

Report of the Corporate Director of Economy and Place.

2017/18 Finance & Performance Outturn Report

Summary

1. This report provides details of the 2017/18 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	7,724	7,758	+34
Fleet	-21	2	+23
Highways	3,772	3,744	-28
Parking Operations	1,458	1,535	+77
Parking Income	-6,896	-6,952	-56
Waste	10,048	10,071	+23
Public Realm	2,989	3,117	+128
Development Management	471	653	+182
Forward Planning	836	841	+5
Building Control	-28	-24	+4
Land Charges	-62	-70	-8
Environmental Management	562	545	-17
Environmental Health & Licensing	1,269	1,229	-40
Asset and Property Management	-1,692	-1,975	-283
Economic Development	753	560	-193
Emergency Planning	250	246	-4
Management and Support	319	268	-51
TOTAL	21,752	21,548	-204

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 underspend of £204k, an improvement from the Monitor 3 report. This is primarily due to additional income within commercial property and waste disposal and staff savings across various service areas. These savings offset cost pressures within Waste services and Public realm.
4. Overall income from council car parks was broadly in line with budget. Transactions across the car parks were down by 1.8% compared to 2016/17 whereas income was 4.3% higher. There was a shortfall in Penalty Charge Notice income (£25k) but this was against an increased (additional £75k) income budget due to 2017/18 savings. In addition there were one-off costs associated with the coin upgrade (£26k) along with other additional IT related operational costs (£51k). These overspends were offset by a £105k business rates refund for Marygate car park.
5. There was an overall overspend on Waste Services totalling £23k however there are significant variations within this overall total. There was an overspend (£469k) in waste collection. The additional costs were made up from high sickness levels across the service requiring the need for additional temporary staff. Vehicle costs were also above budget as repairs were higher than expected and led to the need to hire additional vehicles. The operational issues within waste collection also led to a higher than budgeted cost of co-mingled recyclate (£116k). Further work will be completed in 2018/19 to address these cost pressures. There were savings in waste disposal and Household Waste Recycling Centres from the Teckal arrangement (£95k), increased recycling rebate (£340k) and a saving from lower waste PPP costs and Yorwaste loan interest (£167k). Additional costs of £430k were incurred as part of commissioning at Allerton Park prior to service commencement and these were charged to the Waste Reserve in accordance with the budget strategy.
6. The council spent a total of £581k on Winter Maintenance compared to a budget of £400k resulting in a £181k overspend. There were a total of 108 treatments across the network during the year which was a significant increase on the average of 75. The additional expenditure was funded by the higher than forecast income on the

civils trading account from the delivery of an increased level of capital works.

7. There were overspends of £251k on Automatic Number Plate Recognition enforcement, primarily related to the period when warning letters were issued where expenditure was incurred without any corresponding income. There was also an overspend of £174k on CCTV arising from increased staffing cover and failure to meet target for raising external income. For both ANPR and CCTV services growth of £200k was approved in the budget for 2018/19 which will mitigate these pressures going forward. These overspends were offset by mitigating savings from the West Yorkshire Transport Fund levy budget (£103k), £106k saving on concessionary travel due to lower than expected passenger numbers linked to the poor weather, £79k from the use of external/capital funding, additional income from Leeds City Region (£54k) and mitigating savings across road safety activities (£51k)
8. Planning income had been forecast to be below budget for much of the year however there was a significant increase in activity in the final quarter as well as an increase in fees and the outturn was in line with budget. The overspend was primarily due to the costs of the planning inquiries for British Sugar (£130k) and Clifford's Tower (£30k).
9. The staffing review across Policy teams and Economic Growth resulted in vacancies within the team for much of the year. As part of the restructure future years savings were delivered early resulting in an overall underspend of £193k.
10. A number of other minor variations make up the overall directorate position.

2018/19 Update

11. The 2018/19 budget agreed in February 2018 provided for significant growth in adults services budgets and makes proper provision for all known cost increases. This, combined with a track record of effective budget management, gives confidence in the councils future financial stability. This financial stability, and in particular the underspend from 2017/18, allows the council to invest in key priority areas. The budget for 2018/19, both revenue and capital, already provides for investment in key services. The Executive paper now makes further proposals to invest in some other key front line services, areas we know from previous consultations that residents view as high priority.

The following paragraphs outline the investment areas within Economy and Place to deliver significant front line priorities.

Capital Carried Forward for Highway Repair

12. Recognising that the recent severe winter with higher than average freeze thaw events has had a negative effect on the road surface in general, it is proposed to bring forward £1m from the 2019/20 budget to invest in a larger programme of resurfacing to the worst roads in the city. The roads that will be addressed will be determined in the usual manner by the Director of Economy and Place.

Footpath Repairs £100k

13. A similar programme of additional work to the reserve schemes on the resurfacing of footpaths of £100,000. The footpaths that will be addressed will be determined in the usual manner by the Director of Economy and Place.

Additional pothole team £250k

14. This would focus on the emergency element of road maintenance ensuring both emergency temporary repair as well as programme of more permanent pot-hole repair is prioritised. This will increase the funds available for basic maintenance and potholes from £832k to £1,072k. This will double the amount of permanent repairs that take place across the city and speed up the tackling of the current backlog.

Enforcement £50k

15. Ensuring our streets are safe particularly for the most vulnerable in our community is a priority. As such this investment will see a focus on enforcement around inconsiderate and dangerous parking around schools. The parking on grass verges around the city is a frustration for many, whilst members recognise the work undertaken by scrutiny that this is not easy this officer will also work with the police and identify locations issuing warnings.

Pride in York CYC Direct – £100k

16. In a year where we are celebrating the horticultural history of the city the Council also needs to play its part, this fund will increase the number of floral displays for next spring and fund new replacement “Welcome to York” signs at key gateways.

Street Cleaning / Litter Picking - £136k

17. Given the impending changes to limit vehicles in the city centre during foot street hours the way the Council maintains and cleans the city centre needs to change, but also recognising that getting the

basics of a clean and smart city is crucial to the success and appeal of York. Investing additional resource will see two additional street cleaners with pedestrian mechanised barrows. An additional member of staff will also be employed to support the above programme to ensure we keep on top of litter bin emptying in the city.

Economic Development District Shopping Districts (£75k)

18. The administration agreed to a capital budget of £100k from the Economic Infrastructure Fund to support Economic Growth within the shopping districts of Haxby and Acomb. Following discussions with the Executive Member it has become apparent that the majority (£75k) of proposed funding of grants to businesses in the areas are not capital. It would be possible to fund this work from the underspend and transfer the capital into the City Centre Access budgets.

Remove Charges for recycling boxes - £20k

19. The charge for replacement recycling boxes is a frustration for residents and does not incentivise recycling. It is therefore proposed that when residents ring to request a recycling box they are given an option to pay and have it delivered or they can collect for free. The number of free boxes will be limited to a maximum of two per year.

Performance Update

20. The 2017/18 scorecard for Economy and Place is attached at Annex 1. Other key performance information is included in the following paragraphs.
21. In 2017, a National Highways and Transport survey took place to collect public perspectives on, and satisfaction with, Highway and Transport Services in Local Authority areas. It is a unique, standardised, collaboration between Highway Authorities across the UK enabling comparison, knowledge sharing and the potential to improve efficiencies by sharing good practice. York scores particularly well against its regional comparator group in key benchmark indicators such as pavements and footpaths (63% locally against 58% regionally); cycle routes and facilities (64% locally against 51% regionally), road safety (63% locally against 57% regionally) and the management of roadworks (57% locally against 52% regionally). York scores poorly against its regional comparator group in key benchmark indicators for traffic levels and congestion (41% locally against 46% regionally) and ease of access for people with disabilities (65% locally against 66% regionally).

22. The latest 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.
23. The amount of landfill waste has reduced from 12,140 tonnes in Q2 to 11,540 tonnes in Q3. The residual waste per household has also reduced from 140kg per household in Q2 to 130kg per household in Q3. 46% of household waste was recycled or composted in Q3 (a slight decrease on the 47% recycled during the same period in 2016/17 but an increase from 44% in 2015/16). Figures for Q4 2017-18 will be available in July 2018.
24. Figures from Defra show that in 2016-17, 43.7% of household waste was recycled in England with York having a slightly higher recycling rate at 44%. A report by the BBC highlighted that half of local authorities recycled a lower proportion of household waste in 2016-17 than in 2011-12 and the UK overall is likely to miss its target of recycling 50% of household rubbish by 2020, although recycling had still quadrupled compared with 10 years ago.
25. 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).
26. 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).
27. Figures from the Office for National Statistics showed there were 285 JSA claimants in York in March 2018 which is a decrease of 5 from the previous month and a decrease of 340 from March 2017. The claimant count for York represents 0.2% of the working population, which is lower than both the regional and national figures of 1.4% and 1% respectively in March 2018. The recent figures also highlight

a fall of 70 in the youth unemployment count since March 2017. The youth unemployment figure of 0% is lower than both the regional and national figures of 1.2% and 1% respectively.

28. The JSA figures should be viewed in the context of the number of people receiving Universal Credit in York increasing from 2,912 in February to 3238 in March. Of these, there were 1,767 claimants in March who were not in employment.
29. Data released by the Department of Work and Pensions is published 6 months in arrears and the latest data relates to August 2017. The total number of claimants for either Income Support or Employment Support Allowance in York is 6,030 which is a decrease of 290 from May 2017. The claimant count represents 4.4% of the working population which is lower than both the regional and national figures of 8.2% and 7.3% 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.
30. Additional homes figures for the 2017/18 financial year will be available in June 2018. The latest available figures show that at the end of September 2017, 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.
31. 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.
32. The Housing Secretary has announced that two York bids to the Housing Infrastructure Fund totalling £67 million have progressed to the final stage of the process. The two new developments are a key part of the city's Local Plan. At York Central, a grant would help pay for the access road and complex infrastructure and at Clifton Gate,

the bid would fund access works and improvements including an upgrade to the Clifton Moor roundabout, new access roads to the site, a subway for pedestrians and cyclists and a pedestrian bridge leading into the site.

33. 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. The One Planet York city scorecard will be refreshed in April 2018 as the latest results from the Grant Thornton Vibrant Economy Index are published. The scorecard provides an integrated picture of city performance towards an inclusive economy, strong community and healthy environment.
34. Proposals to further improve air quality in York by reducing bus emissions and decreasing stationary vehicle engine idling are to be considered. Proposals include a consultation on a bus-based Clean Air Zone (CAZ) for York in 2020 along with an improved minimum ultra-low emissions standard for local bus services to be specified on any new council contracts. Feasibility studies on low emission zones, low emission buses and on anti-idling were submitted to support the proposals which were approved in principle by the third Air Quality Action Plan (AQAP3) adopted in December 2016.

Implications

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

Risk Management

36. 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

37. 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 – Scrutiny Performance Scorecard