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| Meeting | Executive |
| Date | 9 February 2023 |
| Present | Councillors Aspden (Chair), Ayre, Craghill, D'Agorne, Mason, Runciman, Smalley, Waller and Widdowson |
| In Attendance | Councillor Douglas |
| Officers in Attendance | Ian Floyd – Chief Operating Officer Bryn Roberts – Director of Governance and Monitoring Officer Debbie Mitchell – Chief Finance Officer Neil Ferris – Corporate Director of Place Sharon Stoltz – Director of Public Health Jamaila Hussain – Corporate Director of Adult Social Care & Integration Tracey Carter – Director of Housing, Economy & Regeneration Sophie Round – Housing Delivery Programme Manager |

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

78. Declarations of Interest (17:31)

Members were asked to declare at this point in the meeting any disclosable pecuniary interest or other registerable interest they might have in respect of business on the agenda, if they had not already done so in advance on the Register of Interests. None were declared.

79. Public Participation (17:32)

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme.

Flick Williams spoke on Agenda Item 4 (Housing Delivery Programme Update), highlighting a lack of attention to accessible housing and calling for a commitment to M42 and M43 standards in all housing developments.

80. Forward Plan (17:35)

Members received and noted details of the items that were on the Forward Plan for the next two Executive meetings at the time the agenda was published.

81. Housing Delivery Programme Update (17:35)

The Director of Housing, Economy & Regeneration and the Housing Delivery Programme Manager presented a report which gave an update on the Housing Delivery Programme (HDP) and sought approval for proposals in respect of sites at Ordnance Lane, Willow House and the wider South Walmgate area, 17-21 Piccadilly, and Lowfield Green.

Significant progress had been made towards achieving the ambitious plans in the HDP, with over 100 homes built on the flagship development at Lowfield Green and high levels of grant funding secured for Passivhaus projects at Duncombe Barracks and Burnholme. Over £2.4m grant funding had been secured for enabling works at Ordnance Lane, which had received planning permission in July 2022. Overall, the HDP was set to exceed its target of delivering 600 homes with 60% affordable housing. Details of further work proposed were set out in paragraphs 11-48 of the report, with site plans at Annex 1.

In response to comments made under Public Participation, officers confirmed the council's commitment to inclusive housing, noting that the Housing Design Manual stated that all properties would meet M4 standards and at least 10% would meet M3 standards. The issue of access for local residents during construction at the Lowfield sites was discussed and a further resolution suggested to address this. The Executive Member for Housing & Community Safety welcomed the report, commending the Housing team for their positive approach to the challenge of providing energy-efficient, adaptable and accessible housing that would also tackle social isolation and support green jobs.

Resolved: (i) That the use of the One Public Estate (OPE) grant funding of £2.43m to carry out enabling works at the Ordnance Lane site be approved.

(ii) That approval be given to carry out a procurement process to procure an enabling works

contractor for the Ordnance Lane scheme, and that authority be delegated to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods, the Chief Finance Officer and the Director of Governance or their delegated officers) to take such steps as are necessary to procure, award and enter into the resulting contract.

(iii) That approval be given to carry out a procurement process to procure a main works contractor for the Ordnance Lane site, and that authority be delegated to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods the Chief Finance Officer and the Director of Governance or their delegated officers) to take such steps as are necessary to procure the contractor, noting that a future report will be brought to Executive to present the full business case and to seek approval to award the contract to the winning bidder.

(iv) That approval be given to submit an application to Homes England for grant funding to support the delivery of 60% affordable housing on Ordnance Lane.

(v) That £1m be allocated from the existing Housing Delivery capital budget for the design development of Willow House and the wider South Walmgate area to allow the submission of a planning application, noting that a future report will be brought to Executive to present a full Business Case prior to carrying out a procurement process for a contractor.

(vi) That approval be given to explore the inclusion of the adjacent garage sites in the South Walmgate area for redevelopment following engagement with the local community.

(vii) That approval be given to carry out a procurement process to procure multi-disciplinary design and project teams to deliver the Willow House scheme, and that authority be delegated to

the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods, the Chief Finance Officer and the Director of Governance or their delegated officers) to take such steps as are necessary to procure, award and enter into the resulting contract(s).

(viii) That the progress made on finding a long-term use for 17-21 Piccadilly be noted, and that it be agreed that non-residential uses should be considered for the ground floor as part of the disposal scheme.

(ix) That approval be given to develop Plot A at Lowfield Green as part of the Housing Delivery Programme, utilising existing house types and design work to deliver approximately 10 additional new mixed tenure homes.

(x) That £400k be allocated from the existing Housing Delivery capital budget for the design development of Plot A at Lowfield Green to allow the submission of a planning application, noting that a future report will be brought to the Executive to present a full Business Case prior to appointing a building contractor.

(xi) That approval be given to dispose of the Lowfield Plot B site, by freehold transfer or grant of a lease, to a Registered Provider or Community Housing Group for the delivery of age-appropriate housing primarily for residents aged over 55.

(xii) That authority be delegated to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods and the Executive Member for Finance and Performance) to finalise the selection criteria for the disposal of the Lowfield Plot B site.

(xiii) That approval be given to carry out a procurement process to procure a Registered Provider or Community Housing Group to deliver the Lowfield Plot B scheme, and that authority be delegated to the Corporate Director of Place (in

consultation with the Executive Member for Housing and Safer Neighbourhoods, the Chief Finance Officer and the Director of Governance or their delegated officers) to take such steps as are necessary to procure, award and enter into the resulting contract(s).

Reason: To ensure the continuation of a manageable pipeline of sites to deliver the Housing Delivery programme whilst making best use of CYC assets to deliver capital receipts and social benefits.

(xiv) That officers be instructed to investigate additional measures to address highway-related concerns from the impact of construction taking place on the Lowfield sites, with a report to be brought back to a Decision Session of the Executive Member for Transport to consider how the impacts can be resolved.

Reason: To enable these concerns to be addressed where the council is able to do so by virtue of its ownership of the land.

82. 2022/23 Finance and Performance Monitor 3 (18:03)

The Chief Operating Officer presented a report which provided details of the council's overall finance and performance position for the period 1 April 2021 to 31 December 2022, together with an overview of any emerging issues.

Due to ongoing budget pressures, particularly in adults' and children's social care, plus increases in interest rates and rising inflation, a significant overspend was forecast. The gross financial pressures facing the council were projected at £8.5m, but after mitigation it was considered this could be reduced to £3.7m. The council had £6.9m of general reserves to call on should the out-turn not be within the approved budget. The net budget was £135m, with £6.4m savings to be achieved to reach a balanced budget. The position within each directorate was summarised in Table 1 at paragraph 13 of the report and detailed in Annex 1.

With regard to performance, progress was reported against the core set of strategic indicators in the Council Plan. Nine

indicators showed an improving direction of travel while two showed a worsening direction of travel, as summarised in paragraph 22 of the report and detailed in Annex 2.

In commending the report to Members, the Executive Member for Finance & Major Projects thanked the Finance team for their work and highlighted performance improvements in relation to Customer Services, Education, city centre shop vacancies / footfall and mental health services in employment. The Executive Member for Economy & Strategic Planning also highlighted improvements in his portfolio area, noting the challenges ahead and the need to continue making the case for long term government investment in the North.

Resolved: That the finance and performance information, and the actions needed to manage the financial position, be noted.

Reason: To ensure that expenditure is kept within the approved budget.

83. Capital Programme - Monitor 2022/23 (18:14)

[See also under Part B]

The Chief Finance Officer presented a report which set out the projected out-turn position on the capital programme for 2022/23 and asked Executive to recommend to Council the adjustments detailed in the report and in Annex A.

A decrease of £27.164m was reported on the approved capital budget, resulting in a revised programme of £127.393m. This represented an increase of £5.305m, and a re-profiling of budgets to future years totalling £32.469m, due mainly to several schemes being delayed until 2023/24. Variances in each portfolio area were outlined in Table 1 at paragraph 6 of the report, and detailed in paragraphs 7- 46. The effect of the revisions was shown in Table 2, at paragraph 47.

Officers confirmed that there were no major issues to report and that there continued to be a significant level of investment in the programme.

Resolved: (i) That the 2022/23 revised budget of £127.393m, as set out in Table 1 at paragraph 6 of the report, be noted.

(ii) That the restated capital programme for 2022/23 – 2026/27, as set out in Table 2 at paragraph 47, be noted.

Reason: To enable the effective management and monitoring of the Council's capital programme.

84. Financial Strategy 2023/24 to 2027/28 (18:22)

[See also under Part B]

The Chief Finance Officer presented a report which asked Executive to recommend to Council the financial strategy for 2023/24 to 2027/28, including detailed revenue budget proposals for 2023/24. The report also sought Executive approval for increases to the council tax premium for second homes and to social housing rents, in line with government legislation.

The strategy would deliver a balanced budget for 2023/24, with savings proposals totalling £5.5m. Overall, £19m additional revenue funding would be added to the budget to meet continuing pressures on adult social care and children's services and maintain progress on the objectives of the Council Plan. The proposals were predicated on a basic council tax increase of 2.99% in 2023/24, plus an additional increase of 2% in line with the government's social care precept. The net revenue budget of £141.624m would be funded by council tax income of £107.783m and retained business rates of £33.841m.

The report included statutory advice from the s151 Officer, at paragraphs 249-271. A summary of the budget expenditure and savings proposals was provided in Annexes 1 and 2, with HRA growth and savings proposals in Annexes 6 and 7. Results of consultation, in which 573 residents and businesses had participated, were set out in Annex 4.

In supporting the proposals, the Chair highlighted the challenging national context in which they had been produced, the importance of stabilising the council's finances and protecting vital services, and the need for government to

address the issue of long-term funding. He thanked the Finance team for their work, and residents for their engagement in the consultation process. The Executive Member for Finance & Major Projects echoed those comments and expressed concerns regarding inequalities in funding for local authorities and the council tax system.

Resolved: (i) That the 100% increase in council tax on second homes with effect from 1 April 2024 be approved subject to the Levelling Up Bill receiving Royal Assent by 31 March 2023, as set out in paragraphs 119 to 121 of the report.

(ii) That approval be given to apply the average rent increase of 7%, based on the national cap, to all rents for 2023/24, with the exception of shared ownership tenants, as described in paragraphs 171, 172 and 184.

Reason: To ensure the ongoing financial stability of the HRA and allow work on improving the quality of the council's affordable housing to continue.

PART B - MATTERS REFERRED TO COUNCIL

85. Capital Programme - Monitor 2022/23 (18:14)

[See also under Part A]

The Chief Finance Officer presented a report which set out the projected out-turn position on the capital programme for 2022/23 and asked Executive to recommend to Council the adjustments detailed in the report and in Annex A.

A decrease of £27.164m was reported on the approved capital budget, resulting in a revised programme of £127.393m. This represented an increase of £5.305m, and a re-profiling of budgets to future years totalling £32.469m, due mainly to several schemes being delayed until 2023/24. Variances in each portfolio area were outlined in Table 1 at paragraph 6 of the report, and detailed in paragraphs 7- 46. The effect of the revisions was shown in Table 2, at paragraph 47.

Officers confirmed that there were no major issues to report and that there continued to be a significant level of investment in the programme.

Recommended: That Council approve the adjustments resulting in a decrease in the 2022/23 budget of £27.164m, as detailed in the report and contained in Annex A.

Reason: To enable the effective management and monitoring of the Council's capital programme.

86. Financial Strategy 2023/24 to 2027/28 (18:22)

[See also under Part A]

The Chief Finance Officer presented a report which asked Executive to recommend to Council the financial strategy for 2023/24 to 2027/28, including detailed revenue budget proposals for 2023/24. The report also sought Executive approval for increases to the council tax premium for second homes and to social housing rents, in line with government legislation.

The strategy would deliver a balanced budget for 2023/24, with savings proposals totalling £5.5m. Overall, £19m additional revenue funding would be added to the budget to meet continuing pressures on adult social care and children's services and maintain progress on the objectives of the Council Plan. The proposals were predicated on a basic council tax increase of 2.99% in 2023/24, plus an additional increase of 2% in line with the government's social care precept. The net revenue budget of £141.624m would be funded by council tax income of £107.783m and retained business rates of £33.841m.

The report included statutory advice from the s151 Officer, at paragraphs 249-271. A summary of the budget expenditure and savings proposals was provided in Annexes 1 and 2, with HRA growth and savings proposals in Annexes 6 and 7. Results of consultation, in which 573 residents and businesses had participated, were set out in Annex 4.

In supporting the proposals, the Chair highlighted the challenging national context in which they had been produced, the importance of stabilising the council's finances and

protecting vital services, and the need for government to address the issue of long-term funding. He thanked the Finance team for their work, and residents for their engagement in the consultation process. The Executive Member for Finance & Major Projects echoed those comments and expressed concerns regarding inequalities in funding for local authorities and the council tax system.

- Recommended: (i) That Council approve the budget proposals outlined in the report and annexes; in particular:
- a) The net revenue expenditure requirement of £141.624m;
 - b) A council tax requirement of £107.783m;
 - c) The revenue growth proposals as outlined in the body of the report;
 - d) The 2023/24 revenue savings proposals as outlined in Annex 2;
 - e) The fees and charges proposals as outlined in Annex 3;
 - f) The consultation feedback as set out in Annex 4;
 - g) The Housing Revenue Account (HRA) savings proposals set out in Annex 6 and the HRA 2023/24 budget set out in Annex 7;
 - h) The dedicated schools grant proposals outlined from paragraph 186, including option 1 for allocating 3 & 4 year old early years funding to providers;
 - i) The use of £1m from reserves to fund one off investment, as outlined in paragraph 87.

Reason: To ensure that a legally balanced budget is set.

87. Capital Budget 2023/24 to 2027/28 (18:40)

The Chief Finance Officer presented a report which set out the Capital Strategy for 2023/24 to 2027/28; in particular, proposals to continue to prioritise investment in the economy, housing and transport and invest to save, and asked Executive to recommend the revised capital programme to Council.

The current programme totalled £560m, of which £177m was funded from prudential borrowing. To reduce the need for additional revenue to support the cost of borrowing, the programme had been reviewed, resulting in a proposed reduction of £2,600k as detailed in paragraphs 5 to 8 of the report. A review of assets would also be carried out, with a view to disposing of sites worth approximately £9m to support the council's financial position.

New investment proposals for 2023/24 to 2027/28, totalling £51.158m, were summarised in Table 2 at paragraph 18 and detailed in paragraphs 20-55 and Annex A. The full re-stated programme of £481.980m for the 5-year period was detailed in Annex B.

In supporting the recommendations, the Executive Member for Finance & Major Projects highlighted the need to continue to bring in external funding while reducing the pressure on borrowing.

- Recommended:
- (i) That Council agree the revised capital programme of **£481.980m** that reflects a net overall increase of **£51.158m** (as set out in table 2 at paragraph 18 of the report and in Annex A), key elements of which include:
 - a) New schemes funded by prudential borrowing totalling £1.229m as set out in Table 3;
 - b) Extension of prudential borrowing funded Rolling Programme schemes totalling £22.286m as set out in Table 4;
 - c) Extension of externally funded Rolling Programme schemes totalling £8.998m as set out in Table 6;
 - d) An increase in HRA funded schemes totalling £18.645m funded from a combination HRA balances/Right to Buy receipts as set out in Table 7.
 - (ii) That Council note that the total increase in council borrowing as a result of new schemes being recommended for approval is £23.515m, the details of which are considered

within this report and the financial strategy report.

(iii) That Council approve the full restated programme totalling **£481.980m** covering financial years 2023/24 to 2027/28, as set out in table 11 and Annex B.

Reason: In accordance with the statutory requirement to set a capital budget for the forthcoming financial year.

88. Capital Financing & Investment Strategy (18:45)

The Chief Finance Officer presented a report which asked Executive to recommend the 2023-24 capital and investment strategy to Council for approval, in accordance with the Prudential Code 2017.

The strategy, attached as Annex A to the report, set out the council's approach to business case development and risk. It remained unchanged from the previous year.

Recommended: That Council approve the capital and investment strategy at Annex A to the report.

Reason: To meet the statutory obligation to comply with the Prudential Code 2017.

89. Treasury Management Strategy Statement and Prudential Indicators for 2023/24 to 2027/28 (18:46)

The Chief Finance Officer presented a report which asked Executive to recommend to Council the treasury management strategy and prudential indicators for the 2023/24 financial year.

The report covered the council's capital plans (including prudential indicators), the minimum revenue provision policy, the treasury management strategy and the annual investment strategy.

Officers confirmed that there were no significant changes to note. The report had been considered by Audit & Governance Committee at their meeting on 18 January and no concerns had been raised.

Recommended: That Council approve:

- a) The proposed treasury management strategy for 2023/24, including the annual investment strategy and the minimum revenue provision policy statement;
- b) The prudential indicators for 2023/24 to 2027/28 in the main body of the report;
- c) The specified and non-specified investments schedule at Annex B; and
- d) The scheme of delegation and the role of the section 151 officer, in Annex D.

Reason: To enable the continued effective operation of the treasury management function and to ensure that all council borrowing is prudent, affordable and sustainable.

Cllr K Aspden, Chair

[The meeting started at 5.30 pm and finished at 6.47 pm].