

**Economic and City Development Overview
and Scrutiny Committee**

13th December 2011

Report of the Director of City Strategy

2011/12 Finance and Performance Monitor 2 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 £118k on a total net budget of £9,284k. A further saving of £445k relating to a review of facilities management is unlikely to be achieved in 2011/12. The Housing General Fund has a budget of £1,356k and is currently forecast to overspend by £190k. 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	4,784	-514
Planning & Sustainable Development	1,566	1,837	+271
Director's Group	28	-12	-40
Economic Development	2,260	2,225	-35
Property	584	640	+56
Service Review	-452	-72	+380
Total	9,284	9,402	+118
FM review	-495	-50	+445
Housing Services			
Housing General Fund	1,356	1,546	+190

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 (£-514k)

4. Car Parking income is forecast to be £119k above budget. There is expected to be a saving of £210k saving in concessionary fares and £10k saving in Dial & ride and taxicard usage.
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, £25k saving in road safety and a further £55k saving from vacancies in the drainage section.
6. A review of Local Development Framework and Development Project funding has resulted in net savings of £50k.

Planning and Sustainable Development (£+271k)

7. The economic downturn has continued to have a significant impact income within the Planning Service. The planning income projected shortfall is £100k due to the numbers of major scheme applications. Income from building control is projected to be a further £194k below budget but offset by £22k staff savings. Income from local searches is expected to be £37k below budget due to low activity in the housing market, also offset by £38k staff savings.

Director's Group (£-40k)

8. Savings from vacant posts amount to £40k.

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 (£+445k)

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. So far, £50k energy savings in council buildings have been identified. Officers are reviewing other 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 £190k over budget, which is an improvement from the forecast overspend of £394k reported during the first review. There is a forecast overspend of £250k on building maintenance, £80k overspend on repairs to travellers sites offset by one-off mitigation of £140k elsewhere within housing services.

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

16. The working balance budget on the HRA is £9,201k and this first review indicates a net underspend of £82k, leaving a projected working balance of £9,283k. 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 2 Overview

Priority: Get York moving

17. *Green transport:* Local Sustainable Transport funding (LSTF) has been secured to help develop York's Cycling and Pedestrian network. The first stage will include cycling & walking participation programmes.
18. *Transport:* Park & Ride usage has increased by 28%. The increase is partly down to First York now including the usage of smartcards in calculating numbers. Overall bus passenger journeys have decreased by 5% compared to the same period last year.

Park & Ride data for April - August

April 2010	May 2010	June 2010	July 2010	August 2010	Total
225,535	224,155	218,976	242,033	254,358	1,165,057
April 2011	May 2011	June 2011	July 2011	August 2011	Total
313,762	313,228	310,095	324,869	362,650	1,624,604

19. *Congestion:* A vision for a car free city centre and the extension of areas and hours for foot streets has been presented to Local Development Framework working group. Once this has been approved, further feasibility work will be undertaken.

Priority: Protect the environment

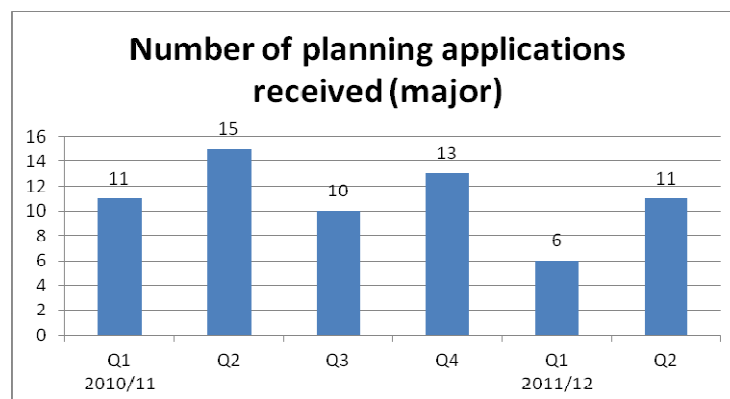
20. Reducing CO²: Latest data for 2009/10, shows that there has been 22% reduction in CO² emissions per capita across York over the past 3 years (see table below). Our carbon footprint is also reducing at a faster rate compared to the region.

		2006/07	2007/08	2008/09	2009/10	Change since 06/07
CO2 emissions per capita in York (tonnes)	Industry	2.9	2.4	2.3	2.0	-0.9 tonnes
	Domestic	2.4	2.3	2.3	2.0	-0.4 tonnes
	Transport	1.6	1.6	1.5	1.4	-0.2 tonnes

21. Consultation has also taken place to refresh the council's carbon management programme and the findings have been presented to the Sustainable Development Board. This programme will drive the achievement of carbon reduction targets for the council and city.
22. *Sustainable development:* Last year 86.89% of all new build housing completions were built on Brownfield land, representing a fall of around 9% on excellent performance levels achieved since 2006/07. This was partly due to an amendment to planning policy in June 2010 regarding the definition of 'garden infill' development which is now regarded as Greenfield. As a result, future levels of brownfield development are likely to fall below that achieved in previous years and latest data for 2011/12 show that this has reduced further to just under 82%.

Planning and Sustainable Development

23. Processing times in August and September were much better than monitor 1 as a result of recently introduced structural changes and process improvements. The number of major planning applications processed within the required timescales has increased to 77%, exceeding last year's performance. The number of major planning applications is increasing, however this is unlikely to affect the projected income shortfall.



Priority: Create jobs and grow the economy

24. *Unemployment:* York seems to be dealing with the impact of the economic crisis better than many parts of the country. the number of people claiming Job Seekers Allowance in York only increased slightly to 3454, 2.5% of the working age population whereas in Yorkshire and Humber, the number of claimants rose from 4.5% to 4.6%.
25. *Local skills:* York has a highly skilled workforce and is becoming less deprived in comparison to other Local Authorities, which could be a factor in out comparatively high employment rate. York is currently ranked 5th best for residents with Level 4 or above qualifications, in the *Centre for Cities* leagues table of 64 authorities.
26. *Vacant Shops:* In a recent survey, shop vacancies in York are down 1.2% over the last 6 months. Shop vacancies in Yorkshire and Humber region 'large town centres' are significantly higher, with average vacancy rates of 17%. Rates in Dewsbury have risen by 10.51% over the same period to 27.4%, this is followed by Bradford (24.6%), Doncaster (23.7%) and Hull at 21%.

Economic Development

27. A new Economic Development Plan has been completed and will be released at the City Business Conference in November. This will help support the local economy and position York on the global stage.
32. The number of people claiming Job Seekers Allowance in York could be seen as a more accurate indicator for unemployment, which decreased slightly in July to 3438 (2.5% of the working age population) - an decrease of 16 from the previous month. 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 %
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
Aug-11	3,450	2.5	4.5	3.9
Sep-11	3,454	2.5	4.6	3.9
Oct-11	3,438	2.5	4.6	3.8

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:

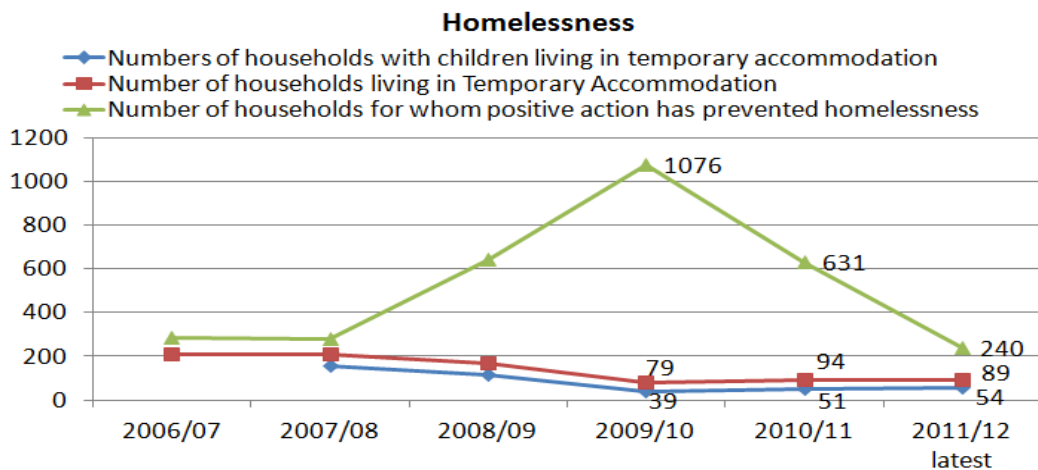
- advice and information to sign-post businesses to sources of support.
- an external strategic assessment of the city's economic outlook and its ability to recover from the recession.
- an enterprise fund/allowance scheme is offered on a match-funding basis. To date 24 businesses have been supported 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

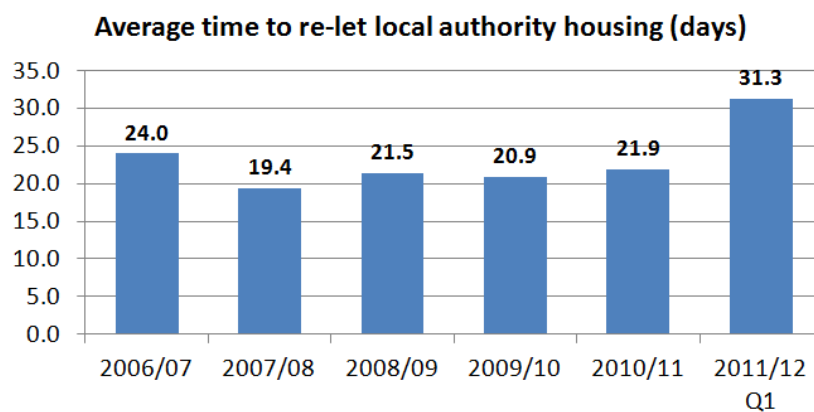
35. This service plan area holds the cross cutting performance information for the directorate of City Strategy; for example, indicators relating to Health and Safety, Human Resources, Customer First and Finance. Resource and Business Management is not responsible for any National Performance Indicators.

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

**Second Performance and Financial Monitor for 2011/12 , Cabinet
1st Nov 2011**

Annexes

None