

Economy and Place Scrutiny Committee

7th March 2018

Report of the Corporate Director of Economy and Place.

2017/18 Finance & Performance Monitor 3 Report

Summary

1. This report provides details of the 2017/18 forecast outturn position for both finance and performance across services within the Economy and Place Directorate. The paper incorporates data to December 2017 as reported to Executive on 8th February 2018.

Analysis

Finance

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

	Budget £'000	Forecast Outturn £'000	Variance £'000
Economy and Place			
Transport	6,433	6,602	+169
Fleet	-248	-248	0
Highways	3,109	3,109	0
Parking Operations	1,190	1,285	+95
Parking Income	-6,932	-6,932	0
Waste	9,370	9,358	-12
Public Realm	2,539	2,717	+178
Emergency Planning	230	230	0
Development Management	-305	-77	+228
Forward Planning	527	527	0
Building Control & Land Charges	-407	-420	-13
Environmental Management	407	401	-6
Environmental Health & Licensing	627	627	0
Asset and Property Management	-2,084	-2,198	-114
Economic Development	723	557	-166
Management and Support	869	881	+12
TOTAL	16,048	16,419	+371

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

3. A net overspend of £371k is forecast primarily due to cost pressures within waste services and public realm and a shortfall in income from planning and Automatic Number Plate Recognition (ANPR) enforcement.
4. Income from Council Car Parks at November 2017 stands at 3.1% above 2016/17 income levels. This is in line with budget and it is currently estimated that the parking account will outturn at budgeted levels. There is a forecast shortfall in Penalty Charge Notice income (£31k) and this income will continue to be monitored closely. In addition there are one-off costs associated with the coin upgrade (£25k) along with other additional operational costs (£33k) which are in part due to the replacement of stolen parking machines, which have been the target of criminal activity.
5. Overall a small underspend of £12k is forecast across waste services. However, there are some significant variations within this overall total. Waste Collection is forecast to overspend by £498k, primarily due to additional staffing and vehicle costs. Sickness levels remain high and this is impacting the budget as costs on temporary staff are incurred. Further work is ongoing within the service to reduce the forecast overspend but operational pressures continue. There are forecast savings in waste disposal and Household Waste Recycling Centres from the Teckal arrangement (£59k) and the council has received increased recycling rebate (£270k) due to continued higher than budgeted recycle prices, additional income for landfill gas (£25k) and a saving from lower waste procurement costs and Yorwaste loan interest (£157k).
6. There are overspends of £266k on ANPR enforcement due to lower than anticipated net income from the scheme. The Coppergate ANPR Scheme implementation has had lower revenues than those seen previously and operational costs are not realising any economies of scale. These overspends are in part offset by mitigating savings from the West Yorkshire Transport Fund (WYTF) (£100k), additional income from Leeds City Region (£54k) and mitigating savings across road safety activities (£37k) and a staffing underspend in network management due to vacancies (£30k).

7. There is a forecast overspend on public realm operations of £178k due to operational overspends including sickness absence and staffing (£24k) and transport mainly due to additional sweeper hire (£55k). There are further unachieved operational savings which need to be addressed through closer working with Wards as to the expenditure of Ward budgets.
8. A £200k shortfall in planning fee income is forecast due to a lower number of large planning fees. It is expected that as progress is made on the local plan then income from developers will increase. A number of other minor variations, including staff vacancies (£86k) and the early achievement of future year savings (£80k) make up the directorate position.
9. A range of actions are being undertaken within the directorate to try to bring expenditure within the approved budget and reduce the projected overspend as far as possible by the year end. Actions being progressed or considered include:
 - Review of external funding streams to seek opportunities to maximise the impact on the revenue position.
 - Working with Communities team to review Ward activities and spend.
 - Reviewing working patterns and the use of agency staff.
 - Consideration of in year savings and revenue opportunities.

Performance Update

10. The 2017/18 scorecard for Economy and Place is attached at Annex 1. Other key performance information is included in the following paragraphs.
11. The amount of landfill waste, in Q2 2017/18, has remained stable at 12,140 tonnes along with the residual waste per household at 140kg per household. 48% of household waste was recycled in Q2 (a slight decrease on the 50% recycled during the same period in 2016/17).
12. The Local Plan has been subject to substantial city-wide consultation including responses received to the Pre Publication Draft Local Plan consultation held in the autumn. A report will be taken to Executive in January asking Members to consider recommendations arising from this consultation and seek approval for a draft document which will be subject to consultation in February 2018 with the intention of submitting a plan for examination by the end of May 2018.

13. The results from the Q3 Talkabout survey showed that 92% of the panel were satisfied with York as a place to live and 90% with their local area. There have been non-statistically significant reductions compared to the April survey results but satisfaction levels continue to be significantly higher than the latest national figures of 78% (Community Life Survey 2016/17) and 82% (Local Government Association Poll October 17).
14. The Q3 Talkabout survey showed that respondents believe that the council was doing well in conserving York's heritage and helping to reduce household waste but panellists thought that the Council and partners could do more to improve the quality of streets/public spaces.
15. The York BID appointed a new contractor for the Winter 2017 festive lights campaign with the intention of capitalising on the success of last year with plans for displays on a much larger scale. The York BID worked together with Make It York to light up the four bars, two bridges and many other streets with more than 160,000 LED lights and 125 Christmas trees. The displays have received positive reactions with Virgin Trains announcing that York is the most festive city in the UK, following a survey of Britain's social media.
16. In April 2017, the median gross weekly earnings for full-time resident employees in York were £519.30, up 2.2% from £508.10 in 2016. Since the economic downturn of 2008 to 2009, growth has been fairly steady, averaging approximately 1.1% per year between 2009 and 2017. The 2.2% growth seen this year is a welcome increase however, adjusted for inflation, weekly earnings actually decreased by 0.4% compared with 2016 (the Consumer Prices Index including owner occupiers' housing costs (CPIH) rose by 2.6% in the year to April 2017).
17. This mirrors the National picture as Great Britain gross weekly earnings also increased by 2.2% (£552.70 from £540.90) but regional earnings only increased by 0.8% (before inflation) (£502.30 from £498.30). In the region Leeds has the highest median gross weekly pay of £536.60 (up 1.65% before inflation) and Hull has the lowest £447.80 (down 0.9% before inflation).
18. Figures from the Office for National Statistics showed there were 295 JSA claimants in York in December 2017 which is a decrease of 15 from the previous month and a decrease of 235

from December 2016. The claimant count for York represents 0.2% of the working population, which is lower than both the regional and national figures of 1.3% and 1% respectively in December 2017. The recent figures also highlight a fall of 35 in the youth unemployment count since December 2016. The youth unemployment figure of 0.1% is lower than both the regional and national figures of 0.9% and 0.7% respectively.

19. The JSA figures should be viewed in the context of the number of people receiving Universal Credit in York increasing from 2047 in November to 2409 in December. Of these, there were 1270 claimants in December who were not in employment. Universal Credit became available to parents and couples in the York area in July, prior to which this was only available to single job seekers. The total number of JSA claimants and Universal Credit (out of work) claimants in December is 1360 which is an increase of 445 since December 2016.
20. Data released by the Department of Work and Pensions is published 6 months in arrears and the latest data relates to February 2017. The total number of claimants for either Income Support or Employment Support Allowance in York is 6350 which is a slight increase of 20 from November 2016. The claimant count represents 4.6% of the working population which is lower than both the regional and national figures of 8.3% and 7.4% respectively. Although these figures are the lowest in the region, due to the changes in the benefits system some of the data is transitional. The introduction of Universal Credit, for example, means that some people are still in the process of transitioning over.
21. In the year to June 2017, the average house price in York increased by 6.6% whilst regionally there was a rise of 3.7% and nationally a rise of 3.3%. Average house price statistics themselves do not give a full picture of the affordability of privately owned housing, because these figures do not take into account average earnings. Dividing the house price data from the Land Registry by the median total gross annual salary figures (ASHE) produces a ratio which, in part, dictates how much people can afford to pay to buy their own home. In 2017 this ratio, in York, rose by 7.3% to 8.84:1 from 2016. Over the same period, regionally there was a rise of 2.6% to 5.83:1 and nationally a rise of 1.2% to 7.67:1.

22. At the end of Q2, York's housing market was looking healthy with 1,036 net additional homes completed. Of these additional homes, 61.5% were a result of off campus privately managed student accommodation schemes which comprised the privately managed developments at St Josephs' Convent Lawrence Street, St Lawrence WMC and 2-14 George Hudson Street. The remaining 35.8% of net additional homes resulted from traditional housing sites of which phase II of the Hungate Development Site provided a total of 195 completions.
23. There were also 928 net housing consents granted of which 91.9% were the result of traditional housing consents which represents a return to higher level of residential approvals following a decline experienced during 2016/17. Of these consents approvals, an increase to the Hungate Development Site capacity, The Cocoa Works, Haxby Road and York Barbican, Paragon Street account for the major part of the overall approvals.
24. City of York Council is taking a strategic and innovative lead to combat the current housing shortage by proposing to establish its first housing development company. The company will accelerate the delivery of homes by maximising use of its land assets, creating multi-tenure developments which respond to social needs and providing new homes for sale and rent, both affordable and at market rates.
25. The Council continues to host and facilitate One Planet York (OPY) – a growing network of over 60 businesses and organisations backing the vision of a sustainable, resilient and collaborative city – with an inclusive economy, strong community and healthy environment.
26. Key outputs include a new integrated city scorecard, a 'liveable city' conference involving 200 delegates and over 30 organisations, an updated OPY Prospectus showcasing practical examples of city leadership, an established social media presence and the emergence of new activity and groups, such as the York Walk and Cycle Forum, York Food Poverty Alliance, Sustainable Food City York and University of York One Planet Week. There is ongoing work to mainstream OPY as a place-making framework for York and to progress the LCR 'Inclusive Growth' agenda. Planning is also underway for a 'Healthy City York' conference in June 2018 as a collaboration between OPY and the Health and Wellbeing Board.

27. The York Central project achieved a major milestone in November 2017, when the Council's Executive agreed to the York Central Partnership's (YCP) recommendation to develop a Western access option and to undertake further design and legal work to ensure that the final alignment will seek to mitigate the effects of such a route on the Millennium Green and control costs to ensure deliverability. Also, the land within YCP's control that could be used for a Southern Option is being safeguarded, in order to protect against any risk to the York Central development caused by circumstances preventing the successful delivery of the Western Option.
28. The Castle Gateway project masterplanners, BDP, produced a series of ideas for the regeneration of the area which was broken in to 5 sub-areas. Public consultation on these emerging ideas for the Castle Gateway was completed in December 2017. Work is progressing well at Stonebow House and is on schedule to be completed in Spring 2018. At 17-21 Piccadilly, Spark:York are onsite with a scheme to provide a start-up space for local business, street food and exhibition. There has been a delay in construction due to an issue with a contractor that led to a re-tendering exercise, but this has now been resolved and the scheme is due to open in March 2018 with a tenancy that runs until Summer 2020.
29. Senior representatives of the region's 22 local authorities, Yorkshire Regional Flood and Coastal Committee, Environment Agency and Defra met in York in December. This Strategic Leadership Forum meeting provided an opportunity to work together to manage the increasing risks posed by flooding from rivers and seas, consider further solutions and the future effects of climatic change in order to create a 'flood-ready Yorkshire'. The attendees:
 - received a detailed assessment of the present and future flood risk from the Environment Agency;
 - heard how local authorities are integrating flooding into their economic development approaches, and
 - explored ways to manage flood risk across entire catchment areas.
30. Among the work taking place across the city, the council is working with the Environment Agency on a £45 million programme following the impacts of the Boxing Day Floods in 2015.

Implications

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

Risk Management

32. 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

33. As this report is for information only, there are no recommendations.

Reason: To update the scrutiny committee of the latest finance and performance position.

Author:

Patrick Looker
Finance Manager
Tel: 551633

Chief Officers responsible for the report:

Neil Ferris
Corporate Director of Economy and Place

Report Approved



Annex

Annex 1 – Scrutiny Performance Scorecard