

Economy and Place Scrutiny Committee

2nd August 2017

Report of the Corporate Director of Economy and Place.

2016/17 Finance & Performance Outturn Report

Summary

1. This report provides details of the 2016/17 outturn position for both finance and performance across the Economy and Place Directorate.

Analysis

Finance

2. A summary of the services within Economy and Place is shown below:

	Budget £'000	Outturn £'000	Variance £'000
Economy and Place			
Transport	7,203	7,096	-107
Fleet	-117	-63	+54
Highways	3,656	3,839	+183
Parking Operations	1,413	1,379	-34
Parking Income	-6,747	-6,709	+38
Waste	9,555	9,766	+211
Public Realm	2,949	3,109	+160
Development Management	258	756	+498
Forward Planning	862	806	-56
Building Control	-92	9	+101
Land Charges	-68	-55	+13
Environmental Management	665	586	-79
Environmental Health & Licensing	1,281	1,291	+10
Asset and Property Management	-2,000	-2,062	-62
Economic Development	1,209	1,126	-83
Management and Support	265	142	-123
TOTAL	20,292	21,016	+724

Note: '+' indicates an increase in expenditure or shortfall in income
'-' indicates a reduction in expenditure or increase in income

3. The outturn position for Economy & Place is an overspend of £724k, a slight improvement from the Monitor 3 report. This is primarily due to shortfalls in planning income and overspends within waste services due to pressures within waste collection and unachieved income budgets across waste services.
4. There was a shortfall in income arising from the Government grant claim following the December 2015 flooding (£74k) partly due to the non payment of landfill tax costs within the claim. The reimbursement of these costs is still subject to a final ministerial decision but it is prudent to assume they will not be paid. There were increased subcontractor and material costs within Highways (£92k) and £70k higher than budgeted insurance costs. There was also higher than forecast expenditure on gully emptying (£50k) due to increased focus on drainage works. These overspends are in part offset by £104k underspend on winter maintenance.
5. There was a £112k unachieved legacy saving from council transport costs which will be delivered in 2017/18. This was partly offset by higher than forecast income from the vehicle workshop mainly from internal users.
6. Within waste collection the year end overspend was £624k. The main variances were £99k additional staffing costs, primarily the use of temporary staff, and increased transport costs of £469k for vehicle repairs and hire.
7. The first phase of the waste services review has been implemented from 1st April 2017 reducing the number of recycling rounds and this should start to address the overspends within the waste collection service. The introduction of a Waste Transfer Station at Harewood Whin should also reduce vehicle damage which occurs when vehicles traverse on the Landfill site. The outcome of the review will be monitored during 2017/18.
8. Within waste disposal tonnages are broadly in line with budgets however there is an overspend of £183k on dealing with recycling due to the costs of processing co-mingled recyclates. This is offset by significant one off increased income (£326k) from the sale of separated recyclate and additional income from the sale of landfill gas (£70k). This has arisen due to the new services contract with

Yorwaste where the council takes the risk on the market price of recyclates.

9. There was an underspend on waste strategy (£289k) mainly due to lower waste Public Private Partnership procurement costs (£148k).
10. There was a shortfall in Automatic Number Plate Recognition income from Coppergate (£100k) and an overspend of £123k due to the risk and reward payment for Poppleton Bar Park and Ride. These overspends were offset by lower than forecast expenditure on concessionary fares (£131k), road safety activities (£65k) and subsidised buses (£64k). There was also higher than forecast income from Traffic Regulation Orders (£76k).
11. An overspend of £160k within Public Realm, mainly due to delays in delivering savings accepted as part of the 2016/17 budget was partly offset by savings due to a vacant assistant director post (£73k) that has been filled from May 2017.
12. There has been a shortfall of £440k on planning fees . This was partly due to a fall in the number of major housing site applications but also due to the government's expansion of permitted development rights and subsequent fall in prior notification submissions. Whilst the workload remains the same, fees attached to these applications have significantly fallen. There was also a shortfall of £159k in pre-application advice fees due to uncertainty over which major sites will be included in the draft Local Plan. This has led to a reluctance by developers to engage with the council and commit funding for pre-application advice.
13. There was a shortfall in income across the Building Control service of £101k. This is mainly due to reduced inspection fees where due to the nature of the work the average inspection fee fell from £125 to £79. Officers intend to review the service and associated income.
14. A number of other minor variations make up the overall directorate position.

Performance Update

15. The 2016/17 scorecard for Economy and Place is attached at Annex 1. Other key performance information is included in the following paragraphs.

16. In 2016/17 there were over 5 million refuse and recycling collections with the recycling rate within the city increasing to 47% (44% Q3 2015/16). Residual waste per household reduced to 412kg per household (417kg in Q3 2015/16) with 52% of respondents to the latest Talkabout survey thinking that the Council and partners are doing well helping to reduce amount of household waste.
17. A report on improving the efficiency of York's household waste collection service was approved at a public meeting on 9th January by the councillor responsible for the environment. The proposals included saving around £400k, reducing the amount of waste going to landfill and enabling the roll out of recycling collections to rural areas of the city that don't currently have them. Around a third of all households in York saw their collection day for recycling changed. Rubbish (grey bin/black bags) and garden waste (green bin) collections were not affected.
18. The York Community Recycling Fund, of £30,000, was established in September 2016 to provide the opportunity for community groups to apply for up to £5,000 to support community schemes so that they can make a real impact on the city's recycling and waste prevention performance. In March 2017, 18 projects were approved across the city including a bike repair & reuse project at Archbishop Holgate's School and creating a green community centre in Tang Hall.
19. During December and February, City of York Council facilitated the BID to dress the historic Bar Wall entrances to the City with sparkling lights. This proved to be a major success, with at least 10,000 interactions on social media and positive press coverage. Invitations to tender for the Winter 2017 campaign are expected in early May for evaluation with the intention of capitalising on the success of this year with plans for displays on a much larger scale.
20. 47% of the respondents to the Talkabout survey in December (up from 45% in June), think that the Council and partners are doing well at improving the quality of streets/public spaces. More panellists were positive about how well the council was doing at improving green spaces and helping to reduce household waste.
21. Future Cleaning Services have been contracted as a 24 rapid response street cleaning team for the BID levy area. The service builds on the ongoing baseline cleansing efforts provided by Council and include routine deep cleaning such as heavy-duty pavement jet wash, gum, flyposting and graffiti removal and rapid response clean-up.

22. In 2016/17 there were 86,708 square metres of streets and 14,455 square metres of footpaths resurfaced and 48 gritting treatments (2,192 tonnes of salt) applied to the primary network. There were also 2,477 street lighting faults repaired with 4,000 lamps replaced and 1,000 illuminated bollards cleaned.
23. In 2016 the median gross weekly earnings for residents of York were £509.60 which was an increase of 2.82% from £496.00 in 2015. The median earnings are higher than the Yorkshire & the Humber average of £498.30 but lower than the Great Britain average of £541.00. York is currently ranked 7/22 in the region (up from 8/22 in 2015) with Selby ranked the highest with the median gross weekly pay of £549.40 and Craven ranked the lowest with a gross weekly pay of £413.10. We are aware that York still fails to meet its full potential in terms of wage levels and part of the reason for this is the availability of space for high quality employment. The recently agreed economic strategy includes a number of areas to assist these issues; including developing York Central; delivering the local plan; and promoting university led growth.
24. Figures from the Office for National Statistics showed there were 625 JSA claimants in York in March which is an increase of 5 from last month but a decrease of 30 from March 2016. The claimant count for York represents 0.5 per cent of the working population, which is lower than both the regional and national figures of 1.6% and 1.2% respectively in March 2017. The recent figures also highlight a fall of 10 in the youth unemployment count since March 2016. The youth unemployment figure of 0.3% is lower than both the regional and national figures of 1.3% and 1% respectively.
25. Data released by the Department of Work and Pensions is published 6 months in arrears - the latest data relates to November 2016. The total number of working age Benefit Claimants continues to fall (a reduction of 160 to 8,750 from 8,910 August 2016). This represents 6.4% of the working age population and is lower than both the regional and national figures of 12.6% and 11.1% respectively. The reduction is predominantly due to a decrease in the number of Out of Work Benefit Claimants (a 1.16% reduction to 6,790 from 6,870 in August 2016).
26. In January, the Department for Transport (DfT) awarded i-Travel York a further £1.3 million to deliver sustainable transport projects that seek to grow the economy by boosting levels of cycling and walking, and by improving access to jobs, skills, training and

education. i-Travel York aims to inspire people in York to help look after our city - to keep it moving and keep the air clean - by considering travel options before making a journey. This additional funding will continue to help to reduce congestion, improve air quality and provide sustainable travel options for everyone in York.

Implications

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

Risk Management

28. 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

29. 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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**Report
Approved**



25 July 2017

Annex

Annex 1 – Scrutiny Performance Scorecard