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MEETING	EXECUTIVE
DATE	12 FEBRUARY 2008
PRESENT	COUNCILLORS STEVE GALLOWAY (CHAIR), ASPDEN, SUE GALLOWAY, JAMIESON-BALL, REID, RUNCIMAN, SUNDERLAND, VASSIE AND WALLER

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## **PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS**

### **154. 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. The following interests were declared:

- Cllr Reid – a personal, non prejudicial interest in agenda item 10 (Capital Programme Budget), as a member of the Company of Cordwainers, in view of their association with one of the properties referred to in the exempt annex to this item.
- Cllr Waller – a personal, non prejudicial interest in agenda item 10 in relation to the York High project, as Chair of the York High School governing body.

### **155. EXCLUSION OF PRESS AND PUBLIC**

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex A to agenda item 10 (Capital Programme Budget 2008/08 to 2010/11), on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

### **156. MINUTES**

RESOLVED: That the minutes of the Executive meeting held on 29 January 2008 be approved and signed by the Chair as a correct record.

## **157. PUBLIC PARTICIPATION / OTHER SPEAKERS**

It was reported that there had been two registrations to speak at the meeting under the Council's Public Participation Scheme, both in relation to agenda item 9 (Revenue Budget 2008/09).

Maggie Bennett spoke on behalf of the Sycamore House Users' Group, regarding the potential closure of the CYC component of Sycamore House (savings option no. HSHS2 in Annex 5 to the report). She expressed delight and thanks in response to the Chair's indication that this savings option would not form part of the Executive's recommendations to Council but asked that, should any such option be put forward in future, the Users' Group be consulted in advance. This would prevent a great deal of distress and anxiety. She handed over a petition that had been prepared in objection to cuts to the service at Sycamore House.

With the Chair's permission Ben Drake, of UNISON, also addressed the meeting in relation to the Revenue Budget proposals. He acknowledged the hard work that had gone into limiting the effects of the proposed savings on staff and services. However, he expressed strong objection to the proposed cuts to the Home Support Service and amalgamation of Home Care teams (proposals HSMS 3, HSMS 4 and HSMS 5 in Annex 4), on the grounds that these would result in pressure on other service areas, an increase in mileage allowance costs and vehicle use, and a loss of staff morale.

## **158. EXECUTIVE FORWARD PLAN**

Members received and noted details of those items that were currently listed on the Forward Plan for the next two Executive meetings.

## **159. IMD AND A STRATEGIC RESPONSE**

Members considered a report which responded to a request made at the Executive meeting on 18 December 2007 (Resolution (ii) of Minute 124 refers). The report presented proposals to instigate a pilot project to tackle deprivation in an area of the City, based upon the latest published information on the Index of Multiple Deprivation (IMD).

The latest IMD figures, published in 2007, were based upon data collected in 2005 so might not accurately describe the current situation. However, they enabled a comparison to be made with the figures for 2001. Overall, York's levels of deprivation were decreasing, but one "Super Output Area" (SOA) remained particularly disadvantaged. Average scores for the wards in York, based upon the total SOA scores within those wards were set out in tabular form in paragraph 4 of the report.

It was recognised that a more detailed analysis was required to understand the reasons behind the figures. However, rather than delay it was suggested that the Council lead and manage a pilot multi-agency programme, to tackle deprivation initially in one geographical location in

the City, within the Westfield Ward. The lessons learned would be reported back to the Council and the Without Walls Board. Details of the proposal were set out in paragraph 9 of the report. Members commented that they would expect any techniques proven to work during the pilot to be rolled out to similar neighbourhoods across the City.

Having noted the comments of the Shadow Executive, it was

RESOLVED: That the following actions, as set out in paragraph 9 of the report, be agreed as a response to the new published information on the Index of Multiple Deprivation:

- a) The Council will lead and manage a pilot multi-agency programme, involving where appropriate the Ward (Planning) Committee, which will tackle deprivation initially in one geographical area of the City.
- b) The lessons learned and the results of this action will be reported back, at regular intervals, to the Council and the WoW Board, to inform the partnership on how best to develop a city-wide approach to tackling deprivation.
- c) The pilot team will be tasked to:
  - Examine the likely causes of deprivation and consider appropriate responses
  - Assemble a working budget
  - Aim to reduce deprivation in one area of the City
  - Identify effective leadership roles to deliver actions and outcomes
  - Develop and deliver proposals which provide outcomes supporting existing strategies of partnership agencies
  - Establish a template for a city-wide approach to tackling deprivation
  - Suggest how partners' resources might be better used through a joint approach
  - Develop interim success measures prior to the next IMD in four years' time
  - Develop a reporting mechanism for actions and results.<sup>1</sup>

REASON: To reduce deprivation in the City and to inform the Council and the Local Strategic Partnership on the development of an appropriate city-wide response to deprivation.

#### Action Required

1. Establish a pilot team, with appropriate membership, with a remit to perform the tasks set out and an appropriate reporting mechanism. JB

**160. CITY OF YORK LOCAL DEVELOPMENT FRAMEWORK (LDF) – ALLOCATIONS DEVELOPMENT PLAN DOCUMENT (DPD)**

Members considered a report which sought approval to publish the Local Development Framework (LDF) Allocations Development Plan Document (DPD) for consultation purposes, subject to the amendments recommended by the LDF Working Group at their meeting on 22 January 2008.

Each DPD within the LDF was required to go through three stages of production. The Allocations DPD, which set out the Council's position on site allocations in York, was currently at the Issues and Options stage. A copy of the DPD was attached as Annex A to the report, together with the Map Annex and Response Form at Annexes B and C. Minutes of the LDF Working Group meeting, setting out the Group's recommended amendments, were attached as Annex D.

Members considered the following options:

**Option 1** – to approve the DPD for consultation purposes subject to the recommendations of the LDF Working Group;

**Option 2** – to make further amendments to the DPD before approving it for consultation;

**Option 3** – to defer the DPD and request further work from Officers.

Having noted the comments of the Shadow Executive, it was

RESOLVED: (i) That the changes recommended by the LDF Working Group be accepted and that the draft Issues and Options document at Annex A be approved for public consultation subject to those changes being made, in accordance with Option 1.<sup>1</sup>

REASON: So that the Allocations DPD can be progressed to its next stage of development, as highlighted in the Council's Local Development Scheme.

(ii) That authority be delegated to the Director of City Strategy, in consultation with the Executive Member and Shadow Executive Member for City Strategy, to make any incidental changes to the draft document that are necessary as a result of the Executive's decisions.<sup>2</sup>

REASON: So that the changes recommended as a result of discussions at this meeting can be made.

(iii) That authority be delegated to the Director of City Strategy, in consultation with the Executive Member and Shadow Executive Member for City Strategy, to approve a Consultation Strategy and the final layout of the document that will set out the Issues and Options consultation methodology.<sup>3</sup>

REASON: To ensure that the proposed methods of consultation are satisfactory to Members.

Action Required

1. Release the Allocations DPD for public consultation. JB
2. Make incidental changes to draft document to incorporate LDF recommended amendments. JB
3. Approve Consultation Strategy and final layout of document. JB

**161. URGENT BUSINESS - ACCESS YORK MAJOR SCHEME BID: PHASE 1. PROPOSED SUBMISSION TO THE REGIONAL TRANSPORT BOARD**

Members considered a report which sought their endorsement for the submission of a bid for funding from the Regional Transport Board for the development of three Park and Ride sites in the City of York. The Chair had agreed to take this item under Urgent Business because the submission deadline fell before the date of the next Executive meeting. Due to the publication date of the invitation for bids and the work required to complete the bid, it had not been possible to prepare the report at an earlier stage.

The report outlined the background to the proposed bid, which was intended to secure funding for key proposals identified in the current phase of the Local Transport Plan (LTP). It would be submitted using the Major Scheme Bid process, introduced in 2006 to give the Regions more control over a Regional Funding Allocation (RFA) for certain major transport schemes. The main elements of the Access York proposal were:

- Phase 1 – two new, and one replacement, Park & Ride sites
- Phase 2 – Outer Ring Road improvements.

The invitation for the submission of bids issued by the RTB on 14 December 2007 required all bids to be submitted by 15 February 2008. Bids must be for schemes with estimated costs below £30m, deliverable before 2013/14. It was therefore proposed to progress Phase 1 of the Access York scheme at this stage and submit a proposal for Phase 2 in the autumn. Maps showing the location of the replacement Park & Ride site, at Askham Bar, and the two new sites, on the A59 and Wigginton Road, were attached as Annex 1 to the report. Preparatory costs of the bid, estimated as approximately £200k, would need to be provided from Council resources as they were not recoverable through the bid process. A contingency item of £164k was included in the proposed budget for 2008/09.

Members thanked Officers formally for the work they had carried out to progress this matter.

Having noted the comments of the Shadow Executive, it was

RESOLVED: (i) That the submission of the bid to the Regional Transport Board for the funding of three Park & Ride sites be endorsed.<sup>1</sup>

(ii) That the expenditure of contingency funding up to a limit of £164k to progress the bid be authorised, subject to the acceptance of the 2008/09 budget by full Council and acceptance of the bid by the Regional Transport Board.<sup>2</sup>

REASON: To obtain funding to develop the Park & Ride service in the City.

Action Required

1. Submit bid to meet deadline date. JB
2. Make any necessary adjustments to budget records, subject to acceptance of budget and bid. JB

**PART B - MATTERS REFERRED TO COUNCIL**

**162. TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS FOR 2008/09 TO 2011/12**

Members considered a report which asked them to recommend to Council an integrated Treasury Management Strategy Statement (include the annual investment strategy), proposed Prudential Indicators for 2008/09 to 2011/12 and the use of the revised Treasury Management Policy and Treasury Management Practices.

The Local Government Act 2003 required the Council to set out its Treasury Strategy for borrowing and to prepare an Annual Investment Strategy setting out its policies for managing its investments. In doing so, the Council must have regard to the CIPFA Prudential Code and set Prudential Indicators for a minimum of the next three years.

The suggested Strategy for 2008/09, detailed in paragraphs 12-40 in the report, was based upon the Director of Resources' views on interest rates, supplemented by market forecasts provided by the Council's treasury management advisors. The Prudential Indicators for 2008/09 to 2010/11, with a description of what each indicator represented, were set out in Annex A. The Treasury Management Policy Statement and Practices, revised for the 2008/09 financial year as recommended in the Code of Practice, were attached as Annexes D and E to the report.

Having noted the comments of the Shadow Executive, it was

- RECOMMENDED: That Council approve:<sup>1</sup>
- a) The Prudential Indicators for 2008/09 to 2010/11, as set out in Annex A to the report;
  - b) The proposed Treasury Management Strategy for 2008/09 to 2010/11, as detailed in paragraphs 12 to 40;

- c) The revised Treasury Management Policy and Treasury Management Practices, as contained in Annexes D and E.

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

Action Required

1. Refer recommendations to Budget Council.

GR

**163. REVENUE BUDGET 2008/09**

Members considered a report which presented the Revenue Budget proposals for 2008/09, detailed the financial position for the Council in 2009/10 and 2010/11 and asked them to recommend the budget proposals to full Council.

The report presented a balanced budget for 2008/09, with the following key features:

- a) Revenue investment of £15.822m, to be funded by:
- Revenue savings of £4.296m
  - An additional £4m from a Council Tax rise of 4.95%
  - Meeting £1.823m one-off expenditure from reserves
  - Additional Revenue Support Grant funding of £4.023m
  - A reduced contribution from the collection fund surplus (£0.65m)
- Other budget adjustments and non-general grant totalling £2.33m
- b) A net revenue budget of £112.423m, to be funded by:
- Council Tax income of £68.234m
  - Government grant of £42.366m
  - Use of reserves of £1.823m
- c) Funding for pupil-led aspects of education of £86.329m, to be met by the Dedicated Schools Grant.

The recommendations were based upon a set of proposed growth and savings items which, when amalgamated with the grant settlement and Council Tax increase, produced a balanced budget. These included efficiency savings and income generation proposals of £4.296m, to help fund rising budget pressures and keep Council Tax down. Key issues that could add significant pressure to this and future budgets included:

- The deficit on the pension fund
- The introduction of job evaluation
- The future costs of waste management
- The increasing numbers of elderly persons requiring services
- The threatened cuts in grants for 'supporting people'
- The Highways PFI bid and funding needed to address the backlog of works to the highways infrastructure and work to Council buildings.

As part of the budget process, a comprehensive consultation exercise had been carried out, feedback from which was contained in Annex 11 to the report. Other options that had formed part of this consultation but were not currently included in the budget proposals were detailed in Annex 5. Members were invited to consider which of these options to include in their recommendations to Council.

Executive Members responded individually on those aspects of the budget proposals that fell within their respective portfolio areas. With reference to the issues raised under Public Participation, the Executive Member for Adult Social Services noted that changes to the Home Support Service were needed to release capacity for use in other areas of home care, particularly high dependency, where demand was greater. The changes would only affect a very small number of staff, mainly those in supervisory roles.

Having noted the comments of the Shadow Executive, it was

RECOMMENDED: (i) That Council agree the following amendments to the budget proposals:<sup>1</sup>

- a) A reduction of the proposed Council Tax increase from 4.95% to 4.75% and consequent amendment of the income figure used (Annex 1).
- b) An addition to potential calls on contingency of a possible increase in expenditure on Scrutiny activities (Annex 2).
- c) **Acceptance** of the following savings and growth options for consultation listed in Annex 5:

Savings:

- Corpnew2 – remove contingency for capital programme running costs (£350k)
- CSMS2 – increase Standard Stay Car Parking Charges by 20p for visitors (£250k)
- HSHS12 – reduction in mediation service (£35k)
- NSNS4 – reduce gum busting carried out, by targeting priority areas (£17k)
- LCHS – Archive one day closure (£16k)
- NSLS4 – increase entry charge to Union Terrace Toilets from 20p to 30p (£10k)
- LCMDS5 – closure of Burton Stone Lane Flexible Learning Centre (£4k)
- LCMDS6 – School Swimming Support: cease support of the service (£2k)

Growth:

- CSIG16 – inflationary increase to Voluntary Sector grants (£20k)



- Corpnew2 – continuation of funding for Christmas lights display (no increase in expenditure from current year) (£30k)
  - NSIG5 – improve recycling levels (£30k)
  - HSI1 – phased increase in residential and nursing fees (£50k)
  - NSIG2 – end of LPSA funding available for Out of Hours Noise Service (£50k)
  - NSNG7 – pilot the extension of recycling to terraced properties (£80k)
  - CSYG2 – end of Prudential Borrowing, Highways & Street Ops (£294k)
- d) **Rejection** of the remaining savings and growth options for consultation listed in Annex 5.

**REASON:**

In order to take account of the views expressed by residents during consultation, whilst maintaining a balance between long term prudence and the need to sustain public standards in the City.

(ii) That, subject to the above amendments, Council approve the proposals set out in the report, namely:

- a) The net revenue expenditure requirement for 2008/09 of £112.423m, as set out in Table 1 (paragraph 17);
- b) The housing revenue account proposals outlined in Annex 12;
- c) The dedicated schools grant proposals outlined from paragraph 80 onwards;
- d) The revenue growth proposals for 2008/09 outlined in Annex 3;
- e) The revenue savings proposals for 2008/09 outlined in Annex 4;
- f) The use in 2008/09 of £1.823m of revenue reserves, as outlined in paragraph 49;
- g) The adoption of a risk based calculation to inform the Director of Resources' opinion on the appropriate minimum level of general reserves, as described in paragraph 51;
- h) The fees and charges proposals in Annex 8.

**REASON:**

To provide Council with a balanced set of budget proposals to consider when reaching a decision on the budget and resultant Council Tax to be set for 2008/09.

(iii) That the total Council Tax increase, including the Parish, Police and Fire Authority precepts be agreed at the Council meeting, on the basis of a 4.75% increase in the City of York element of the Council Tax.

REASON: In accordance with the above recommendations on the budget proposals and taking into account the requirements of the other organisations involved.

(iv) That Council approve the increase for council dwelling rents by an average of 5.25%, in line with government guidance on rent restructuring, as set out in Annex 13.

REASON: To ensure a balanced Housing Revenue Account.

RESOLVED: That authority be delegated to the Director of Resources to revise words, correct any factual or typographical errors, improve presentation and make minor amendments to figures in order to incorporate the changes proposed into the information presented to full Council on 21 February 2008.<sup>2</sup>

REASON: To ensure that decisions taken at Council are based upon correct and accurate information.

Action Required

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| 1. Refer recommendations to Budget Council.                                | GR |
| 2. Produce amended Revenue Budget information / report for Budget Council. | SA |

**164. CAPITAL PROGRAMME BUDGET 2008/09 - 2010/11**

Members considered a report which set out the proposed capital budget for the period 2008/09 to 2010/11, highlighted capital bids from departments that had been through the Capital Resource Allocation Model (CRAM) process, estimated the capital resources position for 2008/09 and provided options to achieve a balanced three-year capital programme. Members were asked to recommend the proposals to Council.

The current capital programme, approved by Council on 21 February 2007, had been prepared as a four year programme in order to align it with the political cycle. It was proposed that the programme now revert to the traditional three year cycle, setting out spending up to 2010/11. Capital receipt projections over the next three years had improved since the budget was set and a small surplus was now expected by March 2011, although unavoidable pressures would reduce the available surplus to £0.3m. If the recommendations in the report were approved, the capital programme for 2008/09 to 2010/11 would be £170m, an increase in investment of £35m on the existing programme. The majority of the increase was in the Children's Services programme, where over £30m additional funding had been secured.

Details of the Council's assets deemed surplus to requirements and earmarked for sale were set out in exempt Annex A to the report. New sales valued at £1.4m had been identified, making £1.7m available for

capital investment. A total of 33 CRAM bids had been received, of which 14 were fully funded from external sources, as set out in Annex B. Of the remaining discretionary bids, listed in Annex C, ten were recommended for approval, as detailed in paragraphs 25 to 30 of the report. This would leave £300k of the budget unallocated, which sum it was proposed to use to address the needs of the York High project. In respect of prudential borrowing, it was recommended that £255k be added to the programme to allow the York Museums Trust to complete works at the Hospitium.

Having noted the comments of the Shadow Executive, it was

**RECOMMENDED:** That Council approve the three-year capital programme proposals as summarised in the report, in particular:<sup>1</sup>

- a) The asset sales shown in exempt Annex A;
- b) The use of £500k of prudential borrowing in 2010/11, as outlined in paragraph 21;
- c) The inclusion in the capital programme of all fully funded schemes as detailed in Annex B and discussed in paragraph 23;
- d) The inclusion in the capital programme of the bids recommended in paragraphs 25, 28 and 30;
- e) The advance of £255k of prudential borrowing to York Museums Trust for the refurbishment of the Hospitium in the Museum Gardens, as outlined in paragraphs 33 to 37;
- f) The additional £300k funding proposed for York High School, as outlined in paragraphs 38 and 39;
- g) The full programme, as summarised in Annex D.

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

Action Required

1. Refer recommendations to Budget Council.

GR

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 3.00 pm].