

Report of the Director for Customer & Business Support Services

2013-14 Monitor 1

Purpose

1. This report analyses the latest performance for 2013/14 and forecasts the outturn position for the services falling under the responsibility of the Corporate Scrutiny Management Committee.
2. This is the first report covering these areas, and further detail will be provided in future reports to ensure all areas have been reviewed, especially in relation to Customer Services and the delivery of the Financial Inclusion Strategy.

Financial Analysis

3. The council's net General Fund budget for 2013-14 is £127,778k and the net budget for the areas covered by this report is £18,633k.
4. Following on from the £11m savings programme in the 2012-13 budget, the 2013-14 budget required a further challenging £8,822k in savings in order to reach a balanced position, £1,170k of these savings fall within the services covered by this report. The forecasts outlined in this report reflect a prudent view of how that challenge is currently being met.
5. All budgets are reviewed on a quarterly basis and some are monitored monthly. Those that are monitored monthly are high value or high risk areas. The latest review has not identified any major variations that require action or mitigation and all savings proposals are progressing.

Performance Analysis

6. The performance delivery is analysed against the key delivery priorities of the Council Plan and the cross-cutting organisational priority themes. This report therefore covers
 - Create jobs and grow the economy
 - Core competencies

7. It is important to note that there will be changes to the architecture of performance management over the next 6 months that will change how performance information is accessed. This will enable more immediate access to “live” information.

Income Collection

8. There are three fundamental changes to our Council Tax (CT) and NNDR income streams this year. In respect of Council Tax we have seen the introduction of Council Tax Support (CTS) and reduction in Class A (Long term repair) and C (Empty and unfurnished) Exemptions. These two changes have added additional liability and are more difficult to collect. At the end of July 2013 in comparison to the same period last year the collection rate was 0.2% behind, which is good at this point compared to the 1% reduction being predicted by most Local Authorities. As we are not yet at the mid-point of the year this could well change. Prior year CT debt collection at the end of July 2013 is 1.26% above last years.
9. The third change is in respect of the localisation of business rates (NNDR) and again whilst we are not yet at the mid-point of the year, at the end of July 2013 we were 2.75% ahead of the corresponding point last year against the total liability raised.
10. In summary collection is good at this point and will continue to be closely monitored across the rest of the year.

Economy

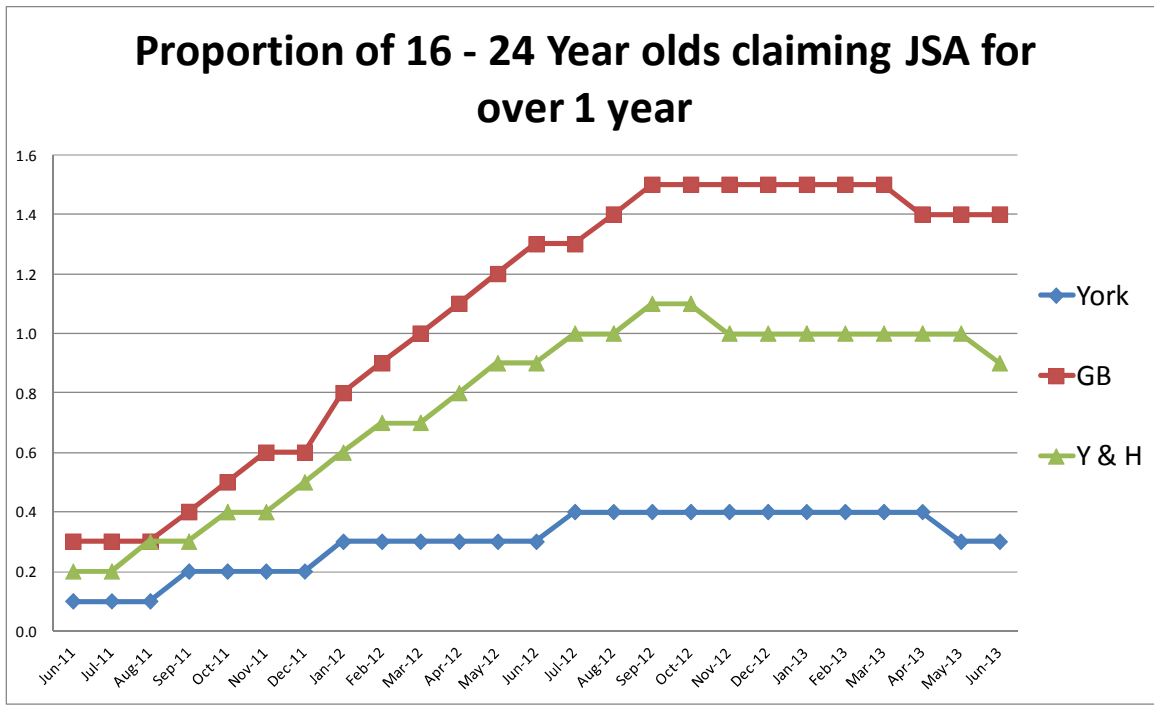
11. The city’s economy remains increasingly competitive. The recent publication of the Municipal Journal and Local Futures’ Inward Investment Guide to England placed the city as one of the top five places for businesses to invest. Private sector employment proportions in York were at the lowest on record in 2010 at 66.8%, the latest data indicates this figure now stands at 73.2%. The last two years have seen a 5.1 percentage point increase in private sector employment, compared to regional and national figures of 1.1 and 1.6 respectively

Employment

12. York’s economy continues to perform well with an overall employment rate of 75.9% (Source: LG Inform) which places York in the top quartile regionally and second quartile nationally. Latest figures show that this has decreased to 75.1% (Source: Annual Population Survey, April 2012 to March 2013). However, that data covers Q4, where an increase in unemployment is seen due to both seasonal factors and an increase in the

economically inactive, where the number of people not wanting a job has increased. York's employment rate ranked 8th out of 64 UK cities in Quarter 4.

- Long term youth unemployment (16-24 year-olds) has seen a reduction in Quarter 1 to 0.3%, well below national and regional figures (currently 0.9% and 1.4%).



- Footfall performance in York weakened through quarter 1 with parking transactions and revenue also down. This trend is mirrored in data from the Visitor Information Centre, the major York tourist attractions and Coach Parking. Footfall to July 2013, stands at -4.9% in the year to date. This is below the UK Towns and Cities figure of -0.4% and the gap widened further during June and July.
- There is ongoing work with the City Team York to identify a programme of activity that will lead to a boost in footfall. The Economic Development Team is working to bring further business into the city centre and enhance retail competitiveness. Primark recently announced they want to take up a prime city centre location.
- Although average earnings are increasing, the pay gap between the lowest paid and the average is increasing. The council is addressing this issue by adopting a living wage for its employees, encouraging other businesses in the city to follow suit and prioritising work on poverty. Targets have now been set to reduce the pay gap through the anti-poverty programme.

17. The latest data for the proportion of full-time workers (quarter 4) has seen a slight increase to 67.7% since quarter 3 2012. This figure is higher than one year ago when the proportion was 67.5%. Quarter 1 2012 saw the lowest percentage of employees in full-time employment on record at 65.4%. Pre-recession the level was around 72%. The proportion of part-time employees within York's workforce has increased throughout the ongoing difficult economic conditions and under-employment, those seeking to work more hours, is having an affect on available household income.
18. Cabinet have agreed to invest £200k of Economic Infrastructure Funding (EIF) for economic inclusion. This includes a full package of measures to connect people to jobs and opportunities, which should go some way to addressing the poverty agenda. A series of job fairs and work experience programmes will be put in place to ensure greater opportunities for York residents. May 2013 saw the third York Jobs Fair, where a multi-agency partnership and employers engaged with approximately 1000 job seekers.

OCE Poverty Work Programme

19. Poverty remains an important issue in York. In July, Cabinet agreed a poverty strategy which aims to move towards a poverty free York. This followed a working group with partners across the city including the JRF, the York Press, Citizen's Advice Bureau, South Yorkshire Credit Union and the faith sector.
20. The Office for the Chief Executive will be co-ordinating a work programme on poverty including short term initiatives such as increasing the take up of free school meals and improving money advice provision in the city as well as longer term work examining giving and childcare in the city.

Core competences

21. West Offices won all the top awards at the Royal Institute of Chartered Surveyors Pro Yorkshire awards on 26 April. The renovation of the Grade II* listed building, led by York-based S Harrison Developments, won awards in Design and Innovation, Commercial and Conservation as well as the overall prize for Building of the Year.
22. The development of the future of the Guildhall is underway. Project teams will be brought together in the autumn to initiate the work.
23. Supported by City Deals funding from Leeds City Region, the apprenticeship brokerage service will offer a local, impartial, one to one service to small and medium-sized businesses. It will advise on the business benefits of apprenticeships, the funding and grants available and

how businesses can recruit young local talent, supported by a quality training provider.

24. York residents should find it easier to access advice and information about money, debts, benefits, employment and housing in the future thanks to new funding announced to deliver a One Stop Advice Shop. The Citizen's Advice Bureau will lead the venture with funding of nearly £250,000 from the joint Cabinet Office and Big Lottery Advice Service Transition Fund and an additional £80,000 from the council's Economic Infrastructure Fund.

Consultation

25. There has been consultation with Trade Union groups on the ongoing implications of the council's financial situation and performance improvement issues.

Corporate Priorities

26. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan.

Implications

27. The financial implications are covered within the body of the report. There are no significant human resources, equalities, legal, crime and disorder, information technology, property or other implications arising from this report.

Risk Management

28. The risk management processes embedded across the council continue to contribute to managing the risk issues associated with major projects and key areas of service delivery.

Recommendations

29. As this report is for information only there are no specific recommendations.

Reason: To update the Committee on the latest finance and performance position for 2013/14.

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Background Papers – None

Annexes - None