

**Economic Development and Transport Policy
and Scrutiny Committee**

16th March 2016

**Report of the Director of City & Environmental Services and
Director of Communities and Neighbourhoods.**

**2015/16 Finance & Performance Monitor 3 Report – Economic
Development and Transport**

Summary

1. This report provides details of the 2015/16 forecast outturn position for both finance and performance across services within City & Environmental Services and Communities and Neighbourhoods. The paper incorporates data to December 2015 as reported to Executive on 11th February 2016.

Analysis

Finance

2. The services that relate to Economic Development and Transport Policy and Scrutiny committee cross two Directorates (City and Environmental Services and Communities and Neighbourhoods). Service Plan Variations which relate to services within this scrutiny are shown below:

	Budget £'000	Forecast Outturn £'000	Variance £'000
City & Environmental Services			
Transport	6,548	6,758	+210
Fleet	-355	-157	+198
Highways	2,533	2,663	+130
Parking Income	-6,720	-6,438	+282
Development Services, Planning and Regeneration	635	740	+105
Economic Development	185	165	-20
Communities and Neighbourhoods			
Parking	1,075	1,075	0

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

Details of the main variations by service plan are detailed in the following paragraphs.

Transport (+£210k)

3. The forecast overspend is mainly due to £100k unachieved ANPR income due the suspension of enforcement at Coppergate and £42k additional costs, mainly staffing, across CCTV. There are also unachieved income savings in CCTV (£32k) and transport systems (£38k).

Fleet (+£198k)

4. There is a £112k saving within the travel management unit still to be allocated to service areas for which a delivery plan needs to be agreed. This saving is not expected to be achieved in 2015/16. In addition there is a forecast shortfall in vehicle workshop external income.

Highways (+£130k)

5. There are one-off costs of £30k associated with the cessation of the pest control service. In addition there is a shortfall on the civils account of £100k mainly due to lower than forecast income.

Parking Income (+£282k)

6. It is currently forecast that parking income will be £282k below budget. To October, income was approximately 3% below target however November showed a 9% reduction and December (which is historically York’s busiest month) income was £94k below budget (15%). The reduced usage in the car parks is mainly due to the particularly wet autumn and the severe flooding that impacted the city in December.

Development Services, Planning and Regeneration (+£105k)

7. There are forecast shortfalls in income in building control (£45k), planning (£50k) and environmental management (£60k). These shortfalls are partly offset by an expected increase in income from land charges of £50k.

8. Economic Development (-£20k)

It is anticipated that there will be various operational savings within economic development.

Performance

9. A successful bid for £308k from the Department of Transport will see 28 school buses used, in and around York, retro fitted with the latest Selective Catalytic Reuptake exhaust technology which will help to reduce exhaust emissions. An extra £112k will also be match funded by the operator of the buses. This will see single and double-decker buses, which are contracted to run the Council's school bus service, upgraded to Euro 6 standard.
10. Employment continues to be strong in the city as the number of Job Seekers Allowance claimants continue to fall.
11. Figures from the Office for National Statistics showed there were 612 claimants in York in December a fall of 81 from last month and of 557 from December 2014. The figures showed the number of jobseekers in York had fallen for the eighth consecutive month and also highlighted a 66% fall in the youth unemployment count since December 2014. The claimant count represents 0.5% of the working population and contrasts to the regional average which stands at 2%. The figures are also much lower than the national average which stands at 1.5%.
12. Average gross weekly pay increased between 2014 and 2015 by 3.23% to £584.30 whilst nationally there was a 1.01% increase to £629.50 and regionally there was a 2.18% increase to £567.00. Whilst there has been a 6.45% increase in the gender pay gap in York and both nationally and regionally have decreased, York's (£221.20) pay gap is still lower than the regional (£233.60) and national (£249.50) pay gap.
13. In November, York's largest brownfield site was successfully designated as an Enterprise Zone thanks to a joint bid by City of York Council and the York, North Yorkshire and East Riding Local Enterprise Partnership, which will unlock over £100million to help deliver the York Central site. The Enterprise Zone status will mean that 50% of business rates for the York Central site, which would have gone back to government, will be retained in the area. This will provide the funding to be able to invest in the infrastructure required

to unlock the site and encourage business investment. Estimates in the bid suggest this could help to create up to 6,600 jobs in the city, and over £1.1 billion value for the region's economy. The jobs created would be high-value office based jobs, helping to grow York's economy by an estimated 20% and increase average wages in the city.

14. In December, Leeds City Region Enterprise Partnership (LEP) published a report which highlighted how the LEP had helped York, over the last four years, to unlock £1.127m private sector investment, had created 22 jobs through £167,883 LEP grant investment and had provided support to around 50 SME's.
15. Figures released by the Office of National Statistics show that in 2014 York's economy was worth £4.9 billion (up from £4.88 billion in 2013) and York's share of total Gross Value Added (GVA) has remained constant for the last 4 years at around 4.6% of the regional GVA.
16. Between 2010 and 2014 the percentage increase in total GVA for York was 11.6% whilst regionally it was 10.7% and nationally it was 15.8%. However the GVA per head has decreased 0.6% from £24,121 in 2013 to £23,977 in 2014 and is below the UK 100 indices at 97.4 which may be the result of an increase in accommodation and food service activities employment.
17. Newly released figures by Visit York, for 2014, showed that business tourism attracted an estimated 977,000 delegates (attending a meeting or conference), generating £141 million for the local economy. Visitor numbers were up by 1.5% from 6.7 million to 6.8 million annually and the number of jobs in the city supported by tourism rose from 19,000 to 20,300.

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



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