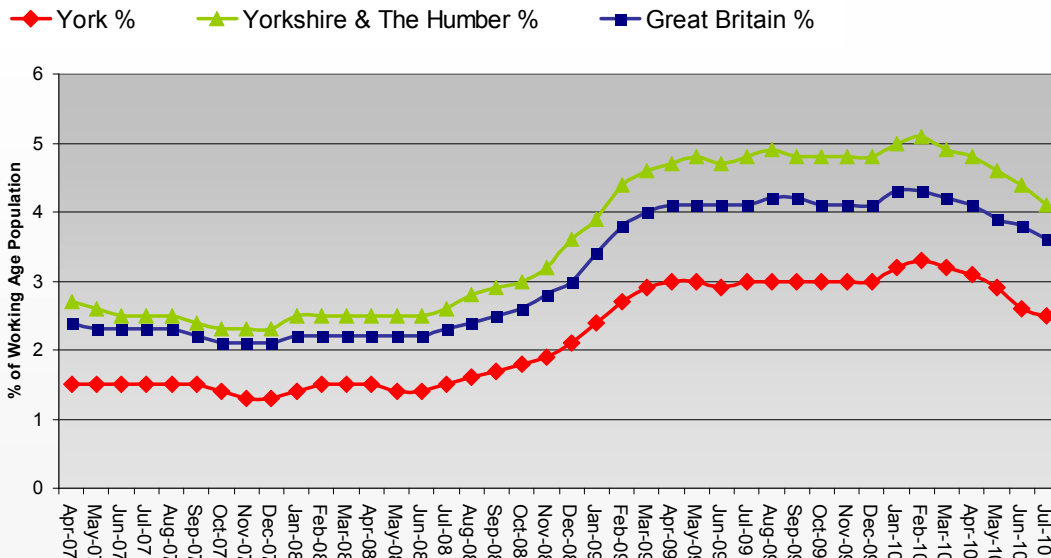
Processing planning applications



Economic Development

19. VJ15a&b: York's unemployment rate (12 month rolling average). Unemployment in York is currently 2.2% below the regional and 1.4% below the national average. A key indicator of unemployment is the number of York residents claiming job seekers allowance, which was 3443 in July 2010, a decrease of 21 from the previous month. This equates to 2.5% of the working age population and is well below the claimant count for Yorkshire and the Humber, which stands at 4.1% and the UK, which stands at 3.6% (see graph overleaf). However, York usually experiences seasonal variations due to School/College/University leavers who may find it difficult to find employment in the current economic climate.

Job Seekers Allowance Claimants



Date	York (No)	York %	Yorkshire & Humber %	Great Britain %
Apr-2010	3,957	3.1	4.8	4.1
May-2010	3738	2.9	4.6	3.9
Jun-2010	3464	2.6	4.4	3.8
Jul-2010	3443	2.5	4.1	3.6

20. A number of factors and initiatives have influenced York's encouraging rates, and further work is underway to ensure this continues. One City is an initiative, which sees City of York Council taking measures to help residents and businesses through the recession. The main aim is to help individuals limit debt, and to support business growth and minimise job losses. Work currently taking place includes:
- advice and information to sign-post businesses to sources of support.
 - an external strategic assessment of the city's economic outlook and its ability to recover from the recession.
 - an enterprise fund/allowance scheme is offered on a match-funding basis. To date 10 businesses have been supported through the fund. The businesses supported so far range from mobile catering to computing companies.
 - the Business Forum working with 126 businesses to ensure that their needs are centrally involved in shaping the city's economic development policy; fostering opportunities for continuing commercial success and future growth opportunities.

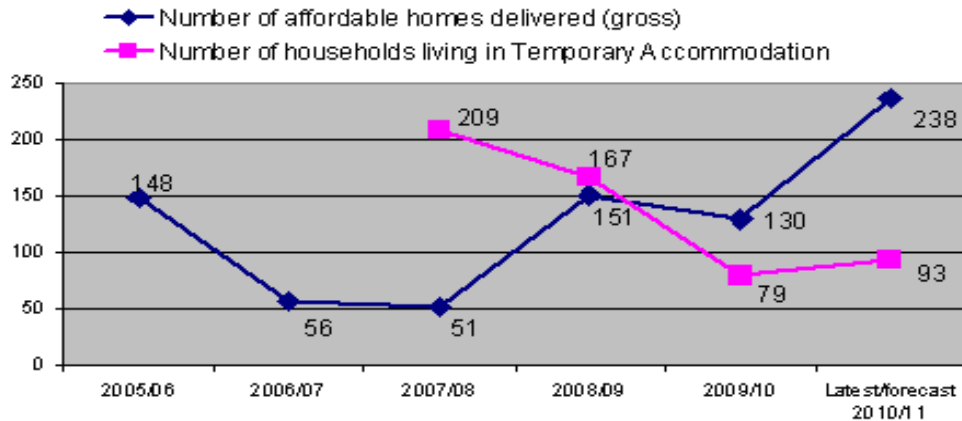
Resource and Business Management

21. 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

22. NPI 155: Affordable homes (LAA indicator). In quarter one 52 new affordable homes have been delivered. 22 of these homes have been delivered on two private developments through planning gain agreements. The remainder have been through various grant-funded routes. The current forecast for the year is 238 against an LAA target of 252 but this will be subject to review in the current housing market and economic climate. If funding from the Homes and Communities Agency is still available, it will allow the council to build up to 21 new family homes for rent in Clifton. Work on this development will start in early in 2011 with the homes completed approximately one year later. Funding for the YorHome scheme expires October 2010 and a report reviewing the future viability of the scheme was considered in August. A funding bid for Ordnance Lane has been submitted to the Homes and Communities Agency and a decision as to whether funding will be granted is still awaited.
23. NPI 156: Homelessness (LAA indicator). The number of York households living in temporary accommodation fell by 52% in 2009-10, despite a rise in repossessions and homelessness across the UK. As a result, the improvement target of 75 households set for this year was particularly challenging as the recession starts to deepen. Current performance shows a rise in households living in temporary accommodation (now up to 93). However, the first half of the year is generally busier and a caseworker vacancy has significantly affected staff capacity for this service. Performance is expected to improve throughout the year.

Affordable homes and homelessness in York



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.

Contact Details

Authors:
Patrick Looker
City Strategy Finance Manager
(01904) 551633

Chief Officers responsible for the report:
Bill Woolley
Director of City Strategy
(01904) 551330

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 2010/11 , Executive 7th Sept 2010

Annexes

None