

Report of the Corporate Director of Economy and Place.

2018/19 Finance & Performance Monitor 1 Report

Summary

1. This report provides details of the 2018/19 forecast outturn position for both finance and performance across services within the Economy and Place Directorate. The paper incorporates data to July 2018 as reported to Executive on 30 August 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	6,641	6,641	0
Fleet	-240	-120	+120
Highways	2,972	2,972	0
Parking Operations	1,205	1,260	+55
Parking Income	-7,009	-7,239	-230
Waste	11,145	11,476	+331
Public Realm	2,494	2,542	+48
Emergency Planning	110	110	0
Development Management	-289	-289	0
Forward Planning	579	579	0
Building Control & Land Charges	-416	-416	0
Environmental Management	326	326	0
Environmental Health & Licensing	593	591	-2
Asset and Property Management	-3,096	-3,096	0
Economic Development	567	527	-40
Management and Support	809	809	0
TOTAL	16,391	16,673	+282

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

3. A net overspend of £282k is forecast primarily due to cost pressures within waste services and fleet.
4. Income from Council Car Parks at July 2018 stands at 3.2% above latest projections. Income in April and May was below budget (-4.6%) however income in June and July have been significantly higher than budgeted (12%) primarily due to good weather and increased attractions within the City Centre. The impact of the Rose Theatre in Castle Car Park has been positive with much of the assumed lost revenue from losing spaces at the car park being offset by additional income at nearby car parks. Overall there is a forecast of £150k surplus at the council car parks. In addition income from Respark and Season Tickets are above forecast leading to additional income of £80k. This additional income is offset by operational costs (£55k) following upgraded machines and equipment.
5. Within waste collection recruitment beyond the establishment has taken place. This is to maintain services to residents while the current high levels of sickness are managed. This results in an overspend on salaries. Work to reduce the number of under utilised waste vehicles has taken place to reduce the current spend on fleet, however the number of vehicles required to deliver the service still exceeds the budget. Commercial waste income is predicted to be £96k short at year end. These factors together has resulted in a combined waste collection forecast overspend of £535k. It is proposed to offset some of this overspend by using £300k one of reserves within waste.
6. Additional expenditure is required within Fleet services to ensure the operation of a compliant service in line with the standards as directed by Operating Licence requirements, H&S (PUWER) and duty of care to transport users. This includes a review of maintenance and safety arrangements alongside the management and administration of the fleet service. A number of other minor variations make up the directorate position.
7. 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
- Proactively managing sickness levels across front line services to reduce the need for agency staff
- Consideration of in year savings and revenue opportunities.

Performance Update

8. The 2018/19 scorecard for Economy and Place is attached at Annex 1. Other key performance information is included in the following paragraphs.
9. The amount of landfill waste has increased from 11,540 tonnes in Q3 2017/18 to 12,220 tonnes in Q4. The residual waste per household has remained constant at 140kg per household in Q4. 57 43% of household waste was recycled or composted during 2017/18 which is a slight decrease on the 44% recycled or composted during 2016/17 and less than the National Waste Framework Directive target of 50% by 2020.
10. The national Waste Resources Action Programme estimates that use of a home compost bin diverts about 150kg of waste per household from waste bins each year. As part of International Compost Awareness week in May, City of York Council encouraged residents to start composting by offering a deal with a partner to buy discounted compost bins online.
11. 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 weekly earnings, adjusted for inflation, 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).
12. 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). Earnings figures for April 2018 will be available in November 2018.

13. Figures from the Office for National Statistics showed there were 230 JSA claimants in York in June 2018 which is a decrease of 20 from the previous month and a decrease of 330 from June 2017. 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 June 2018. The recent figures also highlight a fall of 55 in the youth unemployment count since June 2017. The youth unemployment figure of 0% is lower than both the regional and national figures of 1.2% and 0.9% respectively. The JSA figures should be viewed in the context of the number of people receiving Universal Credit in York increasing from 3,758 in May to 3,957 in June. Of these, there were 2,182 claimants in June who were not in employment.
14. Data released by the Department of Work and Pensions is published 6 months in arrears and the latest data relates to November 2017. The total number of claimants for either Income Support or Employment Support Allowance in York is 5,620 which is a decrease of 410 from August 2017. The claimant count represents 4.1% of the working population which is lower than both the regional and national figures of 8% and 7.2% 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.
15. At the end of March 2018, York's housing market was looking healthy with 1,296 net additional homes completed. Of these additional homes, 49.2% 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 50.8% of net additional homes resulted from traditional housing sites of which phase II of the Hungate Development Site provided a total of 195 completions and sites benefitting from relaxed permitted development rights.
16. There were also 1,104 net housing consents granted during 2017/18 which reflects the more favourable housing market conditions being experienced. Of these approvals, 84.4% were the result of traditional housing consents which include an increase to the Hungate Development Site capacity, The Cocoa Works, Haxby Road and York Barbican, Paragon Street account.

17. The Council continues to play a key role in facilitating the One Planet York network, promoting action towards a sustainable, resilient and collaborative city with an inclusive economy, strong community and healthy environment.
18. In collaboration with the Health and Wellbeing Board and One Planet York, the council helped to deliver a successful Healthy City York conference which explored how healthy cities make healthy people, including seminars in 'Transforming our city by healthy travel' and 'wellbeing by design'. The Council is also continuing work in developing the One Planet York framework as a tool which can be used to take a broad holistic perspective of city outcomes in a range of contexts.
19. The results from the Q1 18/19 Talkabout survey showed that 92% of the panel were satisfied with York as a place to live and 88% with their local area. Satisfaction levels continue to be significantly higher than the latest national figures of 77% (Community Life Survey 2017/18) and 81% (Local Government Association Poll May 18). 82% of respondents thought that their local area was a good place for children and young people to grow up.
20. The latest survey also showed that respondents believe that the council was doing well in conserving York's heritage, improving green spaces and helping to reduce household waste but panellists thought that the Council and partners could do more to reduce air pollution, improve the quality of streets/public spaces, reduce the city's carbon footprint and encourage the use of low emission vehicles.

Implications

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

Risk Management

22. 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

23. 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**



30.08.18

Annex

Annex 1 – Scrutiny Performance Scorecard