

## Notice of a public

### **Joint Budget Decision Session - Executive Leader (incorporating Policy, Strategy and Partnerships) and Executive Member for Finance & Performance**

**To:** Councillors Aspden and Ayre

**Date:** Wednesday, 13 January 2021

**Time:** 1.00 pm

**Venue:** Remote Meeting

### **AGENDA**

#### **Notice to Members – Post Decision Calling In:**

Members are reminded that, should they wish to call in any item\* on this agenda, notice must be given to Democratic Services by **4:00 pm on Friday, 15 January 2021**.

\*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent, which are not subject to the call-in provisions. Any called in items will be considered by the Customer and Corporate Services Scrutiny Management Committee.

Written representations in respect of items on this agenda should be submitted to Democratic Services by at **5.00pm on Monday, 11 January 2021**.

#### **1. Declarations of Interest**

At this point in the meeting, the Executive Leader and Executive Member are asked to declare:

- any personal interests not included on the Register of Interests;

- any prejudicial interests;
  - any disclosable pecuniary interests
- which they may have in respect of business on this agenda.

**2. Minutes** (Pages 1 - 4)

To approve the minutes of the Joint Budget Decision Session and the Executive Leader Decision Session held on 15 January 2020.

**3. Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the Executive Leader / Executive Member.

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is **Monday, 11 January 2021**.

**To register to speak please visit**

[www.york.gov.uk/AttendCouncilMeetings](http://www.york.gov.uk/AttendCouncilMeetings) to fill in an online registration form. If you have any questions about the registration form or the meeting please contact Democratic Services. Contact details are at the foot of this agenda.

Webcasting of Remote Public Meetings

Please note that, subject to available resources, this remote public meeting will be webcast including any registered public speakers who have given their permission. The remote public meeting can be viewed live and on demand at

[www.york.gov.uk/webcasts](http://www.york.gov.uk/webcasts).

During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates ([www.york.gov.uk/COVIDDemocracy](http://www.york.gov.uk/COVIDDemocracy)) for more information on meetings and decisions.

**4. Financial Strategy 2021/22 to 2025/26** (Pages 5 - 32)

This report provides background information for the council's overall Financial Strategy and presents the savings proposals and growth assumptions for the portfolios of the Executive Leader and the Executive Member for Finance and Performance,

for consideration by the Leader and Executive Member before finalisation of the overall Financial Strategy, to be presented to Executive on 11 February 2021.

## 5. Urgent Business

Any other business which the Executive Leader considers urgent under the Local Government Act 1972.

Democratic Services Contact:

Name: Fiona Young

Contact Details:

Telephone – (01904) 552030

Email – fiona.young@york.gov.uk

For more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

**This information can be provided in your own language.**

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی مہیا کی جاسکتی ہیں۔ (Urdu)

 (01904) 551550

This page is intentionally left blank

City of York Council

Committee Minutes

---

Meeting	Joint Budget Decision Session - Executive Leader (incorporating Policy, Strategy and Partnerships) and finance and Performance
Date	15 January 2020
Present	Councillors Aspden and Ayre (Executive Members)

---

## **6. Declarations of Interest**

The Executive Members were asked to declare, at this point in the meeting, any personal interests, not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests that he might have had in respect of business on the agenda. None were declared.

## **7. Public Participation**

It was reported that there had been two registrations to speak under the council's Public Participation Scheme.

Gwen Swinburn thanked the Executive for agreeing to hold these Joint Budget Decision Sessions, but questioned whether sufficient detail around savings had been included within the meeting papers. She also raised several quires regarding the Capital Budget and asked if smaller capital projects could go to Executive Member Decision Sessions for approval.

Janice Gray raised questions about why York Theatre Royal was being assigned funds in the council budget?

The Executive Members noted that York Theatre Royal was a National Portfolio Organisation and that it would therefore receive funding from the Art Council as long as City of York Council was also making a financial contribution.

## **8. Financial Strategy 2020/21 to 2024/25**

Officers introduced a report on the Financial Strategy for 2020/21 to 2024/25. Key areas in the report were discussed including the capital budget. It was noted that there was an amendment to make to annex 4, paragraph 107 of the agenda that the ICT Capital Program was receiving an increase of £350k (not £250k) from years 21/22 onwards to reflect the increased demand. Officers outlined what had been done to consult both

residents and business in the city as part of the budget process. Executive Members requested that further detail on business' responses to the consultation be included when the Financial Strategy is brought to the meeting of the Executive.

The Executive Members confirmed when the budget is presented at Budget Council meeting on 27 February 2020 it would include a detailed equality impact assessment.

Resolved:

- i. That the feedback from consultation for Leader (incorporating Policy, Strategy and Partnerships) and Finance and Performance portfolios, as set out in Annex 3 to the report, be noted;
- ii. That the following be agreed for inclusion within the overall financial strategy to be presented to Executive on 13 February 2020:
  - a) The 2020/21 revenue savings proposals for Leader (incorporating Policy, Strategy and Partnerships) and Finance and Performance portfolios, as set out in Annex 1 to the report.
  - b) The 2020/21 revenue growth proposals for Leader (incorporating Policy, Strategy and Partnerships) and Finance and Performance portfolios, as set out in Annex 2 to the report.
  - c) The new schemes for inclusion in the Capital Strategy as set out in annex 4 to the report.

Reason: To ensure that stakeholders have the opportunity to feed into the budget process in advance of the finalisations of the Financial Strategy 2020/21 to 2024/25.

Cllr. K Aspden, Executive Leader (incorporating Policy, Strategy and Partnerships)

Cllr. N Ayre, Executive Member Finance and Performance  
[The meeting started at 5.32 pm and finished at 5.56 pm].

---

Meeting	Decision Session - Executive Leader (incorporating Policy, Strategy and Partnerships)
Date	15 January 2020
Present	Councillors Aspden and Waller (Executive Members)
Apologies	

---

## 9. Declarations of Interest

The Executive Leader was asked to declare, at this point in the meeting, any personal interests, not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests that he might have had in respect of business on the agenda.

Cllr Waller declared a personal interest in relation to item 4 of the agenda, as he was a school governor at York High School and Westfield Primary school, as well as, being the Secretary at Acomb Alive! (Acomb Traders Association).

## 10. Minutes

Resolved: that the minutes of the previous meeting held on the 18 September 2019 were approved and signed by the Executive Leader as an accurate record.

## 11. Public Participation

It was reported that there had been two registrations to speak at the meeting under the Council's Public Participation Scheme, both speakers had registered to speak regarding item 4. Inclusive Growth Fund- update.

Gwen Swinburn praised the projects outlined in the report. They asked if there would be the option to extend the funding of projects outlined in the report if they were deemed a success.

Cllr. P Kilbane welcomed the use of money being used for inclusive growth, but questioned the use of an inclusive growth fund in particular to deliver several of the projects outlined in the report. They raised concerns about a perceived lack of clarity around continual funding, concerns about funds

being potentially too low to deliver inclusive growth, and concerns about the projects not being clear how they would deliver inclusive growth.

## **12. Inclusive Growth Fund - update**

The Executive Members considered a report which provided further background on the inclusive growth challenges that York faces, the approach that would be taken to address these through a new Economic Strategy, and the progress that had been made in establishing the projects outlined at the 18 September Executive Leader's Decision Session.

Extensive discussion took place around each of the eight projects included in the report. Officers confirmed that they would circulate to the Executive Members after the meeting clarity on if the Community Job Fairs project included the City Centre job fairs or if it is those outside the city centre only. The Executive Members enquired as to how each of the projects would be monitored, it was confirmed that, each project would need to be monitored differently and that further ways of monitoring would need to be developed for different projects.

Resolved:

- i. That the progress that has been made on developing the agreed projects be noted and agreed that a future report would be brought back to the Executive Leader to ensure that outcomes were delivered;
- ii. That approval was given to the commissioning of those projects as set out in paragraphs 11 to 28 of the report;
- iii. That the Executive Leader delegated the funding decision for 14+ vocational training and work projects (paragraphs 21 and 22 of the report) to the Corporate Director of Children, Education and Communities in consultation with the Executive Leader.

Reason: So that the Council develops a pipeline of projects that positively address inclusive growth in the City of York.

Cllr. K Aspden, Executive Leader

[The meeting started at 6.25 pm and finished at 6.56 pm].





---

**Joint Budget Decision Session of the Executive Leader(Incorporating Policy, Strategy & Partnerships) and the Executive Member for Finance & Performance**

**13 January 2021**

Report of the Chief Finance Officer

**Financial Strategy 2021/22 to 2025/26**

**Summary**

1. The Financial Strategy 2021/22 to 2025/26 will be presented to Executive on 11 February 2021 and Full Council on 25 February 2021.
2. The purpose of this Decision Session report is to provide background information for the overall Financial Strategy and to present the draft savings proposals, growth assumptions and capital schemes for the Leader and Finance & Performance portfolios. This will provide an opportunity for Executive Members to obtain feedback in advance of the finalisation of the overall Financial Strategy which will be presented to Executive on 11 February 2021.
3. The Council is facing unprecedented financial challenges due to the impact of the Coronavirus pandemic. Demand for Council services has increased and, at the same time, income from services (such as parking) has fallen significantly. This has generated an in-year financial pressure totalling £15m for the Council. The total financial pressure facing the Council over the next 3 years is estimated to be £25m. At this stage, due to the continued uncertainty and changes in national restrictions, it remains unclear as to the ongoing financial impact in terms of lost income and other recurring expenditure.
4. In November 2020 the Chancellor announced the Government's 1 year Spending Review, which included increased 'spending power' for local authorities. However, on analysis of the detail this is predominantly funded by Council's power to raise money through Council Tax and the Adult Social Care Precept.
5. Key assumptions for the overall Financial Strategy are as follows;

- A proposed basic council tax increase of 1.99 % in 2021/22, equating to additional income of £1.7m. Any increase above this amount would require a referendum.
  - In addition an increase of 3% in line with the government's social care precept, equating to additional income of £2.546m, which provides support for adult social care
  - Revenue savings of £7.9m in 2021/22
6. As a consequence of the Covid-19 pandemic, the Council must maintain a stable and resilient financial position for the next financial year, in the midst of this unprecedented level of uncertainty and economic challenge. Further details of the impact of Covid-19 on the Council's finances are included below in 'the national context' section.
  7. The Council also continues to face long standing financial challenges, particularly with regard to uncertainty over national funding streams and growing demand for Council services, especially within adult social care.
  8. The Council's proposed overall Financial Strategy includes significant investment to stabilise our finances to protect against the economic effects of Covid-19 and continues to invest in priority areas as outlined in the Council Plan, including adult social care and support for children, frontline services and the city's economic recovery.
  9. Recognising the unprecedented economic challenge of the pandemic and support needed for local residents, we are increasing net spending by £2.6 million on adult social care and support for children, whilst investing additional funding to protect frontline services and to accelerate our economic recovery. To enable this investment, the Council has also delivered back office efficiencies of £3 million to ensure financial prudence and that the Council is prepared to respond to future challenges and deliver services to residents and businesses more effectively.
  10. At the same time, the Council is continuing to deliver on local residents' priorities, by continuing our investment programme with a further £150k of enabling funding to support our initiatives to tackle Climate Change (which include £12m of capital investment so far), £5.8m in services which support the most vulnerable and £500k for waste and environment services to include additional staffing on waste rounds, improved city centre cleaning and effective weed control.

11. Overall £12m in additional revenue funding will be added to the Council's 2021/22 Budget to meet continuing pressures on adult social care and children's services to support the Council's response to the Covid-19 pandemic and maintain progress on the objectives outlined in the Council Plan. Specific examples of revenue investment include;

- An open and effective Council – one off revenue investment in 2021/22 of £2.5m to create a Covid-19 Recovery Fund. This will ensure that the Council can continue to fund crucial services for local residents and businesses. Given the scale of the economic challenge following the pandemic, the Council must be financially prudent and ensure emergency funding is there to support York's communities over the coming years. The Covid-19 Recovery Fund is covered in further detail below.
- Good Health & Wellbeing – revenue investment in 2021/22 of over £4.4m in adult social care, to support and care for some of the most vulnerable residents in York. This includes the costs of care, supporting adult social care staff and enabling residents to remain in their homes for longer.
- A Better start for Children and Young People - revenue investment in 2021/22 of £1.4m to support children and young people across the city, including further funding for social care staff.
- A Greener and Cleaner City – further revenue investment in 2021/22 of £500k (in addition to the £500k in 2020/21) to create a new waste and street environment service, with a new neighbourhood focus to support local communities.
- A Greener and Cleaner City – further enabling investment of £150k in 2021/22 (in addition to the £150k in 2020/21) to underpin the Carbon Reduction Strategy and support towards the Climate Change delivery programme to coordinate, develop and implement the council's ten year plan to deliver a zero carbon future for York.
- Getting around sustainably - revenue investment in 2021/22 of a further £200k one off funding to refresh the Local Transport Plan.
- Creating homes and world class infrastructure - revenue investment in 2021/22 of £1.6m to fund the prior year capital programme to continue the on-going work of the Housing Delivery Programme, York Central, Castle Gateway, the Community Stadium, Highways

investment, vehicle replacement, The Guildhall and other crucial major projects.

12. The budget proposals outlined ensure that additional investment is made into both People and Place directorates with efficiency savings being made across corporate, back office functions. Ensuring that there is the capacity to invest in council priorities and accelerate recovery from the pandemic has been a critical part of the budget deliberations.
13. Due to the uncertainty of the financial situation, and the need to invest in recovery, the Council has reviewed the level of capital investment needed and has been able to reprioritise some areas of the existing capital budget to invest in the Council's priorities and to support the city's recovery from the impacts of Covid-19. The Council's main focus is to build back better from the pandemic. This Budget continues the Council's transformational £600 million Capital Programme, to drive regeneration and accelerate the city's economic recovery.
14. Some of the key capital projects include;
  - £154m to progress the York Central scheme
  - £52m to improve the city's road network infrastructure and accelerate the delivery of flood defences, in conjunction with local and regional flood defence funding
  - £19m to progress regeneration schemes in the city, including Castle Gateway and the Guildhall
  - £64m to further develop the York Outer Ring Road, including cycling and walking improvements in the vicinity of the ring road
  - £132m to deliver more housing across the city, including affordable housing
  - £12m to invest in initiatives to tackle climate change, including funding to deliver active travel measures across the city, including new cycling measures and new routes across the city
15. This report focuses on the revenue savings and growth proposals specific to the Leader and Finance & Performance portfolios. Annex 1 provides details of savings proposals and annex 2 provides details of growth proposals. Annex 3 provides feedback from the public consultation relevant to these portfolios. Annex 4 provides details of schemes in the Leader and Finance & Performance portfolios Capital Programme.

## Recommendations

16. The Executive Members are asked to consider, in the context of the overall budget;
- The 2021/22 revenue savings proposals for their portfolio as set out in annex 1
  - The 2021/22 revenue growth proposals for their portfolio as set out in annex 2
  - The feedback from consultation to date as set out in annex 3
  - The new schemes for inclusion in the 2021/22 to 2025/26 Capital Programme as set out in annex 4

Reason: To ensure that stakeholders have the opportunity to feed into the budget process in advance of the finalisation of the Financial Strategy 2021/22 to 2025/26.

## Background

### National Context and Funding Issues

17. All aspects of the public sector are continuing to face challenging times. In recent years the council has had to deal with large reductions in funding, combined with a range of significant pressures. The additional pressure on Council finances due to Covid-19 has added to the uncertainty, just like the many thousands of businesses and organisations across the country. Demand for services has increased, at the same time income has significantly fallen.
18. The Government has failed to give Councils everything they need to respond to the pandemic. Although the Chancellor announced increased spending power for Councils, they have in fact given Councils the power to raise money through Council Tax and the Adult Social Care precept. The Government has transferred the burden to Council Tax payers.
19. The Council has responded by urging the Government to 'Back York' by investing more funding in the city and to seize the opportunities that are unique to York to drive recovery across the region. In the wake of the pandemic, the Council has stepped in where the Government has failed, including support for vulnerable residents and struggling businesses, and also with Covid-19 testing.

20. Given the continued financial challenges due to the pandemic, the Council is trying to address this by creating a Covid-19 Recovery Fund (£2.5m revenue, £1m capital) that will allow provision of the following measures, alongside a prudent amount for any further impact where we may need to react quickly to changing circumstances.
- £200k to support Covid-19 recovery efforts in local communities across the city
  - £80k will be invested to give residents cheaper Minster Parking Badges as part of our efforts to mitigate the impact on the local economy
  - £40k to provide sustainable travel incentives to support recovery and build back confidence in public transport
  - £50k will be used to assist households via the York Financial Assistance Fund, helping residents on the lowest incomes mitigate the financial impact of the pandemic
  - £50k to extend existing projects that support carers most affected by the pandemic to access resources and support, particularly for carers and individuals with a diagnosis of dementia
  - £100k to work with the local Voluntary Sector to provide additional low level Mental Health Support recognising the impact the pandemic has had on emotional wellbeing with the aim of reducing the need for NHS services.
  - £40k to support business during recovery including grants, information and networking
  - £40k for promoting the benefits of business membership organisations, such as the FSB or Chamber of Commerce
  - £50k will fund support for skills development and re-training programmes, including support for new green jobs
21. The Spending Review 2020 (SR20) announced in November 2020 would have been a multi year review but due to Covid-19 is a one year only announcement for 2021/22. Most local government funding will remain at current levels with a small amount of additional funding for Adult Social Care. The government is also providing Covid-19 related support to local authorities to cover loss of income and expenditure increases, although this will not fully compensate all the pressures.

22. The provisional settlement was announced on 17 December. It is expected that the final settlement will be announced in February, but it is unlikely to differ significantly from the provisional figures.
23. Significant uncertainty remains due to the financial effect of Covid-19 on council tax and business rates income. In addition there remains ongoing uncertainty around long standing issues which have been delayed due to Covid-19; the ongoing 'fair funding' review, the ongoing review of business rates retention and details of the business rates baseline reset. All this uncertainty increases the risks facing the Council. However, this risk is mitigated by the inclusion of a Covid contingency. Without this contingency fund the budget would not, in the view of the Chief Finance Officer, be sufficiently robust to meet the challenges ahead. Nor would it properly cover potential costs for the year ahead.

#### Local issues and challenges

24. Despite the Covid-19 funding provided by central government, an ongoing impact in future years is still expected due to a range of issues. As the city continues to recover, it is anticipated there will be significant pressures as a result of the longer term impacts on individual residents and increase in the cost of adult social care.
25. In addition, as residents and businesses respond to the economic impacts of the pandemic, it is anticipated there will be a reduction in both Council Tax and Business Rates receipts. In response to this shortfall, the Council has had to make some difficult decisions to identify some £7.9m of savings to ensure crucial council services can continue to support local residents and businesses during the difficult year ahead.
26. In addition to the direct financial consequences of the pandemic, in terms of additional expenditure and lost income, staff time and effort over recent months has clearly been dedicated to supporting residents and communities. Focussing our resources on protecting the most vulnerable has meant actions needed to deliver savings and manage some of the underlying budget pressures being experienced in social care have not been prioritised. We are also seeing an increase in social care costs directly as a result of the pandemic. These are national issues that are not unique to York and the combination of increased costs and delays in achieving savings is having a detrimental impact on all local authorities.
27. Partner organisations in the city are also experiencing unprecedented financial challenges and it is clear that the pandemic will have lasting

financial implications both on the Council and many other organisations operating in the city. Whilst the Council continues to make every effort to manage the situation and protect critical front line service delivery, through identifying efficiencies and more robust control of costs, it is unlikely that the Government funding will fully compensate the Council and this represents a significant risk to the delivery of the Council Plan and the ongoing delivery of essential services.

28. The pandemic has caused significant changes to the way the economy operates globally, nationally and locally. The long term impacts on retail, office working and tourism are all subject to a great deal of speculation. In addition, the UK has the uncertainties of the impact of Brexit and the challenges and opportunities that may bring to the York economy. York is well placed to manage these challenges, with a highly educated workforce and excellent infrastructure however the impact on Council revenue and service demands are highly unpredictable. With this unprecedented level of uncertainty in both the national and local economy it is therefore prudent to continue to plan on the basis of the current financial picture and begin to put in place mitigation and cost control strategies to bring expenditure down to within approved budgets.
29. Putting aside the impact of Covid-19, demand for council services continues to increase, with an ageing population with increased complex needs in respect of social care. There are also significant challenges in the health sector, including challenging financial positions for health partners which are in turn a significant financial risk to the council. In addition, inflation is driving costs up and there is continued pressure on many of the council's income budgets, all of which highlights the need to include a realistic and prudent contingency fund.

#### Medium Term Financial Strategy and approach to savings

30. The medium term financial strategy focuses on delivering efficiencies across all areas. Ensuring that there is the capacity to invest in key priority areas has been a critical part of previous budget decisions and will need to continue in the future.
31. This strategic approach ensures that any cross cutting implications are taken into consideration and savings in one particular area do not impact on other budgets in an unintended way.
32. Last year, all directorates were asked to consider the long term implications of a 2% per annum reduction in their controllable budgets over a 4 year period from 2020/21 to 2023/24, in the region of £4m in



each financial year. This included an assessment of options, risks, and links with Council priorities. In light of Covid-19 the savings requirement of £4m predicted last year for 2021/22 increased to £7.9m

33. Specific details of future year's savings proposals will be covered in future budget reports. The eventual scale of savings that are required over the next 4 year period will be driven by the outcomes of the future spending reviews and economic recovery, alongside the extent to which service demands affect the council. Looking beyond 2021/22 is difficult at this time given the wide range of uncertainties.

#### Principles that have shaped the budget process

34. The budget setting process has taken into account the following issues;
  - i. Consideration of the 2020/21 position.
  - ii. Consideration of unavoidable cost increases, how to create the capacity in priority areas and driving service improvement and innovation.
  - iii. Consideration of reductions in grant funding.
  - iv. Ensuring that the budget is robust and prudent and is based upon the strategic financial advice of Chief Finance Officer as s151 officer.
  - v. Ensuring there is a strong link between the capital and revenue budgets and that the delivery of priorities fully considers the two budgets hand in hand.
35. It is critical that the council continues to support a strong local economy, recognising the significant financial benefits in the form of retained business rates, and the creation of jobs. Ensuring that there is a strong link between the capital and revenue budgets to support the delivery of council priorities is essential.
36. There is a growing imperative for all councils to respond to the climate emergency and look for opportunities to develop the circular low carbon economy as part of their action to deliver council priorities and contribute to economic recovery.
37. The Capital Programme report in February will set out proposals for reprioritisation of investment. These continue the council's approach to prioritise investment in the economy, housing, transport, and to invest to save including energy efficiency. The capital budget proposals for the Leader and Finance & Performance portfolios are included in annex 4.

## Consultation

38. The council is currently consulting with residents and businesses to identify the services that matter most to them and to understand their priorities for spending the council budgets.
39. The budget consultation launched in December and closes on 31 January 2021.
40. The consultation replicated a number of question sets from previous years on council tax and the social care precept, to allow us to track and assess feedback.
41. The consultation was promoted to residents through various existing channels via the Business Intelligence team, published on the council's consultation page, and promoted via the communications teams.
42. The online survey was promoted;
  - Within the business community via existing business network links and distribution groups such as York Business Week, Make It York, BID, York Chamber of Commerce, York Federation of Small Businesses and asking them to pass on to their members.
  - To equalities groups via the equalities network.
  - Paper copies were distributed to all households in the City, through a flyer in Local Link in December, with delivery taking place over a two week period. Responses are sent back at no cost to residents via Freepost to West Offices.
43. A Facebook live session on 6th January gives members of the public the opportunity to ask questions in relation to the budget.
44. All views and data gathered during the consultation will in due course be published on the York's open data platform [www.yorkopendata.org](http://www.yorkopendata.org)
45. Annex 3 provides details of consultation feedback received to date.

## Council Plan

46. The Council Plan for 2019/2023 is based on the statutory responsibilities and the priorities of the Council. The plan is structured around 8 core outcomes, which in turn reflect the key components of a good quality of life for our residents. These are:

- **A Greener and Cleaner City** – York’s environment is protected and enhanced through investment in the Council’s frontline services working towards becoming a carbon neutral city by 2030
- **Good Health and Wellbeing** – Every resident enjoys the best possible health and wellbeing throughout their life
- **A Better Start for Children and Young People** – Families, carers and schools are supported so that every child and young person has the opportunity to develop, learn and achieve their aspirations
- **Well-paid jobs and an inclusive economy** – High skilled and better paid jobs in sustainable businesses, providing opportunities for all York’s people in an inclusive economy
- **Getting around sustainably** – More people chose to travel by public transport, walking or cycling, benefiting from improved roads, footpaths and cycle routes across the city, cutting congestion, pollution and carbon emissions, as part of renewed efforts to tackle the climate emergency
- **Creating homes and world-class infrastructure** – The right housing is available, affordable and environmentally sustainable for everyone with good quality infrastructure that supports community and local businesses
- **Safe Communities and culture for all** – Residents live safe from harm as part of strong and vibrant communities, participating in their local area and have access to a range of quality cultural activities
- **An open and effective Council** – We work as an efficient, open, transparent, democratically-led and accountable organisation, in partnership with key stakeholders, to deliver on residents priorities and achieve the council plan outcomes for our city

47. The plan focuses on outcomes rather than just on the services we provide, to help the Council and our partners work better together, rather than as a collection of individual services and activities.
48. The plan was formally approved by Council on 31 October 2019 following consultation with residents, businesses and staff.
49. The budget reflects the Council priorities with significant revenue and capital investment in a number of areas, as outlined in the summary of this report.

## Options

50. Annex 1 sets out the savings proposals for the Leader and Finance & Performance portfolios for 2021/22. The figures included in the column 2022/23 impact show the full year/ ongoing impact of decisions taken in 2021/22. Annex 2 sets out the growth proposals and Annex 3 sets out the consultation responses received to date. Annex 4 sets out the new capital schemes for the Leader and Finance & Performance portfolios.
51. The options available to the Executive Members are;
- Option 1 - to retain the savings, growth and capital proposals as set out in annex 1, 2 and 4
  - Option 2 – to add, delete or amend proposals, noting that any adjustments made should have a net nil effect with reference to the overall budget.

## **Analysis**

52. The service areas within these portfolios deliver a range of professional support (finance, legal, HR), the Councils ICT infrastructure, a wide range of customer services (customer centre, benefits,) and collects income (council tax, NNDR, service related issues e.g. adult care). These include statutory functions such as the production of the accounts, production of a budget, benefits, collection of council tax/NNDR and providing support to all other Council services.
53. The Council will focus on the use of technology to improve customer experience and drive efficiencies with a focus on improved procedures and greater web based solutions.
54. The focus of the budget is to deliver back office efficiencies to ensure resources can be targeted at supporting our most vulnerable residents and front line services are maintained. We continue to strive to deliver services to residents and businesses more effectively and efficiently.

## **Equalities**

55. An impact assessment has been completed for each individual saving. Once the savings are finalised, an assessment will be completed on the overall impact of the budget proposals using the Better Decision Making Tool and will be published in the budget report to Executive in February. The impact assessment considers risks associated with savings proposals to ensure any negative impact for a particular group, sector or

community is eliminated or counterbalanced. Decisions taken will also consider the impact on the Councils carbon budget alongside benefits such as improvements to service users or a reduction in energy costs.

56. The financial strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget set is prudent, protects vulnerable people and has capacity to invest. The strategy could have an impact on the following communities;

- Age
- Disability
- Gender
- Carers
- Lower income groups

57. This impact can be mitigated by investment targeted to these same communities. The key approaches to achieving savings whilst avoiding impacts on communities of identity include;

- Ensuring that savings are made from back office functions and universal services
- Protecting statutory services and other key services for vulnerable residents
- Increasing community involvement in service redesign and delivery
- Making services self-financing wherever practicable, including external trading
- Maximising the return from externalised service provision
- Redesign of existing services and external contracts
- Placing a focus on prevention and ceasing service provision only where this is least impact
- Streamlining services to provide focussed support and reduce areas of duplication
- Supporting carers
- Integrated working with health
- Focussing growth where it is expected to have a positive effect on older or disabled people and their carers

### **Specialist Implications**

58. This report has the following implications;

### **Financial**

59. The financial implications are contained within the body of the report. Due to the continued, significant uncertainty in both national and local government finances and the resulting increase in risk, a specific Covid contingency is included within the budget proposals to mitigate this risk and ensure the proposals outlined deliver a robust, balanced budget. This is also covered in the risk management section of this report.

### **Human Resources (HR)**

60. The savings proposals contained within the overall budget will require the reduction of some posts in 2021/22. Further details will be provided in the February report to Executive.
61. As implementation plans to achieve these post reductions are produced the specific staffing implications will be clear and staff consulted on the proposals. The type of change affecting staff in 2021/22 is likely to be a mixture of post reductions and working for redesigned services, some of which may no longer be delivered by the council.
62. The HR implications of change are managed in accordance with established council procedures. As part of this process consultation with trade unions and affected staff will continue to be undertaken and every opportunity will be explored to mitigate compulsory redundancies, such as vacancy controls, flexible working, voluntary redundancy / early retirement and extended redeployment. Where consideration is being given to the transfer of services to another provider TUPE will apply which will protect the terms and conditions of employment of transferring staff.
63. A programme of support for staff who are going through change is in place which will help staff adapt to changes to the way they will need to work or to prepare for a move into a new role.

### **Legal**

64. The contents of this report are for information only at this stage. The legal implications of the budget setting process will be covered in detail in the report to Executive in February.

### **Risk Management**

65. An assessment of risks is completed as part of the annual budget setting exercise and will be reported in the February report to Executive. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

66. The budget proposals include a COVID contingency sum to allow the Council to respond quickly during the early part of the new financial year and mitigate against any new risks as a result of the changing situation in relation to the pandemic. Without this contingency fund, the budget would not, in the view of the Chief Finance Officer, be robust enough. Nor would it properly cover potential costs for the year ahead.
67. As the Council's Section 151 Officer, the Chief Finance Officer has a statutory responsibility for ensuring that the Council makes arrangements for the proper administration of its financial affairs. Section 114 of the Local Government Finance Act 1988 requires a report to all Council members to be made by the s151 officer, in consultation with the Monitoring Officer, if there is or is likely to be an unbalanced budget.

### Contact Details

**Author:**

Sarah Kirby  
Principal Accountant

Emma Audrain  
Technical Accountant

**Chief Officer Responsible for the report:**

Debbie Mitchell  
Chief Finance Officer

**Report  
Approved**

**Date** 31/12/20

**Wards Affected:** List wards or tick box to indicate all

**All**

**For further information please contact the authors of the report**

Background Papers:

Budget Consultation available at [www.yorkopendata.org](http://www.yorkopendata.org)

Annexes:

1 – 2021/22 Savings Proposals for Leader and Finance & Performance portfolios

2 – 2021/22 Growth Proposals for Leader and Finance & Performance portfolios

3 – Consultation feedback received to date

4 - Capital Strategy 2020/21 to 2024/25 – Details of schemes for Leader and Finance & Performance portfolios



## Annex 1 2021/22 Savings Proposals for Policy, Strategy &amp; Partnerships, Finance &amp; Performance

Ref	Portfolio	Proposal Description	2021/22 Impact £000	2022/23 Impact £000	Total Saving Impact £'000
F&P1	Finance & Performance	<b>Commercial Property</b> Income growth from Commercial Portfolio	(75)		(75)
F&P2	Finance & Performance	<b>Commercial Property</b> Reduction in budget requirement to maintain surplus property assets held by the council.	(50)		(50)
F&P3	Finance & Performance	<b>Internal Audit</b> Improved efficiency and ways of working to reduce charges paid to Veritau	(20)		(20)
F&P4	Finance & Performance	<b>Finance Team</b> A restructure of the finance function will provide improved ways of working to generate an ongoing efficiency saving through staff reductions	(50)		(50)
F&P5	Finance & Performance	<b>Cross Cutting Management Review</b> Council wide management review to restructure posts	(125)		(125)
F&P6	Finance & Performance	<b>Training</b> Reduce council wide training budget by moving more training online and deleted budgets which are no longer required	(70)		(70)
F&P7	Finance & Performance	<b>Legal Services</b> Savings will be delivered from staffing efficiencies and reduced external legal fees	(15)		(15)
F&P8	Finance & Performance	<b>Business Support and Payroll</b> A review of staffing structures, including vacancy management and a reduction in the stationery budget.	(300)		(300)
F&P9	Finance & Performance	<b>Facilities Management</b> Increase in partner rental income through annual rent reviews and additional income target on cleaning services	(55)		(55)
F&P10	Finance & Performance	<b>Commissioning &amp; Design, Facilities Management</b> A restructure of the service will provide improved ways of working to generate an ongoing efficiency saving through staff reductions	(137)		(137)
F&P11	Finance & Performance	<b>Business Intelligence</b> Continuing the consolidation of statutory data and reporting activity across the organisation as well as: <ul style="list-style-type: none"> <li>• Increased income from external sources;</li> <li>• Automation of existing processes allowing staff reduction;</li> <li>• Using Innovation grant funding;</li> <li>• Small reduction in staff on-costs;</li> <li>• Possible reduction within 4 year period of ASC/health statutory returns to NHS digital and support to schools, both of which allow for reduction in staffing</li> </ul>	(44)		(44)
F&P12	Finance & Performance	<b>Health &amp; Safety</b> Negotiate a reduced contribution to the Shared Service.	(8)		(8)
F&P13	Finance & Performance	<b>ICT</b> A restructure of the ICT function will provide improved ways of working to generate an ongoing efficiency saving through staff reductions	(250)		(250)
F&P14	Finance & Performance	<b>Registrars and Bereavement Services</b> Increased income from additional non-statutory Income generation opportunities	(10)		(10)
F&P15	Finance & Performance	<b>Customer Services</b> Ensuring that it is easy for customers to access services in the ways that best suit them will deliver efficiencies in service operation	(25)		(25)
F&P16	Finance & Performance	<b>Mansion House</b> Review staffing at Mansion House	(72)		(72)
F&P17	Finance & Performance	<b>Treasury Management</b> Saving on the cost of borrowing by reviewing the way charges are calculated and ensuring they reflect the life of the asset	(850)		(850)
F&P18	Finance & Performance	<b>HR Policies</b> Introduce a range of flexible HR policies such as offering flexible approach to contracted hours, buy back of annual leave	(250)		(250)
F&P19	Finance & Performance	<b>Office Accommodation</b> Following the extended working from home period during Covid-19, take the opportunity to consult with staff to consider different ways of working in the longer term	(375)		(375)
F&P20	Finance & Performance	<b>HR Cost Control Measures</b> Continuation of council wide cost control measures including vacancy management, reduction in agency and other temporary staff, overtime and additional hours.	(500)		(500)

**Total Savings**    **(3,281)**    **0**    **(3,281)**

This page is intentionally left blank

## Annex 2 - Growth Proposals 2021/22 for Policy, Strategy & Partnerships, Finance & Performance

Portfolio	Council Priority	Growth Proposal	2021/22 £000	2022/23 £000	Total £000
<b>Pay and Prices Growth</b>					
Finance & Performance	An open and effective Council	Pay Award and Pension - Based on national pay award	200		200
Finance & Performance	An open and effective Council	Prices contingency to cover contractual price increases across Corporate Services contracts, predominantly in ICT	620		620
<b>Unavoidable Budgetary Pressures Growth</b>					
Finance & Performance	Creating homes and world class infrastructure	To fund prior years increase to the capital programme, including Housing Delivery Programme, York Central, Castle Gateway, the Community Stadium, Highways investment, vehicle replacement, The Guildhall and other crucial major projects.	1,636		1,636
<b>TOTAL Recurring Growth</b>			<b>2,456</b>	<b>0</b>	<b>2,456</b>
<b>Full year effect from 2020/21 budget</b>					
Finance & Performance	An open and effective Council	Funding to undertake an organisational development programme to ensure delivery of key Council priorities	30		30
<b>One off Growth</b>					

Finance & Performance	An open and effective Council	<ul style="list-style-type: none"> <li>• £200k to support Covid-19 recovery efforts in local communities across the city</li> <li>• £80k to give residents cheaper Minster Parking Badges as part of our efforts to mitigate the impact on the local economy</li> <li>• £40k to provide sustainable travel incentives to support recovery and build back confidence in public transport</li> <li>• £50k to assist households via the York Financial Assistance Fund, helping residents on the lowest incomes mitigate the financial impact of the pandemic</li> <li>• £50k to extend existing projects that support carers most affected by the pandemic to access resources and support, particularly for carers and individuals with a diagnosis of dementia</li> <li>• £100k to work with the local Voluntary Sector to provide additional low level Mental Health Support recognising the impact the pandemic has had on emotional wellbeing with the aim of reducing the need for NHS services.</li> <li>• £40k to support business during recovery including grants, information and networking</li> <li>• £40k for promoting the benefits of business membership organisations, such as the FSB or Chamber of Commerce</li> <li>• £50k for skills development and re-training programmes,</li> </ul>	2,500		2,500
<b>TOTAL One off Growth</b>			<b>2,530</b>	<b>0</b>	<b>2,530</b>

# City of York Council



## Budget Consultation 2021/22

### Interim Results 03/01/2021 (Quantitative Questions Only)

The online Budget Consultation 2021/22 opened on 15/12/2020 and closes on 31/01/2021. Additionally, a paper version of the survey was sent to households inside the Local Link publication, also with a closing date of 31/01/2021.

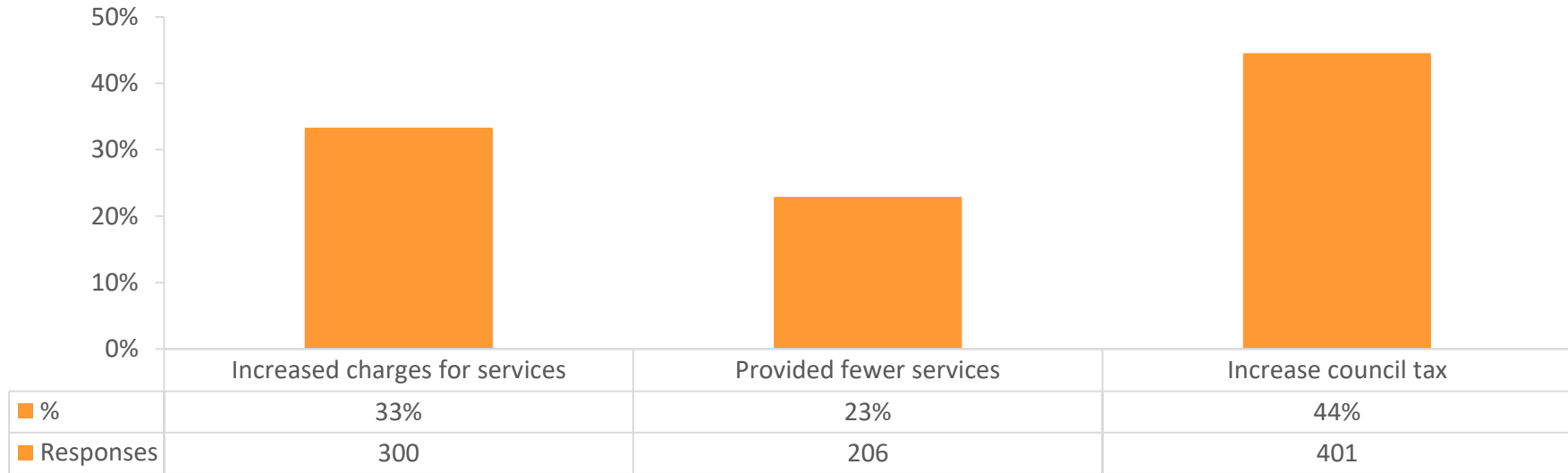
This reports presents the online responses received up until 03/01/2020 at which point a total of 787 residents and businesses participated.

The consultation gives residents and businesses of York the opportunity to put forward their views to help the council make decisions and deliver the budget for 2021/22.

The consultation results and the raw data will be made available on the council open data platform [www.yorkopendata.org](http://www.yorkopendata.org).

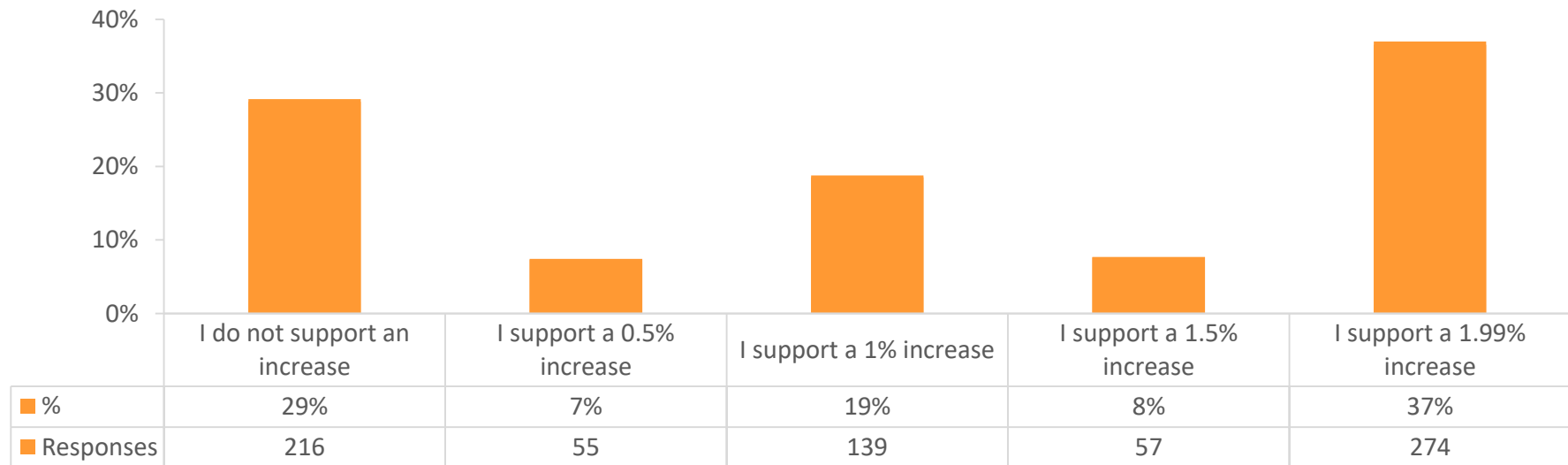
**Council Tax**

To accelerate recovery and balance the budget, would you rather we; Please select all that apply



(n=729)

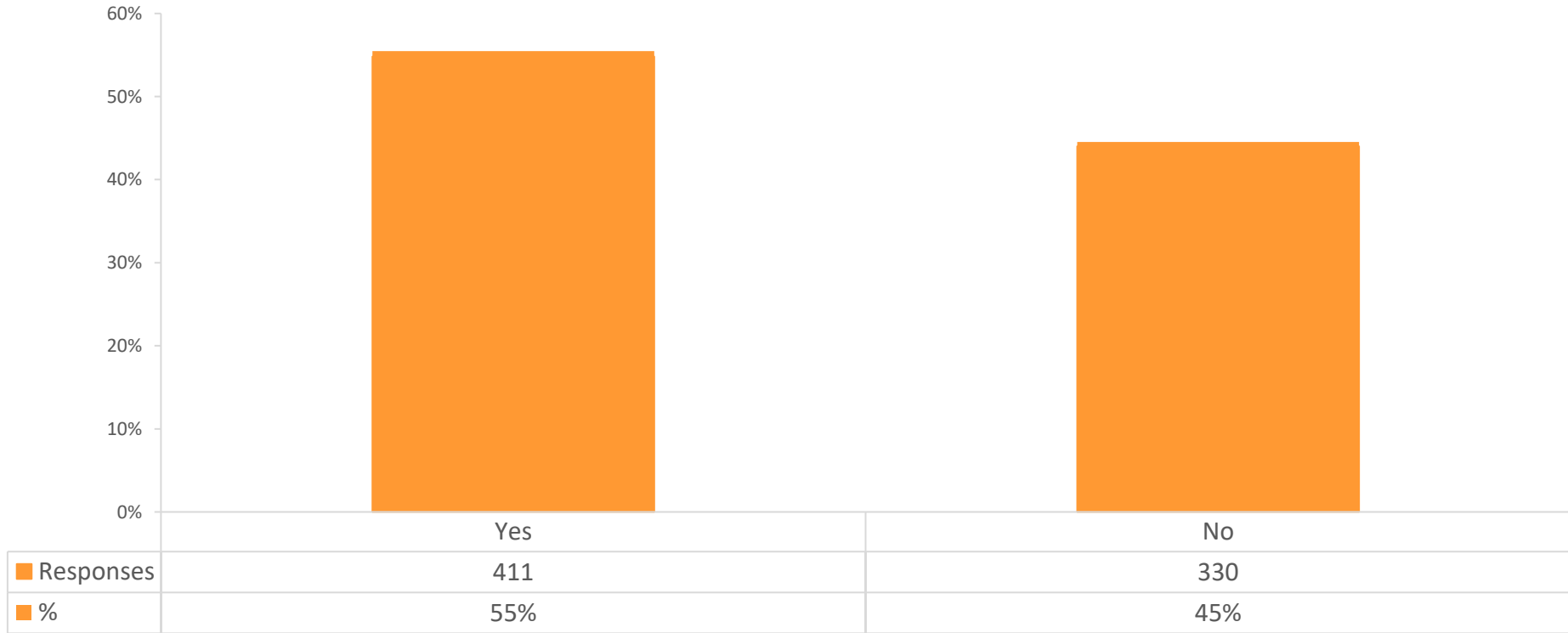
**Do you support an increase in council tax to balance the budget and if so by how much?**



(n=741)

**Social Care Precept**

**Do you support taking the full social care precept of 3%?**



(n=741)

## Budget Priorities

Do you agree or disagree that we should prioritise:

	Disagree	Disagree (%)	Agree	Agree (%)	Neither	Neither (%)
Accelerate city wide recovery (as a priority)	133	18.34%	370	51.03%	222	30.62%
Prioritise our public health response to the pandemic, including support for mental health	71	9.70%	533	72.81%	128	17.49%
Top-up business grants provided by the government	339	46.82%	162	22.38%	223	30.80%
Provide targeted financial support for those who need it the most	97	13.27%	476	65.12%	158	21.61%
Support local communities to recover from the pandemic	141	19.37%	350	48.08%	237	32.55%
Maintain and develop highways and infrastructure assets, including cycling/walking	178	24.45%	402	55.22%	148	20.33%
Maintain and refurbish parks, play areas and libraries	181	24.83%	361	49.52%	187	25.65%
Maintain and develop leisure facilities	235	32.37%	241	33.20%	250	34.44%
Maintain and upkeep schools	70	9.60%	515	70.64%	144	19.75%
Explore additional investment to generate more income for front line services	116	15.91%	450	61.73%	163	22.36%



## Budget Priorities

### Areas respondents agree should be prioritised

Prioritise our public health response to the pandemic, including support for mental health	73%
Maintain and upkeep schools	71%
Provide targeted financial support for those who need it the most	65%
Explore additional investment to generate more income for front line services	62%
Maintain and develop highways and infrastructure assets, including cycling/walking	55%
Accelerate city wide recovery (as a priority)	51%
Maintain and refurbish parks, play areas and libraries	50%
Support local communities to recover from the pandemic	48%
Maintain and develop leisure facilities	33%
Top-up business grants provided by the government	22%

This page is intentionally left blank

Scheme name	Portfolio	20/21	21/22	22/23	23/24	24/25	25/26	Total
	Holder	£000	£000	£000	£000	£000	£000	£000
<b>Funded Fully by Borrowing:</b>								
IT Development plan	F&P	2,367	2,690	2,420	2,420	1,670	2,170	13,737
Project Support Fund	F&P	577	200	200	200	200	200	1,577
Community Stadium - CPB element	F&P	1,375	-	-	-	-	-	1,375
<b>Covid Recovery Fund</b>	<b>F&amp;P</b>	<b>-</b>	<b>1,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,000</b>
Capital Contingency	F&P	802	-	-	-	-	-	802
Removal of Asbestos	F&P	52	200	-	-	-	-	252
Crematorium Waiting Room	F&P	50	200	-	-	-	-	250
West Offices - Major repairs	F&P	237	-	-	-	-	-	237
Photovoltaic Energy Programme	F&P	131	40	-	-	-	-	171
Replacement of 2 Cremators	F&P	153	17	-	-	-	-	170
IT Superconnected Cities	F&P	-	120	-	-	-	-	120
Hazel Court welfare facilities	F&P	10	90	-	-	-	-	100
Registry office Phase 2 Refurbishment	F&P	50	30	-	-	-	-	80
Guildhall - CPB Element	F&P	10,729	4,050	-	-	-	-	14,779
Castle Gateway (Picadilly Regeneration)	F&P	1,000	2,541	-	-	-	-	3,541
Asset Maintenance + Critical H&S Repairs	F&P	237	200	250	250	250	250	1,437
Holgate Park Land – York Central Land and Clearance	F&P	397	-	-	-	-	-	397
29 Castlegate	F&P	-	270	-	-	-	-	270
Commercial Property Acquisition incl Swinegate	F&P	208	-	-	-	-	-	208
Shambles Modernisation - Power	F&P	-	180	-	-	-	-	180
Community Asset Transfer	F&P	-	175	-	-	-	-	175
Shambles Health & Safety	F&P	27	-	-	-	-	-	27
York Central - CPB Element	PSP	2,300	10,000	12,862	14,500	-	-	39,662
York Central	PSP	75	-	-	-	-	-	75
<b>External element of Part CPB borrowed schemes</b>								
Guildhall - External element	F&P	300	-	-	-	-	-	300
York Central Infrastructure - External element	PSP	-	10,538	67,138	36,620	-	-	114,296
<b>Funded by other internal sources eg capital receipts</b>								
Fire Safety Regulations - Adaptations	F&P	-	77	-	-	-	-	77
<b>Fully Externally Funded</b>								
Community Stadium	F&P	844	-	-	-	-	-	844
Mansion House Restoration	F&P	46	-	-	-	-	-	46

This page is intentionally left blank