

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

20th July 2016

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

2015/16 Finance and Performance Outturn Report

Summary

1. This report provides details of the 2015/16 outturn position for both finance and performance across services within City & Environmental Services and Communities and Neighbourhoods.

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	Outturn £'000	Variance £'000
City & Environmental Services			
Transport	7,496	7,505	9
Fleet	-39	114	153
Highways	3,673	3,405	-268
Parking Income	-6,687	-6,454	233
Development Services, Planning and Regeneration	1,880	2,065	185
Economic Development	137	62	-75
Communities and Neighbourhoods			
Parking	1,311	1,314	3

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

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

Transport (+£9k)

4. There are a significant number of variations within the Transport outturn.

Public Transport (-£58k)

There was an overspend of £87k due to the risk and reward payment for Poppleton Bar park and ride. This was offset by underspends from the young persons reduced fare pilot scheme (£79k), subsidised buses (£28k) and not requiring the budget set aside for the quality bus contract (£40k).

Other Transport Activity (+£67k)

There was a shortfall in ANPR income from Coppergate and shortfalls in income from streetworks (£40k) and transport systems (£34k). There was also a £65k overspend on the CCTV service, mainly relating to additional staffing costs. These overspends were offset by mitigating underspends from road safety activities £75k and bridges maintenance (£20k). There was also additional income from Leeds City Region (£54k) towards Major Scheme delivery and highway regulation (£25k).

Fleet (+£153k)

5. There is a £112k unachieved legacy saving from council transport costs which is still to be delivered along with shortfalls in external income on the vehicle workshop (£81k). The workshop income shortfall is partly due to vehicle technician vacancies and an increase in internal work requirements which led to a net increase in income from internal users of £34k.

Highways (-£268k)

6. Within street lighting there were savings on routine maintenance (£85k) primarily due to significant capital investment on LED and column replacements. There was also increased income (£101k) from charges for external works and recharges to the capital programme. Higher than budgeted grant support (£51k) was received within flood and water management relating to activities that were delivered within current resources.

Parking Income (+£233k)

7. The total income from the parking account was £233k below budget (3.5%). The breakdown of the shortfall was Off Street Parking (£376k), On Street Parking (£21k), Respark (£-11k) and Season Tickets (£-153k). The main reason for the shortfall was the loss of income following the December Floods with December to March income being 13% below budget. Income from season tickets was significantly above budget partly related to changes in the Hotel scratchcard charging regime.

Development Services, Planning and Regeneration (+£185k)

8. The overspend is mainly due to a shortfall in planning fees. There was a shortfall of £166k on pre-application advice fees. There was also a shortfall of £62k on general planning fees. This was partly due to a fall in the number of major housing site applications but also due to the government's expansion of permitted development rights and subsequent fall in prior notification submissions.

Economic Development (-£75k)

9. The underspend was mainly due to an additional contribution received from Leeds City Region business rates pool.

Lendal Bridge/Coppergate PCN Repayment Update

10. Members will recall that provision was made by the Director of CBSS, in his statutory role of preparing and approving the accounts, for the Council to retain a sum equivalent to the income received from fines in respect of Lendal Bridge and Coppergate in an earmarked reserve. Of the £1.802m fine income generated, £1.126m has been repaid, or is in the process of being paid leaving a balance of £676k on the reserve.
11. The period for claiming refunds has now ended and a decision is therefore required to release the amount held in reserve. It is proposed that the reserve is held for a further period of 12 months pending any other issues and approval of the 2015/16 Statement of Accounts in September. However, this should not delay the consideration of these funds, and a future report will report separately on this matter.

Performance Update

12. The 2015/16 scorecard for Economic Development and Transport is attached at Annex 1. Other key performance information is included in the following paragraphs.
13. Installation of 900 LED street lantern conversions started in February, in residential areas that have the highest number of high and low pressure sodium lanterns (yellow and orange lights). The new lighting will help make significant carbon, energy and cost savings. In addition to new LED lanterns, lights will be adjusted by up to 60% (still within current lighting level standards) between midnight and 6a.m. when traffic flow is quiet, helping to further reduce environmental impact and cost. The estimated cost of each lantern installation is £200 and it is anticipated there will be an average net energy saving of £30 per lantern, saving a total £27,000 a year.
14. Employment continues to be strong in the City as the number of Job Seekers Allowance claimants continue to fall. Figures from the Office for National Statistics showed there were 653 claimants in York (395 less than March 2015). The figures also highlighted a 57.14% fall in the youth unemployment since March 2015. The JSA claimant count represents 0.5% of the working population, lower than the regional average of 2.0% and national average of 1.5%.
15. Average gross weekly pay increased by 3.23% between 2014 and 2015 to £584.30, nationally there was a 1.01% increase (to £629.50) and regionally there was a 2.18% increase (to £567.00). There has been a 6.45% increase in the gender pay gap in York while both nationally and regionally it has decreased, although York's pay gap (£221.20) is still lower than the regional (£233.60) and national (£249.50) averages.
16. The number of people in employment for the year (ending Dec 2015) increased by 5,100 to 102,000, 76.3% of the working age population (region stands at 72.5%). The increase is made up of an extra 7,500 full time jobs and a reduction of 1,400 in part time roles.
17. City of York Council was awarded £365,000 of Government funding to help develop plans for York Central, a Housing Zone and an Enterprise Zone which aims to help create to 7,000 new jobs, up to 120,000 sq m of office space and up to 2,500 new

homes. The Council will use the grant to help fund the delivery team and undertake further technical assessments to ensure the project makes progress whilst a partnership is being shaped with Network Rail, the NRM and the Homes and Communities Agency (HCA). Estimates suggest this could help to create up to 7,000 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 would increase average wages in the City.

18. Figures released by the Office of National Statistics show that in 2014 York's economy was worth £4.90 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.
19. 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.

Implications

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

Risk Management

21. 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

22. 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**



Date 8th July 2016

Annex

Annex 1 – Scrutiny Performance Scorecard