

Economy and Place Scrutiny Committee

10 July 2019

Report of the Corporate Director of Economy and Place

2018/19 Finance & Performance Outturn Report

Summary

1. This report provides details of the 2018/19 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 and further detail is provided in Annex 1:

	Budget £'000	Outturn £'000	Variance £'000
Economy and Place			
Transport	7,918	7,903	-15
Fleet	-32	526	+558
Highways	3,685	3,703	+18
Parking Operations	1,412	1,291	-121
Parking Income	-6,719	-7,207	-488
Waste	11,980	11,902	-78
Public Realm	2,982	2,887	-95
Emergency Planning	139	141	+2
Development Management	506	506	0
Forward Planning	913	907	-6
Building Control and Land Charges	-71	-6	+65
Environmental Management	541	520	-21
Environmental Health & Licensing	1,230	1,205	-25
Asset and Property Management	-2,767	-2,725	+42
Economic Development	564	500	-64
Management and Support	282	228	-54
TOTAL	22,563	22,281	-282

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 £282k, an improvement from the Monitor 3 report which forecast a spend on budget.
4. 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, health and safety and duty of care to transport users. This has resulted in an overspend of £558k primarily on additional staff 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.
5. Overall parking income was £488k above budget. Income from council car parks was 4% above budget, resulting in a surplus of £232k. Whilst the first quarter of the year was slightly below budget, income over the summer was strong as the Rose Theatre and good weather attracted visitors to the city centre. The Christmas and New Year period also saw parking receipts ahead of forecast. There has also been additional income from season tickets of £144k and additional income from Respark permits of £108k. Within Parking Operations there was a one off business rates refund for St George's Field car park (£150k) and additional income from Penalty Charge Notices (£59k). These were offset by additional equipment and telecom charges of £105k.
6. There was an overall underspend on Waste Services totalling £78k however there are some variations within this overall total. There was an overspend of £228k in waste collection. Additional staffing has minimised the impact that sickness levels have had on the waste and recycling collections and reduced the necessity to co-mingle recycle. It has also enabled necessary staff training to be completed without impacting the service.
7. There was an underspend of £247k (-4%) on the budget for disposal of waste at Allerton Waste Recovery Park. The tonnages delivered to the facility were lower than forecast resulting in savings to the councils as well as an opportunity for additional income to the councils from Yorwaste who delivered additional tonnes of their commercial waste into the facility (£150k). There

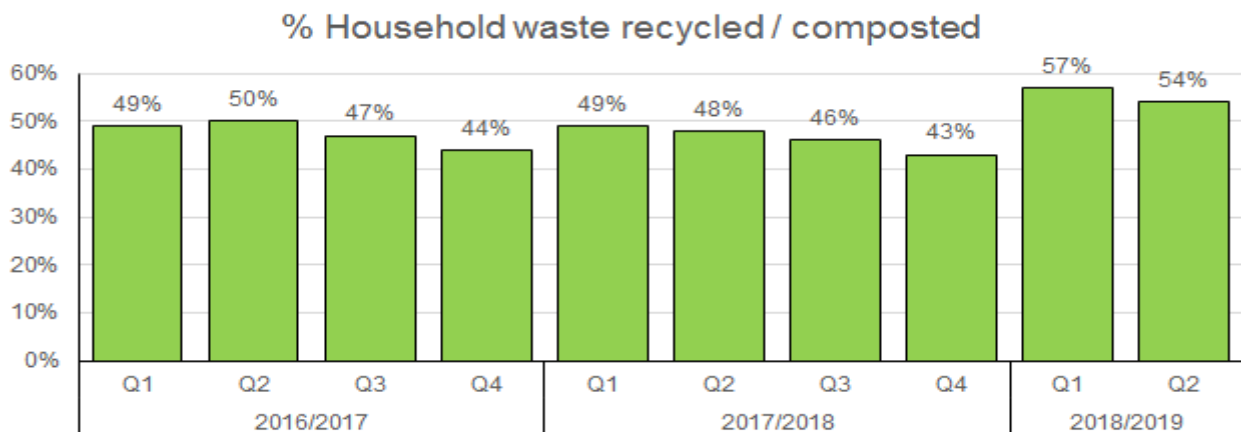
was also a saving on procurement costs (£50k) and one off saving from backdated business rates at the facility (£39k).

8. A number of other minor variations make up the overall directorate

Performance Update

9. The 2018/19 scorecard for Economy and Place is attached at Annex 2. The data annex contains the current data available for indicators that have previously been supplied to both the Economy and Place scrutiny committee, and Economy and Place policy committees. In light of a new Council plan being adopted, and ongoing discussions with chairs of all the scrutiny committees around finance and performance information, an updated set of indicators will be provided the next time finance and performance information is discussed by the committee. Other key performance information is included in the following paragraphs.

10. **Household waste recycled / composted (YTD) - this measure gives an understanding of a key outcome of the Council plan**



11. Provisional figures for Q3 suggest the amount of household waste recycled in 2018-19 has increased slightly from 46% 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 by the end of the year.

12. The amount of waste sent to Allerton Waste Recovery Park (in order to divert from landfill) in Q3 2018-19, has increased to 38,516 tonnes from 35,870 tonnes during the same period in 2017-18.

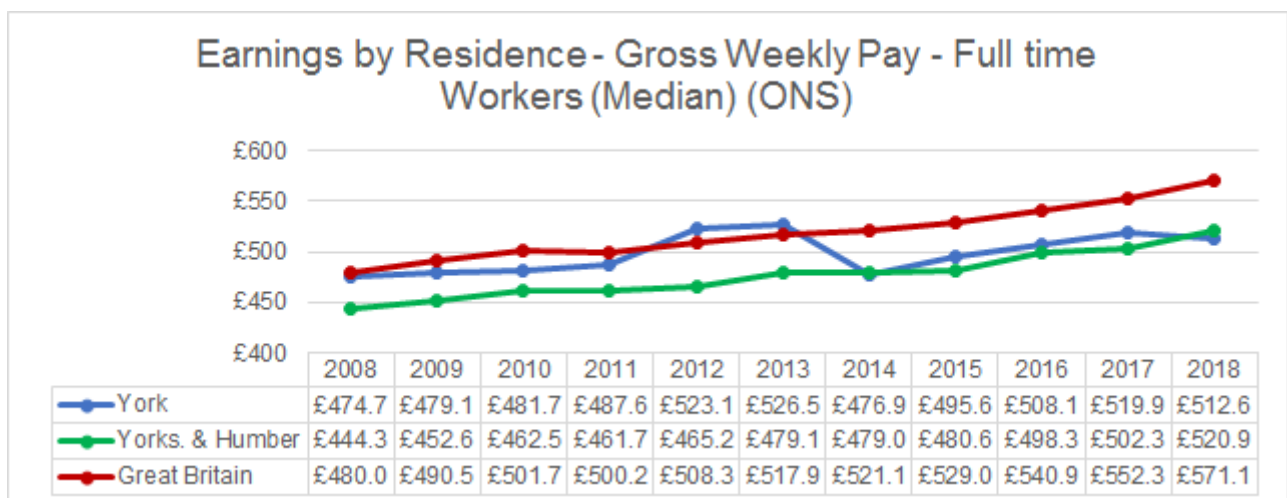
13. Residual waste (i.e. non recyclable) per household has increased to 427kg per household (410kg in Q3 2017-18) but this should

also start to decrease from the initiation of the voluntary pledge, by supermarkets, to eradicate single-use plastics from packaging, with any remaining plastic in use will have to be totally recyclable by 2025.

% of residents who think that the Council and partners are doing well at improving the quality of streets/public spaces - this measure gives an understanding of residents' satisfaction with frontline service delivery and the Council's responsiveness to residents' views

14. In the latest (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.

Median earnings of residents – Gross Weekly Pay (£) - this measure gives an understanding if wage levels have risen within the city, a key corner-stone in the cities economic strategy



15. In April 2018, the median gross weekly earnings for full-time resident employees in York were £512.60, a decrease of 1.4%

(excluding inflation) from £519.30 in 2017. Since the economic downturn of 2008 to 2009, growth (excluding 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.

16. As our Economic Strategy recognises, York has high levels of employment in low paid work such as retail, food and leisure, and tourism. To make housing in the city more affordable for residents, we need to grow more high paid jobs and support lower paid industries to be commercially successful so that they can increase pay. Our current strategy focuses on growing more jobs in better paid industries, while our city centre economy is driven by tourism, retail, food and leisure. 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.

City Centre Jobs

17. In 2016, there were a total of 20,500 people employed in York city centre, around 18% of all jobs in the city. Over the past 15 years, a net 4,250 jobs have been lost from the city centre, although the overall total number of jobs in the city was static. Public administration was the biggest loser among sectors in that period, with over 1,700 jobs lost, 50% of the 2003 total. Retail was the second biggest loss, with a 20% reduction in employment and 1,100 jobs lost. In the same period, employment in the food and drink service sector increased by over 1,000, a 40% gain, while the cultural and creative sectors gained a total of 800 jobs, a 700% increase.

Job Seekers Allowance (JSA) Claimants

18. The JSA figures should be viewed in the context of the number of people receiving Universal Credit in York increasing from 4,889 in February 2019 to 5,005 (provisional) in March 2019 (of which 2,014 were not in employment). Figures from the Office for National Statistics showed that;
 - There were 180 JSA claimants in York in March 2019 which is a decrease from 185 in February 2019 and a decrease from 285 in March 2018.
 - The claimant count for York represents 0.1% of the working population, which is lower than both the regional and national figures of 0.8% and 0.6% respectively in March 2019.

- Recent figures also highlight a fall of 10 in the youth unemployment count since March 2018. The youth unemployment figure is lower than both the regional and national figures of 0.6% and 0.3% respectively.

Department of Work and Pensions

19. Data released by the Department of Work and Pensions is published 6 months in arrears and the latest data relates to August 2018. The total number of claimants for either Income Support or Employment Support Allowance in York is 5,000, which is a decrease of 170 from May 2018. The claimant count represents 3.6% of the working population which is lower than both the regional and national figures of 7.6% and 6.8% 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.

Net Additional Homes Provided – this measure gives an understanding of how many new homes have been built in the city

20. Data for the second half of 2018-19 will be available at the end of May. The first half of 2018-19 shows that, positively, there were 1,447 net housing consents granted which represents a continued high level of approvals. Of these approvals, 98.3% were for traditional housing sites which include the Former British Sugar Corporation Site, the Former Lowfield School Site and York St John University Playing Fields Site. Between April and September 2018 there were 291 net additional homes completed (this compares to a half yearly average of 550 additional homes completed during this period over the previous five years). Of these additional homes:
- 67.4% were completed on housing sites.
 - 13.7% were a result of off campus privately managed student accommodation schemes which comprised the Former Herbert Todd & Son site in Percy's Lane and Abbeyfields Veterinary Centre in Clarence Street.

- 9.3% resulted from 'prior approval' i.e. sites benefitting from relaxed permitted development rights to allow conversion to residential use.
- 9.6% resulted from the development of over 55's accommodation.

Planning Applications

21. In the year to December 2018, the number of major planning applications processed within the required timescale (88%) has increased significantly from Q2, is above the 2017/18 year end figures, and is at the same level as the national and regional benchmarks. The number of applications has remained consistently at the same level (around 50 in the year to Dec 2018). In the year to December 2018, minor planning applications processed within the required timescale (77%) is at a similar level to previous years but is still below the national benchmark (85%). Whilst the number of applications has decreased slightly, the 83% performance in Q3 is a positive achievement.

One Planet Council

22. Work is continuing with One Planet York partners to explore how the council can assist in promoting a city-wide campaign, involving existing initiatives, to reduce single use plastics and the waste that they cause and to encourage people to drink more water. There are significant environmental problems with disposing of single use plastics, which release toxic chemicals when they break down, are a non-recyclable material and therefore a waste of energy and economic value, and also contribute significantly to waterway litter in York, which can then contribute to long lasting plastic pollution on beaches and in the marine environment. As a result the Council will work with partners such as Make It York to explore opportunities (such as licensing arrangements) to reduce the use of single-use plastic cups and food trays at events held on Council land, and the possible introduction of a 'code of conduct' for such events.

Hyper Hubs

23. The council has invested over a number of years in building Electric Vehicle (EV) charging infrastructure in council car parks, shopping parks and leisure centres. This has enabled the uptake of EVs in the city and the transition to cleaner fuels to be accelerated. Council owned charging points have usage rates of

over 1,500 sessions per month, and have also been a catalyst for the use of electric buses on the Park&Ride network. York is an air quality management area with regular exceedances of NO₂ levels in urban highly populated areas due principally to transport emissions resulting in air pollution. The transition away from polluting vehicles is one which will benefit the health of residents and visitors in York. Members have agreed to proceed with planning and procurement processes to deliver rapid charging points for electric vehicles, or 'Hyper hubs', in strategic locations across the city, following a successful bid to the European Regional Development Fund (ERDF) for funding to support this scheme.

Anti-Idling Measures

24. Whilst air quality in the city is generally improving, York currently has exceedances of the annual average nitrogen dioxide objective at a number of locations around the inner ring road. The idling of stationary vehicles causes unnecessary pollution which harms public health and the environment, wastes fuel and adds to noise levels. Anti-idling awareness raising and campaigns will continue to be the primary approach to reducing stationary vehicle idling in York. Enforcement will only be used as a last option where a driver refuses to switch off an engine when asked. Anti-idling campaigns will focus on idling hotspots around the city centre and other locations such as schools and residential areas where complaints arise.

Implications

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

Risk Management

26. 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

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

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

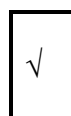
Author:

Patrick Looker
Finance Manager
Tel: 551633

Chief Officers responsible for the report:

Neil Ferris
Corporate Director of Economy and Place

**Report
Approved**



Date 27th June
2019

Annex

Annex 1 – Financial Performance
Annex 2 – Performance Scorecard