

Economic and City Development Overview and Scrutiny Committee 27th September 2011

Report of the Director of City Strategy

2011/12 Finance and Performance Monitor 1 Report

Summary

1. This report provides details of the 2011/12 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 £+326k on a total net budget of £9,318k. A further saving of £-495k relating to a review of facilities management is unlikely to be achieved in 2011/12. The Housing General Fund has a budget of £1,128k and is expected to overspend by £+394k. Service Plan Variations by service plan are shown below:

	Net Budget £'000	Projected Outturn £'000	Variance £'000
City Strategy Directorate			
Strategic Planning & Transport	5,298	4,841	-457
Planning & Sustainable Development	1,566	1,898	+322
Director's Group	36	36	0
Economic Development	2,286	2,251	-35
Property	584	640	+56
Service Review	-452	-72	+380
Total	9,318	9,594	+276
FM review	-495	0	+495

Housing Services			
Housing General Fund	1,128	1,522	+394

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.

Strategic Planning and Transport (£-457k)

4. Car Parking income is forecast to be £-155k above budget which is made up of £-148k short stay, £-4k standard stay, £+5k on-street and £-8k surplus on Respark and season tickets.
5. There is an underspend of £-45k on employee costs within School Crossing Patrols where a number of posts were unfilled in the first part of the year, and a further £-42k from a vacancies in drainage.
6. There is expected to be £-200k saving in concessionary fares and £-15k saving in public transport.

Planning and Sustainable Development (£+332k)

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. Income from building control is projected to be a further £+250k below budget but offset by £-78k staff savings. Income from local searches is expected to be £+48k below budget due to low activity in the housing market, also offset by £-38k staff savings.

Director's Group (£ nil)

8. Expenditure is expected to be contained within budget across the Director's group.

Economic Development (£-35k)

9. There is a savings of £-15k from a vacancy and £-20k additional income from Newgate and speciality markets.

Property Services (£+56k)

10. There is an additional £+56k staff cost in relation to the facilities management review. Elsewhere the service is currently anticipated to outturn on budget.
11. Directorate Service Review (£+380k)
12. The directorate had an overall savings target of £814k. It has not been possible to deliver the full year savings due to the time required to implement and also one off redundancy costs have led to a projected overspend of £380k in 2010/11. The full year savings are anticipated to be made in 2011/12.

Facilities Management Review (£+495k)

13. There is a corporate savings target from Facilities Management across all council building of £495k. This is a significant exercise and will take time to develop and implement with no anticipated savings in the current financial year. Officers are looking at proposals to achieve savings resulting from reduced occupation of office accommodation to mitigate the overspend.

Remedial Action

14. 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 (£+394k)

15. The review of the Housing Services General Fund budgets indicates that the service will be £+394k over budget. This is due to a forecast overspend on building maintenance of £120k compared to a budgeted surplus of £180k and £+94k overspend on repairs and maintenance at travellers sites.

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

16. The working balance budget on the HRA is £9,543k and this first review indicates a net underspend of £-82k, leaving a projected working balance of £9,625k. The variances include:

- Overspends totalling £+90k, the main area being a higher than forecast void level within the council housing stock.
- Underspends totalling £-172k, mainly due to a reduction in the negative subsidy payment due to a higher than forecast interest rate. There is also increased income from leaseholders and shops.

Performance – Monitor 1 Overview

Transport

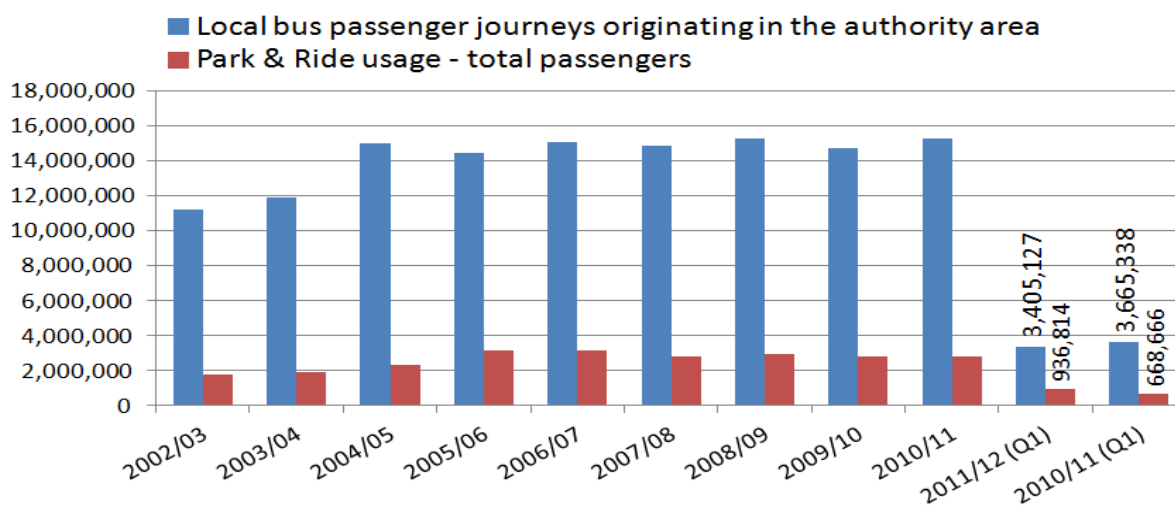
17. Bus passenger journeys usage has decreased by 7% compared to the same period last year, (3,405,127 compared to 3,665,338).

Conversely, the number of people using Park & Ride buses increased by 40% in Q1 compared to the same period last year. This is partly down to a change in the way data is collected and calculated, as First York now include the usage of smartcards which will affect comparisons with previous years.

Park & Ride data for Q1

April 2011	May 2011	June 2011	End of Qtr total
313,762	313,228	309,824	936,814
April 2010	May 2010	June 2010	End of Qtr total
225,535	224,155	218,976	668,666

Bus travel in York



18. The 2010-11 figures for bus punctuality and waiting times have recently been published and performance has improved (see table below). Last year's figures were produced using GPS tracking through ACIS 'Operator Reports', instead of the manual surveys used in previous years. Despite this improvement, York is still in the bottom quartile for comparative performance, but the 'Yournextbus' initiative, and provision of SMS texts and real time bus information to mobile phone users will help support local residents.

	2008/09	2009/10	2010/11
% bus services running on time	63.3%	67.7%	74%
Average waiting time for buses	1min 32 secs	1min 58 secs	1 min 22 secs

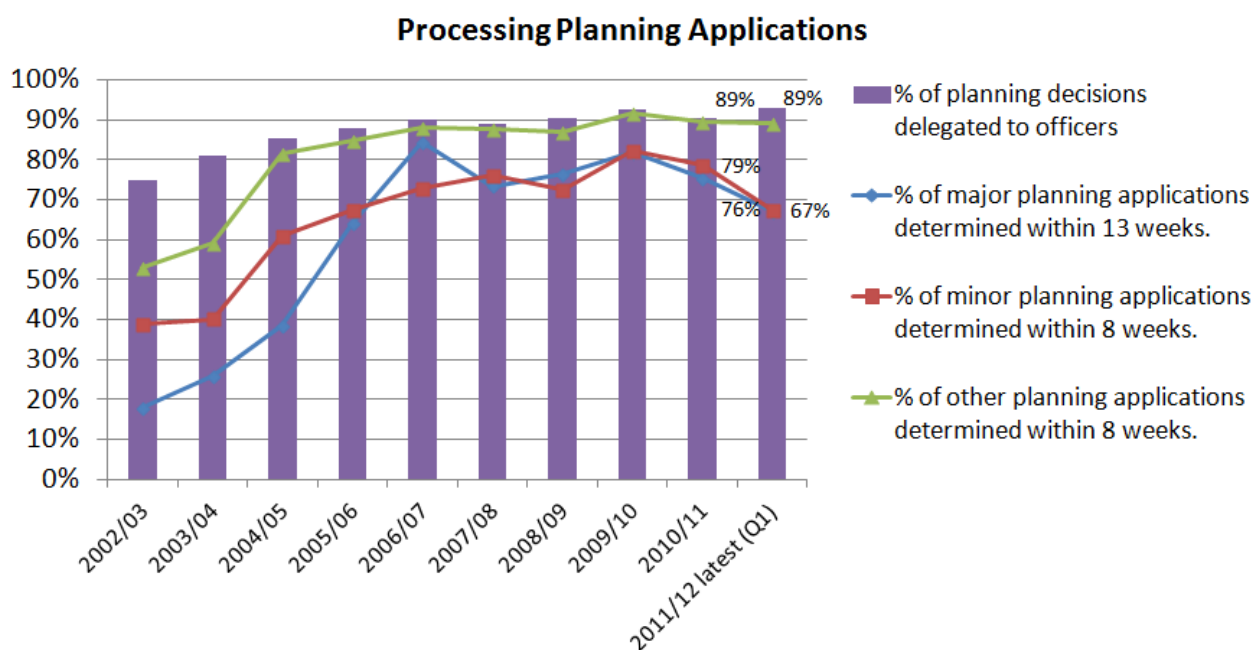
	Apr – Jul 2009	Apr-Jul 2010	% change
Askham Bar	173,898	181,510	+4.4%
Grimston Bar	155,723	145,510	-6.6%
Rawcliffe Bar	243,061	215,303	-11.4%
Designer Outlet	193,163	196,659	+1.8%
Monks Cross	166,733	171,669	+3.0%

Planning and Sustainable Development

19. The number of major and minor planning applications processed within the required timescales has reduced in Q1 (-9% and -12% respectively). Last year, the decline in performance was due to an increase in the number of planning applications received - in particular, a much higher number of major applications (49 in total). However, in Q1 the planning service only received 6 applications. A number of the major applications were out of time due to Committee deferral or pending completion of Section 106 legal agreements by applicants (e.g. Terry's site). The smaller number of major

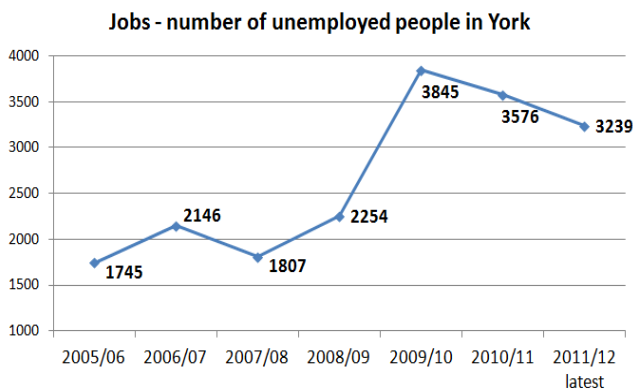
applications means that the impact of one or two going over the 13 week determination period is much greater. Restructuring and process change, including staffing reductions, has also resulted in greater pressure and less capacity to resolve cases within the time targets.

20. The number of applications received this year appears to be rising, with June and July seeing highest number of applications submitted since July 2008. Work to streamline existing working practices (e.g. through introduction of increased electronic working, optimising use of the Contact centre and changes to the planning pages on the website) is continuing and will allow more time to focus on dealing with cases.



Economic Development

21. The % of unemployed people in York is currently around 2.4%, well below levels experienced regionally and nationally (2.7% below the regional and 1.6% below the national average). The latest figures available show that around 606 less people unemployed since 2009-10, which bucks the rising trends elsewhere across the UK.



32. The number of people claiming Job Seekers Allowance in York could be seen as a more accurate indicator for unemployment, which increased slightly in July to 3334 (2.5% of the working age population) - an increase of 95 from the previous month and the first increase since February 2011. York's rate continues to be well below the Yorkshire and Humber regional and the UK average. Usual seasonal issues have influenced the increase from last month, when this time of year sees an increase in the number of College/School/University leavers who enter on to the claimant count register. This is also made worse by the fact that this age group is the most affected by the recent economic conditions. York however, has the second lowest rate of JSA claimants in the region for this age group.

People claiming Job Seekers Allowance (JSA)				
Date	York (No.)	York %	Y&H %	GB %
Feb-11	3,660	2.7	4.4	3.8
Mar-11	3,576	2.6	4.4	3.8
Apr-11	3,442	2.5	4.4	3.7
May-11	3,323	2.5	4.4	3.7
Jun-11	3,239	2.4	4.3	3.7
Jul-11	3,334	2.4	4.4	3.8

33. York's low unemployment could be due to the city having a fairly highly skilled workforce and becoming less deprived in comparison to other local Authorities (based on recently published IMD data).

York is currently 5th best in the Centre for Cities leagues table of 64 authorities for residents with Level 4 or above qualifications. However, York has a high percentage of people employed in the public sector compared to regional and national rates. We also have a lower business start up rate than other areas in the region and over the past few years, York has seen a 50% increase in number of children living in workless households.

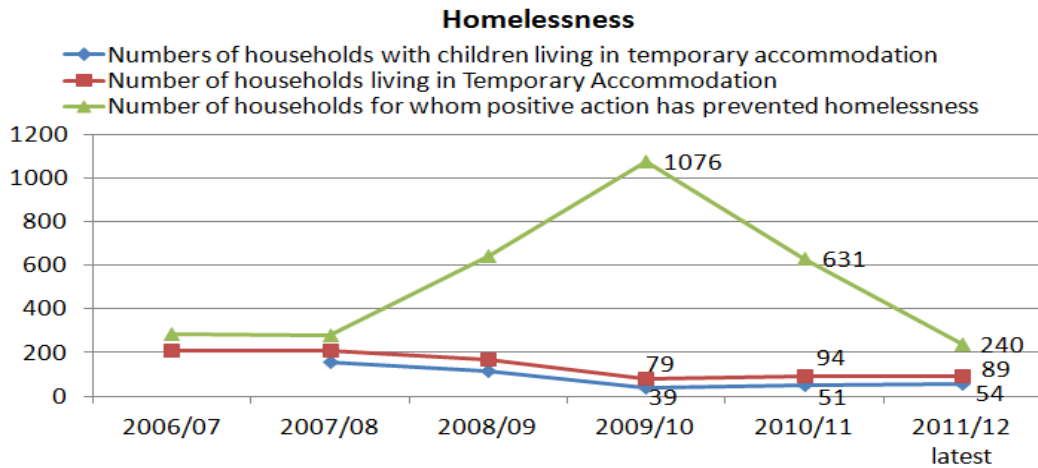
34. A number of factors and initiatives have influenced York's encouraging rates, and further work is underway to ensure this continues. One City is an initiative, which sees City of York Council taking measures to help residents and businesses through the recession. The main aim is to help individuals 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 20 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.

Director's Group

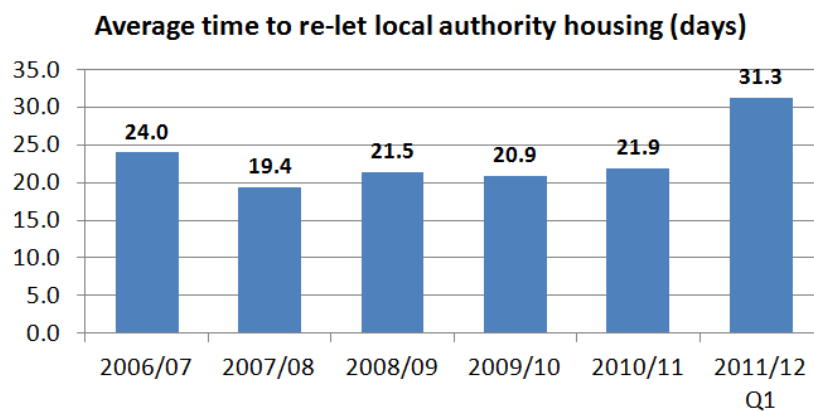
35. This service plan area holds the cross cutting performance information for the directorate of City Strategy; for example, indicators relating to Health and Safety, Human Resources, Customer First and Finance. Resource and Business Management is not responsible for any National Performance Indicators.

Housing

36. Number of households living in Temporary Accommodation has reduced to 89, after the slight increase experienced last year. Quarter 1 has been very busy for the Homelessness service and although the numbers have decreased, the number of families who have dependent children has risen slightly.



37. The average time taken to re-let local authority owned houses has been increasing month on month since December 2010. An increase in the number of voids in this period, coinciding with reduction in resources (repairs operatives), has affected void works and re-let times. CANS now have an action plan in place to address this, including planning and communication improvements between Housing managers and building maintenance to help adjust resourcing on void work and to streamline the inspection processes.



Corporate Priorities

38. 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

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

Risk Management

40. 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

41. 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**

✓

Background Working Papers

First Performance and Financial Monitor for 2011/12 , Cabinet 6th Sept 2011

Annexes

None