CITY OF
YORK
COUNCIL

Corporate and Scrutiny Management Committee 10 March 2014

Report of the Director for Customer & Business Support Services

2013-14 Monitor 3

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. York's economy remains to be a strong, comparative, city economy in 2013/2014. The recently published Centre for Cities Outlook 2014 ranks

York highly for many indicators and also sees improvement in indicators for the business environment. The key highlights are;

- York is in the top 5 – out of the 64 largest cities and towns for educational attainment – 5* - C GCSEs including English and Maths (4/64)
- Top ten of UK cities with percentage of its workforce with high skills (7/64)
- Top five lowest Claimant Count Change (4/64)
- Top Ten cities with lowest proportion of the population with no qualifications (7/64)
- Top five of UK cities for Youth Unemployment Rate (4/64)
- Top ten city for Long-term claimant count rate (6/64)
- One of the higher performing cities for the number of working age population holding a university qualification with 41.3% percent of York's working age population holding a university level qualification in 2011, (7/64) – the highest of any northern city in England
- Improving proportion of Knowledge Intensive Service jobs
- Improving Business Stock Levels - York is one of only 14 cities and towns (out of 64) for positive Business Stock Growth – The only city in the region to have positive Business Stock growth
- York has seen the fifth greatest increase in ranking (out of 64) UK cities for Patents granted per 100,000 of population 2012, moving up 25 places between 2011 and 2012, the greatest improvement of all northern cities
- York has seen the joint second increase in ranking (out of 64) UK cities for Business start-ups per 10,000 population between 2011 and 2012, the greatest improvement in rank in the region and of all northern cities.

Gross Value Added (GVA) and Productivity

7. Recently published figures by the Office for National Statistics show the value of York's economy grew to £4.31 billion in 2012, up from £4.172 billion in 2011. The GVA growth for York between 2008 and 2012 and 2011 and 2012 outstripped that of the Region and England.

8. Productivity per head in 2012 now stands above the UK average of 100 at 101.1 and York was one of the strongest performing authorities in the region for index change since 2011, with Leeds seeing one of the greatest decreases.

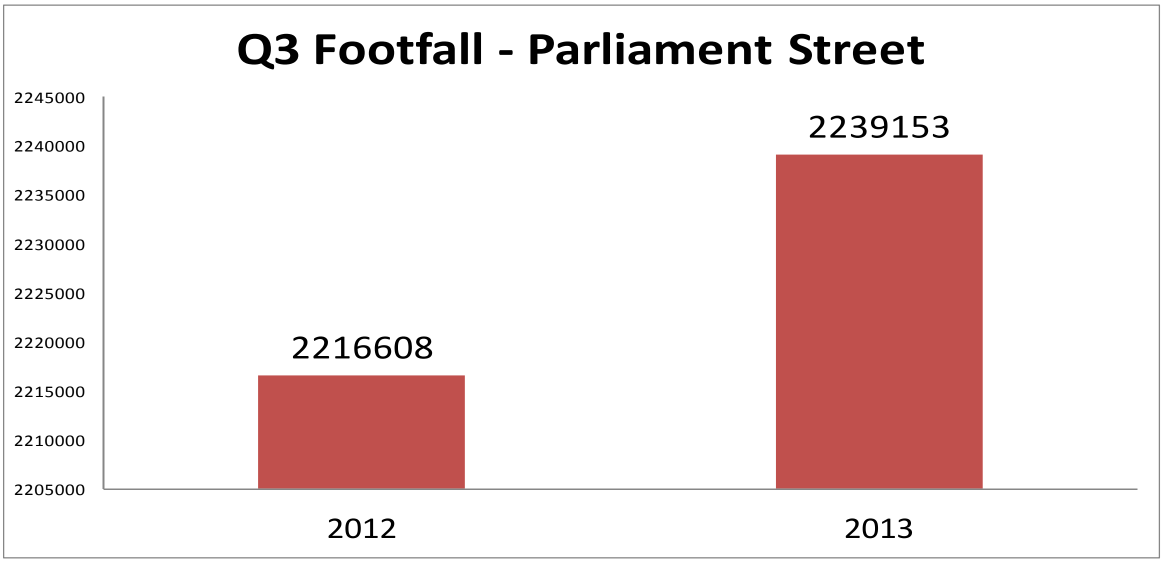
100=UK average	2011 UK Index	2012 UK Index	Index change
Kingston upon Hull, City of	82.1	84.7	2.6
Wakefield	84	86	2
North and North East Lincolnshire	84.6	85.6	1
York	100.1	101.1	1
Bradford	73	73.7	0.7
Calderdale and Kirklees	73.4	73.7	0.3
Sheffield	86.3	86.5	0.2
East Yorkshire and Northern Lincolnshire	77.7	77.5	-0.2
West Yorkshire	90.2	89.9	-0.3
South Yorkshire	72.3	71.7	-0.6
Barnsley, Doncaster and Rotherham	62.5	61.3	-1.2
North Yorkshire	86.7	85.4	-1.3
North Yorkshire CC	82.2	80.2	-2
Leeds	119.1	116.3	-2.8
East Riding of Yorkshire	67.5	64	-3.5

9. Although York's productivity per head performs well on a regional basis, further work through the York Economic Partnership is being carried out to ensure York can remain competitive on a national and international scale. The Centre for Cities Outlook 2014 recently ranked York 40 out of 64 UK cities with regards to GVA per worker.

Area	1997	1998	1999	2000	2001	2011	2012	Change 1997 to 2012	Change 2001 to 2012
Bath and North East Somerset, North Somerset and South Gloucestershire	93.2	96.5	93.0	92.9	99.0	110.1	108.6	15.4	9.6
Milton Keynes	153.0	151.8	153.3	154.5	154.3	156.5	161.0	8.0	6.7
Cambridgeshire CC	104.1	102.6	103.0	103.9	107.5	110.2	111.1	7.0	3.6
Oxfordshire	112.3	118.1	119.5	118.8	116.0	115.9	116.9	4.6	0.9
Leeds	114.3	115.8	116.7	114.7	115.4	119.1	116.3	2.0	0.9
Brighton and Hove	98.5	92.8	92.0	94.8	103.4	96.3	97.3	-1.2	-6.1
Cheshire West and Chester	107.0	107.2	107.8	99.4	105.2	110.3	105.5	-1.5	0.3
York	115.0	112.3	111.7	110.0	109.9	100.1	101.1	-13.9	-8.8

10. The council has also recently agreed to invest in footfall cameras at 4 points across the city centre to gain a greater insight into resident and visitor use and movement around the city. Permissions have now been granted and installation is expected in March. Despite the challenge of retaining healthy footfall numbers to support local businesses, the proportion of vacant city centre shops fell to 5.51% in January 2014 from 6.11% in January 2013 and footfall in Quarter 3 is up by 1% from Quarter 3 in the previous year, suggesting a healthier outlook for the city centre than at the same time last year.

11. A proposed retail relief scheme could bring as much as £1million into York, helping to sustain employment and encourage growth in the city's economy. It builds on our incentives for supporting the city's retailers, who have been facing the challenge of changes in consumer spending preferences, such as with online shopping



12. There has been further movement in terms of the growth in planning activity, with proposals to further increase the number of new homes built in York and continue to kick-start stalled developments agreed.

13. Following a successful first year of the Get York Building project which saw a number of brownfield sites coming forwards for development including the old Terrys site, Hungate, Castle Piccadilly sites and proposals to develop York Central. The initiative will now be supported to March 2015.

14. An increase in net dwellings granted planning consent is perhaps the first indication of improved market conditions and confidence. Consents have increased significantly since 2011/12, outlining a 125 per cent increase in the number of homes granted planning consent from 2011/12 to the third quarter of 2013/14.

Employment and Poverty

15. 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 and the proportion of children living in low income families also are the lowest on record.

16. York has seen the proportion of its residents in benefits reach its lowest point on record. This figure stood at 8.1% of the working age population as at August 2013, comparing well against the regional figure of 15.1% and the national figure of 13.6%. York has the lowest proportion of its residents on benefits of all regional cities. Similar trends are apparent in Key Out-Of-Work benefits and the proportion of the population claiming Lone Parent benefits have also seen a decrease. All are welcome downward trends as the council strengthens its approach to tackling poverty.

17. The proportion of people claiming Job Seekers Allowance fell to 1.6% in January 2014, a 28.1% decrease since January 2013 and the lowest JSA rate since September 2008. This represents a decrease of 855 claimants since January 2013. Out of 64 UK cities, York is the fourth least affected with respect to Job Seekers allowance claimants since February 2008 (Centre for Cities, Cities Outlook 2014).

18. 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 33.1% in the year to January 2013 and longer term claimants reducing by 24.1% from 1 year ago.

Core competences

19. The staff survey results have been shared with key stakeholders (CMT, each DMT, the Joint Health & Safety Committee (JHSC), Workforce Strategy Steering Group, Fairness and Leadership Group, Trade Unions, Corporate Scrutiny and Management Committee and HR Management Team). Directorates now have their own improvement action plans and a full communication plan is in place. A report back on the staff survey results and the corporate improvement action plan was presented to Council Management Team on 14th February 2014. The recommendations within this report were all approved and included:

- Governance arrangements consisting of a sub-group of the Joint Health and Safety Committee;
- Reporting and monitoring of the improvement action plans and stress risk assessments will be via CMT and JHSC every quarter;
- CMT commit to running a further series of “Shaping our Future: A Conversation roadshows to take place in Summer 2014;
- A staff focus group is formed, giving staff an opportunity to discuss and be involved in organisational wide issues.

20. The budget is being consolidated from 1 April 2014 and will be managed by the Workforce Development Unit (WDU) who will become part of HR. This will allow improvements in identifying and meeting need across the whole council and supporting the requirement for the workforce to be increasingly flexible and continuously update their skills. By creating a single point of management and resource there will be opportunities to streamline delivery and realise efficiencies.

21. This will also allow stronger links between learning and development, performance management and talent management. Much of the processes for this will be automated once the new i-trent modules come on line.

22. Access to Learning and Development opportunities will be more equitable across the whole council and strengthen our bid to gain Excellence status within the Equality Framework for Local Government.

23. Overall a consolidated budget managed by WDU/HR will deliver:
    - a better managed and more coherent offer;
    - improved access and equity in learning and development;
    - improved Value For Money;
    - better management information;
    - more robust evaluation and assessment of Return On Investment;
    - coherent links to business drivers and the council's organisational development agenda which can be evidence via our performance management framework.

Transformation & Innovation

24. A programme of workforce training and development is also being rolled out to support council staff in working in the emerging local government environment, looking at a greater range of entrepreneurial and commercial skills plus using open innovation and user-led design techniques to engage citizens and communities when considering changes to services and working through what these will look like. Understanding the mindset and approach needed to work closely with residents, businesses and community groups is critical to the council's future way of working and this development support will help to create the capability and capacity within the employee base to work in this way.

25. The council has supporting the City Team to submit an application to the Technology Strategy Board's call for new creative proposals for "Re-imagining the High Street" as well as supporting other new ventures through the Delivery & Innovation Fund in areas such as supporting a new collaborative approach to providing training and support to those in the city

leaving the armed forces. The council is also running a mobile app expo and open competition (“APPtitude”) as part of Venturefest 2014 in order to promote and support the local IT & digital sector and encourage a new approach for public organisations to seek solutions.

Consultation

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

Council Plan

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

Implications

28. 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

29. 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

30. 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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<tr><td colspan="4">Wards Affected: All</td><td></td></tr>
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Annexes - None