

Economic Development and Transport Policy 15th September 2015 and Scrutiny Committee

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

2014/15 Finance and Performance Outturn Report

Summary

1. This report provides details of the 2014/15 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	6,898	7,160	262
Fleet	-81	-15	66
Highways	3,708	3,610	-98
Parking Income	-7,001	-6,676	325
Development Services, Planning and Regeneration	1,909	2,262	353
Economic Development	887	826	-61
Communities and Neighbourhoods			
Parking	1,324	1,383	59

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 (+£262k)

4. The overspend of £262k across Transport Services was due to £100k unachieved income from ANPR enforcement of Coppergate and £75k for residual costs involved in the Lendal Bridge closure trial. There was £86k additional expenditure on transport projects relating to Connected Cities and East Coast Mainline Authorities. There was also a £59k overspend on subsidised buses and £48k for temporary staff within CCTV. These overspends were offset by mitigating savings on quality bus contract (£65k) and road safety (£35k).

Fleet (+£66k)

5. Overall across the fleet budget there was an overspend of £66k. There was an underspend of £178k on transport due to lower than forecast operating lease costs and staffing vacancies however this was offset by an overspend on vehicle maintenance partly due to unachieved income targets. There is also a further £112k unachieved council wide fleet saving that is still to be delivered.

Highways (-£98k)

6. There was an underspend on basic maintenance/asphalt repair (£622k) due to the use of alternative capital funding and an underspend on street lighting (£147k) due to lower expenditure on materials and electricity. These were offset by overspends on the civils account (£379k) due to lower than forecast income, additional staffing for engineering consultancy (£149k), £94k overspend on winter maintenance and lower than budgeted income relating to utilities working on the Highway (£75k).

Parking Income (+£325k)

7. The year end shortfall on the parking account was £325k (4.5%). This is a continuation of the shortfalls within the account over the past few years (£258k in 2012/13 and £230k in 2013/14).

There have been a number of initiatives that have impacted the account during the year, including the closure of Haymarket Car Park in April 2014, the impact of lost income due to the free parking initiative from June 2014 (funded by £300k from section 106), the introduction of charges for residents discount pass from September (which was later than assumed at the budget), the introduction of pay on exit at Marygate car park in July 2014 (which has faced technical issues resulting in lost income), the use of Marygate by Network Rail in the final quarter of the year and the commencement of the expanded Park & Ride Network in June 2015. It is not possible to identify the impact on the account of each of the new initiatives however the outturn position was not significantly different to previous years. Members agreed to a reduction of £400k in the overall parking income budget expectation at budget council in February 2105 and this should ease the pressure on the parking account going forward

Development Services, Planning and Regeneration (+£353k)

8. There was £108k shortfall in Building Control income and £16k additional operating costs. Income is expected to increase in 2015/16. Income from land charges was £76k higher than budget. This was offset by the cost of the legal decision for all authorities to refund personal search agencies for fees charged between 2005 and 2010. A provision for the costs for York was included in the accounts at £200k.
9. There were also shortfalls in income for planning fees (£26k) and Environmental Management (£35k).

Economic Development (-£61k)

10. This underspend was mainly due to savings from vacant posts across the service.

Parking Administration and Enforcement (+£59k)

11. There were additional staffing costs (£46k) and a shortfall in fines (£20k). This was offset by £6k operational savings within the service.

Performance Update

12. Annex 1 and Annex 2 provide data on key aspects of the council's performance for 2014/15. The performance considered by this scrutiny committee are under the following headings:

- Create Jobs & Grow the Economy
- Get York Moving

Create Jobs & Grow the Economy

13. A feasibility study has been completed for York Central (the city's largest development site), and a memorandum of understanding signed with Network Rail. Unlocking and maximising the development opportunity through the wider York Central site, would unlock 1100 homes and 85,000m² of grade A office space, as well as building on the National Railway Museum's existing offer to realise a world class museum attracting 1m footfall a year. Projections demonstrate this will deliver up to £254m in GVA per annum and a net 4,750 jobs on completion.
14. The Leeds City Region Enterprise Partnership (LEP) confirmed further devolved funding through the government's Employer Ownership Pilot to create a £17.5 million skills service for local businesses. The aim of the funding is to provide funding to small and medium sized businesses to enable them to source the skills solutions they require to develop and grow.
15. Achievement: The first year of the Super-Connected City (SCC) programme has seen the delivery of the following projects, funded principally by DCMS:
- Wifi and Public Transport. 80x buses had free wifi successfully installed in the last quarter of 2014/15
 - Public Buildings Connectivity and Wifi. The installation of wifi and improved connectivity (principally Gigabit fibre connections) has been completed to 28 public buildings: the Art Gallery, Guildhall, 11 sheltered Housing Schemes and 15 Community Hubs.
 - City Centre Wifi. Phase 1 of the city centre wifi has been enhanced by the recent collaborative working with York University to extend the access to Eduroam via the city connect wifi platform.

- Connection Vouchers. The York Voucher Connection Scheme has always been seen as the mainstay of the national SCC programme. Over the first 12 months, 23 vouchers have been delivered allowing these SMEs to more than double their broadband speeds. For businesses supported by the voucher
 - scheme/ grant the increased competition has lowered average monthly revenue costs for broadband service from £460 to £75.
16. Challenge: In York average weekly gross earnings of residents have fallen between April 2013 to April 2014 (from £520 to £479) but nationally pay has increased (to an average £521 a week). Regionally pay is static. The statistics for April 2015 will be available by the end of the year.
17. The trends around wage stagnation are clearly concerning, and we know that this is an ongoing challenge given the nature of city's industrial bias towards lower paid retail and tourism sectors. Given the importance of wage levels to York's population, it is imperative that as a city, working across sectors, we focus on addressing this issue.

Get York Moving

18. Achievement: Evaluation of The Tour de France highlighted an estimated £102m benefit to the Yorkshire economy with around 1.8 million people feeling inspired to cycle more frequently. York's economy benefitted from £8.3m in spends over the weekend.
19. Achievement: the council's i-Travel York initiative, made possible by £4.6 million of government funding which the council successfully bid for in 2011, and a further £1million awarded last year, targets areas of the city where there are high numbers of short car trips to employment and retail destinations. 12,240 households have been engaged by Personal Travel Advisers to help them plan to travel sustainably.
20. Challenge: The percent of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus) has decreased to 68.3% from 73% in 2013/14.

The draft Council Plan sets out a continuing focus on sustainable transport in order to help address this. Extra support of £75k for local and rural bus travel has been included within the emergency budget.

Implications

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

Risk Management

22. 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

23. 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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Annexes

Annex 1 – Create Jobs and Grow the Economy 2016/2016

Annex 2 – Get York Moving 2015/2016

Glossary

ANPR- Automatic Number Plate Recognition

CCTV- Close Circuit Television

DCMS- Department for Culture, Media and Sport

GVA- Gross Value Added

LEP- Local Enterprise Partnership

SCC- Super Connected Cities

SME- Small and Medium Sized Enterprises