
MEETING	EXECUTIVE
DATE	16 FEBRUARY 2010
PRESENT	COUNCILLORS WALLER (CHAIR), AYRE, STEVE GALLOWAY, MOORE, MORLEY, REID AND RUNCIMAN
IN ATTENDANCE	COUNCILLOR ALEXANDER

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

151. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Cllr Morley declared a personal interest in the budget proposals should any discussion arise in respect of allotments, as the keeper of an allotment, and a prejudicial interest should any discussion arise in respect of sharing care for children, being involved in an approved arrangement for sharing care.

Cllr Galloway declared a personal interest in the budget proposals should any discussion arise in respect of concessionary bus travel, as a holder of a bus pass.

152. MINUTES

RESOLVED: That the minutes of the Executive meeting held on 2 February 2010 be approved and signed by the Chair as a correct record.

153. PUBLIC PARTICIPATION / OTHER SPEAKERS

It was reported that four members of the public had registered to speak at the meeting under the Council's Public Participation Scheme, all in relation to the proposals set out in agenda item 14 (Financial Strategy 2010-2016). Requests to speak on this item had also been received from two UNISON representatives and two elected Members.

Bruce Cole spoke in respect of the proposed cuts to the Arts Service (savings proposal CS11). Although he was aware of the revised proposal for the funding of the service to be taken over by the schools, he remained concerned about the potential fragmentation of the service and the loss of the strong, centralised management and sense of strategy which had contributed to its success and high reputation.

Dr Liz Mellor, of York St John University, also commented on the proposed cuts to the Arts Service. She highlighted the strength of popular feeling in favour of the service and the potential impact upon individuals and the community of any cuts to the service, which was crucial to supporting the delivery of arts in schools. She handed in a petition against the cuts.

Malcolm Dewhirst spoke on the proposal to remove maintenance support from self-managed bowling greens and croquet facilities at Scarcroft Green and the Retreat (savings proposal LS09). He urged Members to reject the proposal, which would make only a small saving and would jeopardise a facility that meant a great deal to local people and helped residents to enjoy a healthy lifestyle.

Nick Love spoke in support of the proposals to increase funding for adult social care and looked after children, both of which were crucial service areas.

Peter Weck, of UNISON thanked Members for their revised proposal to remove savings proposal CEXES16 (deletion of a Democracy Officer post).

Heather Mackenzie, of UNISON, spoke in relation to a number of savings proposals that would have an impact on staffing and services across the authority; in particular, cuts within young people's services, the Library Service re-structure, the reduction of a Consumer Advice post within Trading Standards and the removal of the training team in Housing & Adult Social Services.

Cllr Sonia Crisp commented on the comments made on the budget at the Social Inclusion Working Group (SIWG) meeting on 28 January 2010, as set out in Annex 11 to agenda item 14. She expressed concern and disappointment at the circumstances in which the comments had been made, the manner in which the meeting had been conducted and the fact that the Executive proposed to take into account such a flawed and inadequate consultation.

Cllr Julie Gunnell also spoke about the comments made by SIWG, expressing a similar view to Cllr Crisp. She went on to support Mr Dewhirst's comments on the proposal to withdraw maintenance support from the bowling green at Scarcroft.

154. EXECUTIVE FORWARD PLAN

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

155. 10:10 CAMPAIGN AND SUSTAINABILITY UPDATE

Members considered a report prepared in response to a motion approved by Council in October 2009, signing up to the national 10:10 campaign.

The report also provided updates on some of the major projects being carried out across York with the Sustainability team.

RESOLVED: That consideration of the report be deferred.¹

REASON: To allow Officers time to further refine the proposed list of projects and incorporate any changes arising from the budget proposals.

Action Required

1. Re-schedule report on Forward Plan for a future Executive meeting MS

156. COMMUNITY STADIUM - UPDATE REPORT

Members considered a report which provided an update on the progress of the Community Stadium project.

It was reported that the project was on track and that options to take it forward would be brought to the Executive by July 2010. The feasibility work was currently being finalised and a range of options were being tested. Development appraisals for the most appropriate sites and uses were under way. The feasibility work had identified an opportunity to lever in significant funds from commercial development, which could provide the funding required to deliver the stadium, the wider community benefits and the future of the City's professional sports clubs.

Details of progress on the key strands of work undertaken since June 2009 were attached as Annex 1 to the report. It was not possible at this stage to provide specific details regarding sites, costs and uses as this might jeopardise the interests of the Council and its partners, as well as the successful delivery of the project.

RESOLVED: (i) That the progress made to date on the Community Stadium Project be noted.

(ii) That approval be given to continue with the detailed feasibility work and preparation of the business case and to further explore potential partnerships to achieve wider community benefits.

(iii) That a report summarising the business case for the project be brought to the Executive by July 2010.¹

REASON: To ensure that Members are kept informed and updated on the progress of the project.

Action Required

1. Schedule business case summary report on Forward Plan for Executive meeting in July TA

157. REVIEW OF DISCRETIONARY CONCESSIONS PROVISION AND THE INTRODUCTION OF A "TAXICARD" FOR DISABLED YORK RESIDENTS

Members considered a report prepared in response to their request, made at the Executive meeting on 20 January 2009, to explore the possibility of introducing an electronic, stored value taxi-card to replace the national transport tokens issued to disabled residents.

The report outlined the costs and implications of introducing a taxi-card and presented the following options for consideration:

Option 1 – replace the provision of national transport tokens with a stored value taxi-card and allow officers to conduct a tendering exercise, working with the taxi industry and disability group representatives to deliver best value and a product fit for purpose.

Option 2 – withdraw the provision of an alternative concession to the bus pass.

Option 3 – retain the existing arrangement for distribution of national transport tokens.

Option 1 was recommended, on the basis that this was considered the best way to ensure that eligible residents would benefit as intended from the Council's travel concessions expenditure, at a comparable cost to the current token scheme. Informal meetings had been held with the two principal suppliers of taxi cards in the UK, to understand the functionality of the product and the timescales for its introduction. Consultation had taken place with the Taxi Licensing team and the York Action Group and a meeting had been held with private hire and hackney cab operators to understand their concerns about the proposed scheme. Responses to questions posed at this meeting were detailed in Annex A to the report.

RESOLVED: (i) That the contents of the report be noted.

(ii) That approval be given to progress Option 1 and to replace the provision of national transport tokens for eligible disabled people with a stored value taxi-card.¹

(iii) That the new level of the concession be set at £55 per annum when the taxi-card is introduced.

REASON: To deliver an alternative concession to the English National Concessionary Travel Scheme (ENTS) for those who for reasons of disability cannot use the bus, which will deliver the best value and be fit for purpose.

Action Required

1. Take action to progress the introduction of taxi card scheme with concession level of £55 pa

AB

158. COMMENTS FROM THE HEALTH OVERVIEW & SCRUTINY COMMITTEE REGARDING THE REFERRAL FROM THE EXECUTIVE ON OVERSPENDS IN ADULT SOCIAL SERVICES

Members considered a report which detailed the comments of the Health Overview & Scrutiny Committee on the overspends in Adult Social Services.

The matter had been referred to the Scrutiny Committee by the Executive on 22 September 2009, following receipt of the First Performance and Financial Monitor for 2009/10. A report outlining the reasons for the overspends had been presented to the Committee on 13 January 2010, together with further information provided by Officers. The Committee had decided to forward that report to the Executive, noting that they were unable to make any comments on savings at this point in view of the potential impact of savings options on residents in the City. Furthermore, the failure of the Executive Member to attend the meeting had meant they were unable to question him on this. Further discussion had since taken place at the Executive Member Decision Session on 26 January 2010, when the Executive Member had noted, and expressed his own opinion on, the Committee's comments.

Details of the context of the referral to the Scrutiny Committee were attached at Annex A to the report and the original report to the Scrutiny Committee was attached at Annex B. The Chair of the Committee, Cllr Alexander, was in attendance to present the Committee's comments and respond to Members' questions. He expressed the view that the Committee had carried out what was required of it, in accordance with its interpretation of the Executive's request.

RESOLVED: That the Executive notes:

- The partisan way in which the referral has been handled by part of the Council's Scrutiny process;
- The increasing frustration amongst many councillors in not having the same opportunity to make comments in pre-decision scrutiny following the abolition of the Executive Member and Advisory Panel meetings;
- That there are no proposals for changes of Council policy to address the situation from the Scrutiny committee.

REASON: In response to the comments provided by the Health Overview & Scrutiny Committee.

159. THIRD PERFORMANCE AND FINANCIAL MONITOR FOR 2009-10

Members considered a report which provided details of the headline performance issues from the third performance monitor of 2009/10, covering the period 1 April to 31 December 2009.

With regard to performance, 53% of those National Performance Indicators (NPIs) with data available were improving, with 58% on track to hit their 2009-10 target. 59% of LAA indicators with data available were improving

and on track to hit their 2009-10 target. Areas of poor performance were being reviewed and benchmarked for improvement, with action being taken where appropriate. 78% of milestone actions in the Corporate Strategy were either completed or on track to hit their deadline. Of the 54 actions, two were unlikely to be completed in 2009-10.

With regard to finance (service and corporate budgets), financial pressures of £2,333k were currently identified in 2009-10. Extensive action continued to be undertaken by all directorates to contain the extent of any potential overspend. Due to a change in the funding of part of the capital programme, from a direct revenue contribution in Learning Culture & Children's Services (LCCS) to Prudential Borrowing, approval was sought to vire £124k from LCCS to Treasury Management.

RESOLVED: (i) That the performance issues identified in the report be noted.

REASON: So that corrective action can be taken on these issues by Members and directorates.

(ii) That the finance issues identified in the report be noted; in particular:

- The significant pressures arising due to the economic recession and the social care costs that are still evident across the Council.
- The requirement for growth as part of the 2010-11 Revenue Budget to build sufficient financial capacity for such areas.
- The work already undertaken within directorates to contain financial pressures.
- That work continues to identify and implement options to contain spending within budget by the end of the financial year.

REASON: So that the Council's expenditure can be contained within budget, where possible, by the end of the financial year.

(iii) That approval be given for a virement of £124k from Learning Culture & Children's Services to Treasury Management.¹

REASON: In accordance with Financial Regulations and to enable appropriate financing of the Council's capital programme.

Action Required

1. Implement the virement from LCCS to Treasury Management, as approved

JL

160. CAPITAL PROGRAMME MONITOR 3

[See also under Part B Minutes]

Members considered a report which presented the likely out-turn position of the 2009/10 Capital Programme, based upon information up to mid January 2010, and sought approval for changes to the programme and slippage of funding where required.

The current approved programme, taking into account amendments reported in Monitors 1 and 2, amounted to £67.379m, financed by £35.737m of external funding and £31.642m of internal funding. Against this an out-turn of £62.927m was predicted, representing a net decrease of £4.423m made up of:

- Adjustments to schemes, increasing expenditure by £0.105m
- The re-profiling of budgets from 2009/10 to future years of £4.528m.

Variances reported against each portfolio area were set out in Table 2 at paragraph 5 of the report.

Key outcomes of the programme, and progress to date on major schemes, were detailed in paragraph 7 of the report. Key exceptions and implications on the programme were summarised in paragraphs 9 to 33. Approval was sought to use £128k from contingency to part fund the expenditure incurred in relation to the Peaseholme Improvements works, as detailed in paragraphs 35-36.

RESOLVED: (i) That the 2009/10 revised budget of £62.956m, as set out in paragraph 5 of the report and Table 2, be noted.

(ii) That the slippage of £4.528m from 2009/10 to 2010/11 be noted.

(iii) That the use of £128 from the contingency fund in respect of the Peaseholme Improvements works be approved.¹

(iv) That the re-stated capital programme for 2009/10 to 2013/14, as set out in paragraph 43, Table 13, and detailed in Annex A, be noted.

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

Action Required

1. Take action to implement use of contingency for Peaseholme improvements, as approved

RB

161. TREASURY MANAGEMENT MONITOR 3 AND PRUDENTIAL INDICATORS 09/10

Members considered a report which provided an update on the Treasury Management performance for the period 1 April 2009 to 31 December 2009, as compared against the budget presented to Full Council on 21 February 2009.

The report reviewed performance in respect of short term investments, long term borrowing, the Venture Fund and the Treasury Management Budget, in the context of the economic environment for the first nine months of the 2009/10 financial year. It was highlighted that:

- The third quarter of the financial year had seen signs that the economy was exiting recession, as well as some improvements in the labour market and the housing market.
- In respect of short term investments, the in-house team was forecast to achieve a net trading surplus of £959k in 2009/10, equivalent to a return of 2.21%.
- The Capital Financing Requirement for 2009/10 was £118.9m, which gave a borrowing requirement of £21.1m – higher than originally expected due to capital receipts not being realised.
- Since the Administrative Accommodation project would substantially increase the need to borrow over the next three years, the markets would be closely monitored to ensure advantage was taken of favourable rates in 2009/10.
- Total loan advances on the Venture Fund stood at £785k, including £650k for the [easy@york](#) programme.
- The projected out-turn on the Treasury Management budget was £9,110k, resulting in a projected overspend of £429k (£100k less than the Monitor 2 projection).

RESOLVED: (i) That the performance of the Treasury Management activity be noted.

(ii) That the projected reduction in overspend on the Treasury Management budget, to a figure of £429k, be noted.

REASON: To ensure the continued performance of the Council's Treasury Management function.

PART B - MATTERS REFERRED TO COUNCIL

162. CAPITAL PROGRAMME MONITOR 3

[See also under Part A Minutes]

Members considered a report which presented the likely out-turn position of the 2009/10 Capital Programme, based upon information up to mid January 2010, and sought approval for changes to the programme and slippage of funding, where required.

The current approved programme, taking into account amendments reported in Monitors 1 and 2, amounted to £67.379m, financed by £35.737m of external funding and £31.642m of internal funding. Against this an out-turn of £62.927m was predicted, representing a net decrease of £4.423m made up of:

- Adjustments to schemes, increasing expenditure by £0.105m
- The re-profiling of budgets from 2009/10 to future years of £4.528m.

Variances reported against each portfolio area were set out in Table 2 at paragraph 5 of the report.

Key outcomes of the programme, and progress to date on major schemes, were detailed in paragraph 7 of the report. Key exceptions and implications on the programme were summarised in paragraphs 9 to 33. A request for additional funding for the Silver Street toilets scheme was detailed in paragraph 31, along with a request for the use of contingency and the re-allocation of the Property Key Components budget in paragraph 35.

RECOMMENDED: (i) That the net adjustments of (£4.423m) in 2009/10, £5.324m in 2010/11 and (£0.011m) in 2012/13, as set out on a scheme by scheme basis in the report and contained in Annex A, be approved.

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

(ii) That approval be given for additional funding of £25k from the Council's reserves for the Silver Street toilets.

REASON: To cover the additional costs of the scheme, incurred due to unforeseen structural problems.

(iii) That the contingency fund for £128k and £40k form the Property Key Components budget in respect of the Peaseholme Improvements work.

REASON: To cover the additional costs of the scheme, incurred to remedy the poor quality work of the previous contractor.

163. CAPITAL PROGRAMME BUDGET 2010/11 TO 2014/15

Members considered a report which presented the current position of the 2009/10 – 2013/14 capital programme, highlighted the existing funding position and associated pressures, and examined the bids received as part of this year's Capital Resource Allocation Model (CRAM) process.

The current approved programme for 2009-2013 amounted to £213.230m, financed by £87.029m of external funding and Council controlled resources

of £126.201m. The programme included three key elements – schemes fully funded by government departments, politically imperative schemes (mostly funded from corporate resources and including York Pools and the Administrative Accommodation project) and rolling programme schemes. In terms of the funding position for the programme, the capital receipts target was the most challenging ever faced by the Council. A detailed review of all approved asset sales had given a bottom line position of a £3.772m deficit over five years, due mainly to the current state of the property market. Suggested measures to address this were set out in paragraphs 14 to 17.

A total of 59 bids had been received under the CRAM process, of which 40 were fully funded, 6 were rolling programme bids and 13 required additional discretionary resources. The bids were detailed in paragraphs 21 to 65 of the report and summarised in Annex A. Schemes recommended for approval were set out in paragraphs 70 (table 5) and 77 (table 8). Proposed financing of the IT development plan and the More for York programme through prudential borrowing was outlined in paragraphs 78-80.

Members discussed and agreed some additions to the bids recommended for approval in the report. They then

- RECOMMENDED: (i) That Council approve the revised capital programme of £235.191m (amended from £234.916m), including specifically the inclusion in the programme of new schemes totalling £89.065m, as set out in the 'growth' column in Annex B to the report, plus a further Street Lighting Improvement scheme of £0.250m and £0.025m for further investment in the targeted home insulation programme to continue the £0.100m scheme commenced during 2009/10; the whole programme comprising:
- a) the bids recommended in paragraph 70 (table 5), totalling £7.618m and including the allocation of receipts to Access York Phase 1;
 - b) the additional externally funded schemes in paragraph 77 (table 8), totalling £72.860m;
 - c) the use of prudential borrowing for the IT development plan in paragraph 79 (table 9), totalling £5.141m and containing specific schemes of £1.141m, with the remaining £4m subject to further approval and for the capital element of the More for York programme as in paragraph 80, totalling £210k;
 - d) the use of HRA balances to fund HRA capital schemes, as set out in paragraph 81 (table 10), totalling £3.236m;
 - e) an additional scheme of Street Lighting Improvements of £250k, on an Invest to Save basis, with a view to achieving energy / carbon savings, the repayment period to be determined by the Director of Resources;

f) an additional scheme of £25k to continue the existing area based programme for home insulation grants in designated areas with the lowest SAP ratings and the highest incidence of fuel poverty.

(ii) That Council note the overall funding position identified in the report, which highlights a current shortfall in resources over the next five years, which the Council will need to address through increased revenue contributions in the medium term.

(iii) That Council endorse the principle of postponing asset sales until such time as the market picks up sufficiently to allow optimum values to be realised.

(iv) That Council approve the full re-stated programme as summarised in Annex B to the report and as amended by recommendation (i) above, totalling £235.191m up to 2014/15.

REASON: To set a balanced capital programme, as required by the Local Government Act 2003.

164. TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS FOR 2010/11 TO 2014/15

Members considered a report which asked them to recommend to Council an integrated Treasury Management Strategy Statement, proposed Prudential Indicators for the period 2010/11 to 2014/15 and adoption of the revised Treasury Management Policy and reporting arrangements and Scheme of Delegation.

The Local Government Act 2003 required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. In doing so, the Council must have regard to the CIPFA Prudential Code and set Prudential Indicators for at least the next three years. The Council was also required to formally adopt the CIPFA Treasury Management Code of Practice, which had been revised during 2009 in the light of the Icelandic situation in 2008. A copy of the revised Code was attached at Annex A to the report. The revised Treasury Management Policy Statement, Prudential Indicators for 2009/10 to 2013/14, Specified and non-specified investments schedule and Scheme of Delegation and Role of the Section 151 Officer were attached at Annexes B, C, F and G respectively.

The Council was currently undertaking a series of significant capital schemes that would realise revenue savings over the next 30 years. This capital investment would contribute to a rise in the Council's underlying need to borrow, from the current level of £113.1m in 2009/10 to over £160.1m in 2014/15. The borrowing strategy aimed to minimise the risks of borrowing large amounts in a single year by giving flexibility to borrow in

advance of need, so as to take advantage of favourable interest rates as they arose. It would also enable the monitoring of interest rates for debt compared to investment levels, to ensure value for money. The annual investment strategy reviewed projected interest rates over the next three years and sought to minimise the risks to the Council whilst maximising the returns involved in placing deposits on the money market.

- RECOMMENDED: (i) That Council approve:
- a) the proposed Treasury Management Strategy for 2009/10;
 - b) the Prudential Indicators for 2009/10 to 2013/14 (Annex C);
 - c) the revised CIPFA Treasury Management Code of Practice 2009 (*the Code*) and revised Treasury Management Policy Statement (Annexes A and B);
 - d) the Specified and Non-specified Investments Schedule (Annex F);
 - e) The Scheme of Delegation and the Role of the Section 151 Officer (Annex G).
- (ii) That the Financial Regulations be amended to give delegated authority to the Director of Resources to have full discretion to choose the length of the repayment period for all prudential borrowing, as set out in paragraph 35 of the report.
- (iii) That the Treasury Management reporting arrangements set out in paragraph 16, table 1, as described by the Code, and the terms of reference in the Constitution, be amended to include the requirement that the Audit & Governance Committee scrutinise the Treasury Management Strategy and Monitoring reports.

REASON: To enable the continued effective operation of the Treasury Management function and ensure that all Council borrowing is prudent, affordable and sustainable.

165. FINANCIAL STRATEGY 2010 - 2016

Members considered a report which presented a Financial Strategy for the Council for the period 2010 - 2016, including detailed Revenue Budget proposals for the 2010/11 financial year.

The report presented a balanced budget, key features of which included:

- Revenue investment of £14.794m
- A net revenue budget of £117.978m
- A Council Tax increase of 2.9%
- Funding for pupil-led aspects of education (primarily schools) of £92.905m, to be met by the Dedicated Schools Grant.

The latest estimate of the budget position for 2010/11 was set out in Annex 1 to the report. Annex 2 summarised the same information on a directorate basis. The corporate, priority investment and directorate spending pressures, including recommended revenue growth proposals of £13.786, were outlined in Annex 3. Revenue savings proposals, totalling £10.352m for 2010/11, were set out in Annex 4.

Executive Members responded individually to issues within their own portfolio areas and responded to the comments made under Public Participation / Other Speakers (Minute 153 refers). The Chair emphasised that the focus of the budget was on assisting the most vulnerable, particularly older people and looked after children, and on supporting the local economy in a climate of worsening constraints on public expenditure. It was then

- RESOLVED: (i) That the following be noted:
- a) the expenditure pressures facing the Council in 2010/11, as detailed in Annex 1 to the report;
 - b) the impacts in 2010/11 of the growth requirements and savings proposals outlined in Annexes 2 and 3;
 - c) the medium term financial factors facing the Council, as outlined in the report;
 - d) the levels of reserves projected to be held as at 31 March in 2010, 2011, 2012, 2013, 2014, 2015 and 2016 (Annex 6);
 - e) the significant future pressures identified;
 - f) the statutory advice from the Director of Resources (paragraphs 128-140);
 - g) the need to ensure that any adjustments to the proposals in the report are self-balancing, within the requirements laid down by the Director of Resources as the Council's responsible Financial Officer;
- (ii) That the following amendments be made to the proposals in the report, the combined effect of which will reduce the net expenditure by £98k and the call on Council Tax by £140k:
- Reverse saving LS04 Community Arts with new designation of 'Inclusive Arts' (£67k)
 - Reverse saving CSTRS12 Park and Ride Additional Income (£50k)
 - Reduce cost of Respark Visitor Passes to £0.90 from £1.10 (£30k)
 - Reduce running costs for Yearsley Baths (£45k saving)
 - Reverse saving CEXES 16 Democracy Officer (£27k)
 - Reverse saving CEXES17/18 Review of Responsibility Allowances (£10k)

- Reduction in Chief Executive's department of printing costs and subscriptions (£9k saving)
 - Provide from Council reserves £42k funding to maintain the Arts Consultant posts CS11, with the projection that schools will be invited to maintain funding for these posts from September 2010
 - Reduce the contingency by £270k (from £855k to £585k)
- (iii) That, in relation to the More for York Programme:
- a) The revised More for York savings set out in Annex 5a be noted.
 - b) Approval be given to undertake to incorporate into More for York a programme of efficiency in City Strategy to:
 - rationalise the administration teams in the light of changes HR, ICT, Customer Services EDRMS and Finance and
 - improve processes in Planning and Building control through better use of technology and improved customer contract arrangements.
 - c) Approval be given to undertake to incorporate into More for York a programme of efficiency in the Chief Executive's directorate to:
 - a) rationalise use of administrative buildings over the Christmas period, saving on heating, lighting etc.
 - d) A review of out of area placements for Looked After Children be incorporated into the Children's Social Care blueprint.
 - e) A revised More for York investment total of £1.241m be approved, as set out in Annex 5b, and that authority be delegated to the Chief Executive and the Director of Resources to decide on the early resourcing needs of the programme in advance of a detailed report to the Executive.
 - f) The proposal to expand the programme, focusing initially on the areas identified in the report be noted, and a further report on this be received early in the new financial year.

RECOMMENDED: That Council approve the budget proposals outlined in the report and set out in detail within the financial strategy, in particular:

- i) The net revenue expenditure for 2010/11 of £117.880m as set out in Annex 1, **amended by £0.098m.**
- ii) The housing revenue account proposals outlined in Annex 8.

- iii) The dedicated schools grant proposals outlined in the report.
- iv) The revenue growth proposals of £13.786m on-going for 2010/11, plus one-off growth of £1.008m, as outlined in Annex 3, **subject to the following amendments:**
- a) Reduce growth proposals by £0.045m as follows:
- £0.045m (from £0.123m to £0.078m) for price increases in LCCS
- b) Reject growth proposals totalling £0.255m, as follows:
- CORPG41 in the sum of £0.255m for increased corporate contingency
- c) Include new growth proposals totalling £0.030m, as follows:
- reduction in the cost of Respark visitor badges from £1.10 to £0.90 at a cost of £0.030m;
- resulting in revised figures of £13.516m for on-going growth in 2010/11, plus one-off growth of £1.008m.
- v) The revenue savings proposals of £10.352m for 2010/11 outlined in Annex 4, **subject to the following amendments:**
- a) reject savings proposals totalling £0.154m, as follows:
- CEXES 16 – delete 1 fte Democracy Officer in the sum of - £0.027m
 - CEXES 17/18 – review of responsibility allowances in the sum of - £0.010m
 - CSTRS 12 Park & Ride additional income in the sum of - £0.050m
 - LS04 Arts and Culture – cease funding the community arts service in the sum of £0.067m.
- b) amend savings proposal totalling £0.042m, as follows:
- CS11 Arts Consultants – reduce the saving from £0.100m to £0.058m in 2010/11 to defer implementation until September 2010, with the remaining £0.042m of the 2010/11 saving to be funded by the use of reserves.
- c) include new savings proposals totalling - £0.024m, as follows:

- reduction in printing costs and subscriptions in the Chief Executive's department in the sum of - £0.009m
- reduction in the corporate contingency provision in the sum of - £0.015m from £0.600m to £0.585m

resulting in a revised figure of £10.180m.

- vi) In terms of the Council's reserves, the use in 2010/11 of £0.500m from the Venture Fund and £42k from general reserves for the Arts consultants.
- vii) Use of prior year collection fund surplus of £0.288m.
- viii) That release of growth of £500k for 16/17 year olds be subject to a further report to the Executive setting out the full implications (paragraph 28).
- ix) That the £2m transfer from general balances to the capital reserve fund not be made (paragraph 52).
- x) The increase in council dwelling rents by an average of 1.83%, in line with government guidance on rent re-structuring, as set out in Annex 9.
- xi) Note the medium term financial strategy projections that indicate the need for savings / efficiencies in future years of £10m per annum.
- xii) Note that the effect of approving the income and expenditure proposals included in the above recommendations will result in an increase in the City of York element of the Council Tax of 2.7%.

REASON: In order to set a balanced budget that assists the most vulnerable and supports the local economy, whilst responding to concerns raised by residents and interested parties.

A Waller, Chair

[The meeting started at 2.00 pm and finished at 3.50 pm].