

**Corporate and Scrutiny Management Committee**

**Report of the Director for Customer & Business Support Services**

**2013-14 Monitor 2**

**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 and Scrutiny Management Committee.

**Financial Analysis**

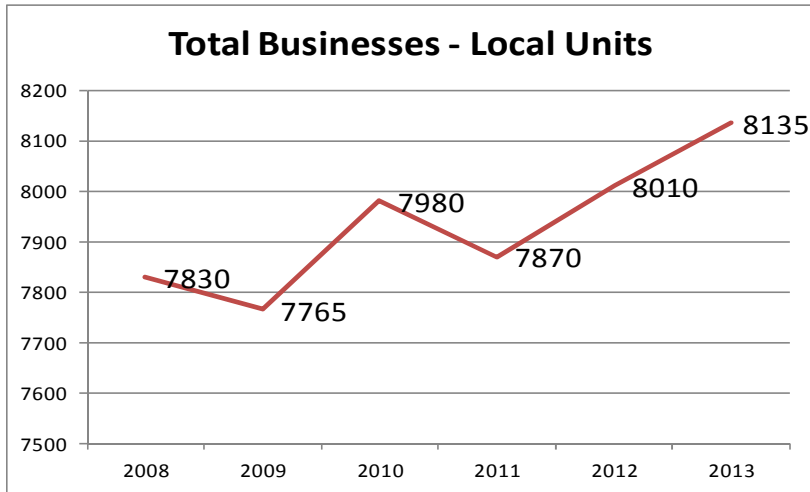
2. The council's net General Fund budget for 2013-14 is £127,778k and the net budget for the areas covered by this report is £18,633k.
3. Following on from the £11m savings programme in the 2012-13 budget, the 2013-14 budget required a further challenging £8,822k in savings in order to reach a balanced 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.
4. 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**

5. 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

## Economy

6. New businesses are up from 8010 in 2012 to 8135 (1.9% increase) and city centre footfall has improved between June and September with a 1.9% percentage point improvement in the average year to date figure. Welcome news, given the decline noted in the previous report.



7. The council has also recently agreed to invest in footfall cameras at key points across the city centre to gain a greater insight into resident and visitor use and movement around the city, to inform future investment decisions. Despite the challenge of retaining healthy footfall numbers to support local businesses, York still has the 2nd lowest shop vacancy rate in the country after Cambridge.
8. In order to consolidate this strong position, the council is identifying the sector-specific support needed to enable businesses in the city's key sectors to grow. Continued Economic Infrastructure Fund (EIF) investment in the city will also help to secure York's strategic position within the region and globally, most notably through Re-invigorate York's public realm improvements in Kings Square and an investment of £1.5million in the city centre market refurbishment scheme. The council is also launching the Yorkafter5 initiative, aimed at improving the offer available to visitors and residents in the evening in the City.
9. There has been significant movement in the financial year in terms of the growth in planning activity, with planning applications received or determined including major new housing sites at the Tannery, Strensall, Breck's Lane, Strensall and the former Sessions site, Huntington. Planning application fee income is more than 12% higher, whilst pre-application advice fee income has more than doubled compared to the same period last year, reflecting the recent upsurge in developer confidence and the

strength of York's position as an attractive place to invest. The growth agenda as encapsulated in the emerging Local Plan has led to owners and developers of 'Preferred Sites' coming forward to discuss the potential for early delivery.

10. Many of York's longstanding Brownfield sites have been the subject of planning approvals or renewed interest. The former Terry's factory site has outline approval, with phase 1 of the 270 new home element now submitted in detail. Phase 2 of the Hungate redevelopment has been submitted for approval with early commencement on site anticipated shortly afterwards.
11. On Piccadilly, following 3 recent approvals the former White Swan Hotel building, vacant for about 30 years, will soon be reoccupied as a shop on the ground floor and affordable housing above, whilst the building just south of the bridge will be converted to 10 apartments, and the 'Banana Warehouse' premises will be redeveloped to create 37 flats and two shops.
12. Formal pre application discussions are ongoing regarding the former British Sugar site, with an application for approximately 1,000 new homes anticipated in Spring next year.
13. Planning permissions have been granted to facilitate the provision of two Primark stores, one in the city centre and one at Monks Cross.
14. Investigation of funding streams to unlock the development and workshops with stakeholders is underway regarding York Central to bring about phased regeneration.

## **Employment**

15. Actions in York are demonstrating positive results on employment. Despite the slow economic recovery, York remains resilient, with a comparatively small loss of private sector employment (-3.7% between 2008 and 2012), whereas e.g. Leeds saw a loss of -9.2%. This strong employment market in York likely to continue with new businesses such as John Lewis and Hiscox recruiting this year. Two job fairs organised by the council have already seen over 1800 prospective candidates attend and £200k of EIF funding is being used to better connect residents to job opportunities, all helping to further drive down unemployment.
16. Consequently, the proportion of Workless Households in York is at its lowest point since 2005, at 13.2%. This compares well to the much higher regional figure of 19.2% and the national figure of 18.1%. The proportion of Children in Workless households has also decreased over the same time

period, another welcome downward trend as the council strengthens its approach to tackling poverty.

17. The proportion of people claiming Job Seekers Allowance (JSA) dropped to 1.7% in September 2013, the lowest JSA rate since October 2008. This represents a decrease of 740 claimants since September 2012. Out of 64 UK cities, York remains the third least affected with respect to Job Seekers allowance claimants since February 2008.
18. However, recent data suggests that public sector cuts are beginning to bite in York. The city is highlighted in new Office for National Statistics (ONS) data as the most affected local authority in the region for the percentage loss in public sector employment. This was anticipated, given York's high public sector workforce and will continue to be a challenge for the city. The council's focus on bringing more jobs to the city is therefore crucial to offset this ongoing reduction.
19. Youth unemployment and longer term claimants remain an issue, although this is a national trend and not unique to York. Locally, the longer term outlook is moving in the right direction with youth unemployment decreasing by 230 in the year to September 2013 and longer term claimants reducing by 205 from 1 year ago.

### **Core competences**

20. Overall results from the recent staff survey were positive with four out of seven categories of assessment showing positive improvement (control of work, management and peer support and working together).
21. The asset review of all council property and land is ongoing and on 01/10/13 Cabinet approved the sale of St Anthony's House and 13/15 Redeness Street to support corporate priorities with respect to jobs and economic growth and to provide capital receipts to fund the council's capital programme.
22. Workforce development within the council is a key theme. Development events for senior managers on innovation and leadership start in November and a suite of learning and development sessions for staff on using more collaborative and creative techniques are starting in parallel. The focus for these is on supporting cultural change and transformation with new processes and methods whilst fostering greater collaborative community engagement when we design and deliver services. Targeted support and training for specific projects and service teams is also being used to bring

new thinking to key service areas or change projects. This work is central to the transformation and innovation agendas.

## **Transformation & Innovation**

23. The council continues to see innovation as a critical element in transforming our services and approach to be sustainable in the future. This view was echoed in the feedback from the Peer Review team in June, alongside a series of recommendations for developing the work in this area.
24. Following this, a review of the innovation work programme to date has led to a revised innovation programme plan being put in place over the summer to strengthen the council's focus on initiatives that support key priorities, in line with the recommendations in the Peer Review. This augments and supports the wide range of innovative activity already underway across the council, ranging from the creation of the York Hologram tour App to the new service delivery models for Libraries & Archives and Warden Call & Telecare services.
25. Alongside this is the creation of a new Transformation Programme, responding to the Peer Review recommendation for a centrally coordinated transformation resource. The Transformation Programme will reshape council services in a way that meets the current and future needs of residents whilst ensuring the council achieves its significant budget savings. It is proposed that the new programme will commence with three initial projects that collectively will reduce forecast budget pressures:
  - Health & Adult Social Care
  - Hazel Court Based Services
  - Business Efficiency
26. Pilots from challenges using the council's GeniUS! York open innovation and engagement approach have also moved ahead. One project, jointly funded by the Joseph Rowntree Foundation, saw a group of school students working alongside dementia sufferers and a local film company to create a high impact short film and discussion plan for use with students in York schools. The film was produced by young people, for young people and when launched in late November, will reach over 2,000 students and staff during the academic year, with potential to be expanded across the region or nationally.
27. The development of cutting edge fall detection technology is being taken forward by the council's telecare team in collaboration with a local

technology developer, following collaboration on a previous challenge from the GeniUS! project. This new technology project, funded through the council's Delivery & Innovation Fund, has the potential to radically improve the telecare offer in York.

28. This represents good progress on new approaches but there is still further to go. The council is continuing to develop its approach to working with residents on the design and delivery of services and increasing the level of support for volunteering and community engagement.

### **Consultation**

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

### **Council Plan**

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

### **Implications**

31. 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**

32. 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**

33. 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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<b>Wards Affected:</b> All			
<b><i>For further information please contact the authors of the report</i></b>			

Annexes - None