

Report of the Corporate Director of Economy and Place.

2018/19 Finance & Performance Monitor 3 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 December 2018 as reported to Executive on 14th February 2019.

Analysis - Finance

2. A summary of the services within Economy and Place is shown below and further detail is provided in Annex 1:

	Budget £'000	Forecast Outturn £'000	Variance £'000
Economy and Place			
Transport	5,641	5,641	0
Fleet	240	110	+350
Highways	2,972	2,882	90
Parking Operations	1,235	1,260	+25
Parking Income	7,009	7,384	375
Waste	1,246	1,421	+175
Public Realm	2,539	2,539	0
Emergency Planning	110	110	0
Development Management	289	289	0
Forward Planning	579	579	0
Building Control & Land Charges	416	378	+38
Environmental Management	326	326	0
Environmental Health & Licensing	593	588	5
Asset and Property Management	3,096	3,096	0
Economic Development	567	498	69
Management and Support	309	309	0
Mitigation		49	49
TOTAL	16,567	16,567	0

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

3. Overall a net nil variation is forecast, although there are some cost pressures being managed within this overall forecast. The following paragraphs outline the main variations.
4. Income from council car parks to November 2018 stands at 3.2% above latest projections. Income in April and May was below budget (-4.6%) partly due to the early Easter holidays however income between June and September was significantly higher than budgeted (8%) primarily due to good weather and increased attractions within the city centre. Income in November was 5% above budget as the city centre continues to attract visitors. Overall there is a forecast of £175k surplus at the council car parks. There has also been an increase in sales from both Respark and season tickets with forecast income £200k higher than budget.
5. Within waste collection, additional recruitment over and above the establishment has taken place to minimise the impact sickness levels have on waste and recycling collections. There is a forecast overspend on salaries (6%) and is the primary reason for the waste collection forecast overspend of £200k. This forecast has reduced since monitor 2 due to additional resources agreed by Executive. Commercial waste income, as in previous years, is predicted to be £100k short at year end. Waste tonnages are broadly in line with expectations and following reconciliations of tonnages with North Yorkshire relating to commissioning, there is a forecast underspend within waste disposal of £100k.
6. A review of maintenance and safety arrangements, alongside the management and administration of fleet, has resulted in additional expenditure being incurred to ensure the continuing 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 has resulted in a projected overspend of £350k primarily on additional staffing resources brought in to deliver the service more effectively. The introduction of more preventive maintenance will deliver a more efficient fleet which will, over time, bring costs down.
7. Elsewhere within the directorate there are underspends forecast in Highways (£90k) due to increased amounts of work undertaken within the service and economic growth (£69k) from the early delivery of future savings.

8. The overspend within the directorate has reduced over the year through mitigation delivered and investment by the Executive. These will continue to be explored with the aim that the overall position will be brought in on budget. All agreed budget savings have been delivered.

Analysis - Performance

9. The 2018/19 scorecard for Economy and Place is attached at Annex 2. Other key performance information is included in the following paragraphs.
10. In the Q3 18/19 Talkabout survey, panellists responded positively to one area indicating they believe the council are doing well in conserving York's heritage. Responses continued to reflect that panellists thought the council and partners could do more to reduce air pollution, improve the quality of streets/public spaces and encourage the use of low emission vehicles. The Low Emission Strategy (LES), introduced in 2012, has proved particularly effective at tackling emissions from service vehicles such as buses, taxis and Heavy Goods Vehicles which contribute to poor air quality in York. Work to improve the air quality includes the introduction of more electric Park & Ride buses, the continued roll-out of the new taxi licensing policy that specifies minimum emission standards for new or replacement taxis and the delivery of the Strategic Electric Vehicle fast charge network in the city.
11. The amount of landfill waste, in Q1 2018/19, has increased to 14,026 tonnes from 12,190 tonnes during the same period in 2017/18. This will decrease, going forward, as the Allerton Waste Recovery Park diverts York's waste from landfill (Harewood Whin landfill site has now closed) to use it, instead, to generate electricity.
12. Residual waste per household has increased to 155kg per household (140kg in Q1 2017/18) but this should also start to decrease from the initiation of the voluntary pledge, by supermarkets, to eradicate single-use plastics from packaging and any remaining plastic in use will have to be totally recyclable by 2025. Co-mingling recycling (recyclable waste that is mixed together instead of being separated) is due to either narrow streets in the City in which the correct vehicle could not access, or due to buildings and residences in the city that have not yet been asked to separate their waste. Work to reduce the tonnes per month of co-mingled recycling is continuing. St Nick's provide a weekly city centre recycling collection to c.2420 and there

has been a positive effect on residents' behaviour from the 'rejection' of various items in the recycling process. A communications campaign has been proposed to improve knowledge of what items can and cannot be recycled in York, particularly relating to plastics.

13. 57% of household waste was recycled in Q1 2018/19 which is a big improvement from 49% in the same period in 2017/18. It is worth noting that recycling rates are usually higher in the first half of the year and therefore could fall in subsequent quarters.
14. In April 2018, the median gross weekly earnings for full-time resident employees in York were £512.60, a decrease of 1.4% (before inflation) from £519.30 in 2017. Since the economic downturn of 2008 to 2009, growth (before inflation), has been fairly steady, averaging approximately 1.1% per year up to 2017. Nationally the increase was 1.5% and regionally, 1.3% over the same period. To improve wages, the big challenge is to make more high quality jobs - those that contribute more to the economy - available to people living in York and during 2017 there were 5,000 additional jobs created. The majority of these jobs were in the professional, scientific, technical businesses and food and drink sectors.
15. The JSA figures should be viewed in the context of the number of people receiving Universal Credit in York increasing from 4,599 in October to 4,795 in November. Figures from the Office for National Statistics showed that there were 180 JSA claimants in York in November 2018 which is the same as in the previous month but a decrease of 130 from November 2017. The claimant count for York represents 0.1% of the working population, which is lower than both the regional and national figures of 1.1% and 0.8% respectively in November 2018.
16. Recent figures also highlight a fall of 15 in the youth unemployment count since November 2017. The youth unemployment figure of 0% is lower than both the regional and national figures of 1% and 0.6% respectively.
17. Data released by the Department of Work and Pensions is published 6 months in arrears and the latest data relates to May 2018. The total number of claimants for either Income Support or Employment Support Allowance in York is 5,170, which is a decrease of 200 from February 2018. The claimant count represents 3.7% of the working population which is lower than both the regional and national figures of 7.7% and 6.9% 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. The Council provides a dedicated Universal Credit support service offering assistance with making a claim, managing a claim, support relating to monthly budgeting and any concerns over money resulting from a claim. Up to November 2018, 4,795 residents have moved onto Universal Credit.

Implications

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

Risk Management

19. 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

20. 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**



Annex

Annex 1 – Financial Performance
Annex 2 – Scrutiny Performance Scorecard