
MEETING	Executive
DATE	27 June 2006
PRESENT	Councillors Steve Galloway (Chair), Sue Galloway, Jamieson-Ball, Macdonald, Orrell, Reid, Runciman, Sunderland and Waller

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

19. Declarations of Interest

The Chair invited Members to declare at this point any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

20. Exclusion of Press and Public

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex 3 to agenda item 9 (Capital Programme Out-turn 2005/06 and Revisions to the 2006/07 Programme), on the grounds that it includes information relating to the financial and business affairs of particular persons, which 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).

21. Minutes

RESOLVED: That the minutes of the Executive meeting held on 13 June 2006 be approved and signed by the Chair as a correct record.

22. Public Participation

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation Scheme.

23. Executive Forward Plan

Members received and noted an updated list of items currently scheduled on the Executive Forward Plan.

24. Statement of Accounts 2005/06

[See also under Part B minutes]

Members considered a report which asked them to review and comment upon the Statement of Accounts for the financial year 2005/06 and to refer the Accounts to full Council for approval before the deadline of 30 June. Copies of the pre-audit version of the Accounts had been circulated separately to Members. In accordance with new requirements, a specific "Statement of Internal Control" had been included, at pages 6-13 of the draft Accounts.

Under the Comprehensive Performance Assessment (CPA) scoring system, a higher score could be given if the Accounts had been subjected to a "robust" scrutiny before approval. For that reason, the draft Accounts had also been considered by the Audit and Governance Committee on 26 June. The Committee's comments were reported at the meeting. It was also reported that, due to changes in the guidance from CIPFA some amendments had been made to the draft Accounts. Copies of the amended pages (page 29 and pages 58-60) were circulated at the meeting.

The report summarised the constituent parts of the Accounts and discussed key points to note. Members raised questions about:

- Schools balances – how did these consistently remain at the £5m level, unlike other Council reserves? Officers responded that the balances were reducing now that "clawback" arrangements were in place.
- The HRA reserve surplus – was it at a prudent level and what scope was there for its use? Officers responded that most HRA reserves were being set aside for capital works to support the Decent Homes standard.
- The current state of the pensions liability – what was being done to reduce it and mitigate risks? Officers conceded that this was a worrying issue but the next valuation of the pensions fund was almost certain to be higher. City of York was paying in over £4m more per year than was needed to stand still and was paying off its share of the deficit over 24 years. The outcome of government discussions with unions would also have a significant effect on the future of the fund.

RESOLVED: That the Accounts for the financial year 2005/06 be noted and that the Executive Leader and the Chief Executive be authorised to sign and date page 13 of the Accounts, approving the Statement of Internal Control.

REASON: In accordance with statutory requirements.

25. 2006/07 Council Plan and Year End Performance Results

[See also under Part B minutes]

Members considered a report which presented an overview of the Council's performance during 2005/06 and a draft Council Plan for 2006/07, setting out aspirations for further improvement over the next 1-3 years. It was a statutory requirement to publish the Council Plan before 30

June. The draft Plan had been made available on the Council's website and copies had been circulated separately to Members.

The draft Plan included a total of 289 performance indicators (PIs), of which just over half were statutory Best Value PIs. A joint Executive and Management review session held on 12 June had looked at all areas of the Council's performance during 2005/06 and the report set out headline performance from this session, under the Council's 8 corporate aims. Overall, these indicated significant improvements across all the corporate aims, particularly the perception of crime, waste collection and management, planning services and parts of the benefits services. Areas for concern included performance on road safety and customer satisfaction with waste collection and recycling. The full range of customer satisfaction and perception results were set out in Annex A to the report. Annexes B, C, D, E and F detailed performance against York Pride, Safer City, staff-based, CPA and Customer First targets respectively.

Members commented with approval on progress made during the last financial year, particularly with regard to the York Pride and Safe City measures. The Chair announced three major initiatives aimed at addressing the issue of residents' satisfaction with the amount of information they received from the Council. These included publishing a Press supplement, circulating information on waste management and re-publishing the A-Z guide to Council services.

It was noted that the Council Plan would require some drafting amendments prior to its referral to full Council and it was suggested that these be delegated to the Chief Executive and Council Leader.

RESOLVED: (i) That the performance out-turn for 2005/06 be noted and that the Executive's thanks to Officers for their efforts in achieving yet another year of improved service quality standards for York residents be put on record.

REASON: To acknowledge the achievements of the past year.

(ii) That the progress made on drafting the Council Plan be noted and that authority be delegated to the Chief Executive, in consultation with the Leader of the Council, to produce the final version of the document for consideration by full Council.

(iii) That Officers be requested to amend the Safe City section of the draft Plan to give a higher priority to reducing public concerns about excessive vehicle speeds in the City (pages 48-51).

REASON: To clarify and upgrade the draft Plan before its referral to Council.

(iv) That Officers be requested to ensure that a single page summary of the Council Plan is made available for more widespread distribution.

REASON: So that the essential contents of the Council Plan are communicated as widely as possible.

26. General Fund - Provisional Revenue Out-turn 2005/06

Members considered a report which set out the projected out-turn position on the Council's General Fund Revenue Account, the Housing Revenue Account (HRA), Commercial Services, the Collection Fund and the Public Sector Agreements (PSAs) for 2005/06.

It was reported that:

- Most portfolio areas had out-turned within budgeted funding levels.
- Three areas – Adult Social Services, Children's Social Services and Treasury Management - had overspent, by a total of £1.488m.
- The total projected net underspend was £1,550k reducing to £392k if all carry-forward requests in the report were approved. This represented a significant improvement on the £893k overspend projected in the second monitoring report.
- The provisional HRA working balance was £5,116k, with a carry-forward request of £19.8k.
- Commercial Services reported a deficit of £22k; details were set out in paragraphs 56 to 58.
- There was a surplus of £165k on the Collection Fund, of which £133k would be available to the Council as part of the 2007/08 budget.
- Approval was sought for a new reserve, utilising the underspend on the job evaluation budget.
- The projected overall level of reserves was £4.964m, which was in line with the 2006/07 CPA Benchmark figure of £4.95m.

Members commented that departments had performed well in controlling expenditure, but that above budget expenditure in Adult and Children's Social Services remained an ongoing concern that must be tackled. The overall underspend of £392k provided some "breathing space" in the context of the Council's appeal against capping. If the appeal was successful, it would enable about £100k to be released to support the York Pride programme and restore some of the cuts to ward committee budgets.

RESOLVED: (i) That the provisional out-turn position, and especially the impact of overspending areas, as identified in paragraphs 16 and 17 of the report, be noted.

(ii) That the use of the underspend on the former DEDS service areas to repay the Venture Fund loan be approved.

(iii) That the requests to carry forward into 2006/07 funds totalling £1,158k for general fund services, as detailed in Annex 4 and summarised in paragraph 48, be approved, subject to the Directors of both Children's and Adult Social Services implementing proposals to restrict expenditure on 2006/07 within agreed budget limits.

(iv) That the request to carry forward £19.8k for the Housing Revenue Account, as detailed in Annex 4 and summarised in paragraph 52, be approved.

(v) That the creation of a job evaluation reserve, as set out in paragraph 66, be approved.

(vi) That Officers be instructed to ensure that £100k of the underspend is earmarked for allocation to the York Pride / Ward Committee Neighbourhood Unit budgets, subject to no costs being incurred with re-billing when the results of the Council's appeal against Capping are known.

(vii) That the transfer of the remaining underspend to revenue reserves be approved.

REASONS: In order to achieve a balanced budget and make best use of the underspend incurred in the 2004/05 financial year.

27. Capital Programme Out-turn 2005/06 and Revisions to the 2006/07 Programme

Members considered a report which set out the final out-turn position of the Council's Capital Programme for 2005/06 and sought approval for the statutory declaration on the funding of the programme, slippage on the programme and the addition of new, externally funded, schemes to the 2006/07-2008/09 Capital Programme.

The capital out-turn for 2005/06 was £40.2m, an underspend of £3m against the final budget of £43.2m. This revised final budget included the £4m capital contribution to the York Schools PFI project and £1m spent on the [Easy@york](#) project. The underspend represented a variance of 6.9% on the total budget, slightly higher than last year's variance of 5.6%. Key variances for individual portfolio areas were highlighted in paragraphs 10 and 11 of the report and a more detailed summary was provided in Annex 2. Approval was sought to slip a total of £3.081m into the 2006/07 financial year. With regard to funding the programme, there was a shortfall of £8.352m, due to delays in receiving a number of key capital receipts. It was proposed that this be covered by:

- Using £1.075m from the capital reserve
- Using £1.774m from earmarked capital receipts
- borrowing £1.471m of capital receipts from the Venture Fund, to be repaid from the delayed receipts when they were realised.

Members commented favourably on the improvements to housing, schools, transport systems and recycling provision achieved over the past year by the Council's largest ever capital investment programme.

RESOLVED: (i) That the 2005/06 out-turn be noted and that the requests for slippage to and from the 2006/07 Capital Programme be approved.

(ii) That the variations to the 2006/07 Capital Programme, where they are outside current delegated limits, be approved.

REASON: To achieve a balanced budget and enable the completion of funded schemes.

(iii) That the statutory declaration of 2005/06 capital expenditure, as required by the Local Government Act part 1, be approved.

REASON: In accordance with statutory requirements.

28. Update on York's First and Second LPSAs

Members considered a report which provided an update on York's first and second Local Public Service Agreements (LPSA 1 and LPSA2), together with recommendations for the distribution of the performance reward grant (PRG) for LPSA2.

LPSA1 had concluded on 31 December 2005, attracting up to £2,041,861 reward grant for the level of performance achieved. This represented up to 60% of the available grant. Full stretch had been achieved on 9 out of the 16 sub-targets. In relation to the national picture, York's performance was average to above average. LPSA2 ran from April 2005 to December 2008, with a potential PRG of £3,935,025. Significant delays in receiving the signed agreement and Pump Priming Grant from government had increased the risks of not achieving the maximum PRG. Proposed financial arrangements were based on a set of principles outlined in paragraph 15 of the report; these required the Venture Fund (VF) to have first call on any PRG and the total VF borrowings for LPSA2 to be repaid in full.

Members commented on the format of the annexes to the report and suggested that these be provided in a larger font in future.

RESOLVED: That the contents of the report be noted and that the financial arrangements for LPSA2 PRG, as set out in paragraph 15 of the report, be approved.

REASON: To ensure that the Council can balance maximising its options on use of the PRG for corporate benefit with a fair and transparent allocation of money to successful services.

PART B - MATTERS REFERRED TO COUNCIL

29. Statement of Accounts 2005/06

[See also under Part A minutes]

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RECOMMENDED: That the Statement of Accounts be approved and that
That the Lord Mayor sign and date page 5 of the
Accounts as the formal record that Members have
approved them.

REASON: In accordance with statutory requirements.

30. Council Plan and Year End Performance Results

[See also under Part A minutes]

Members considered a report which presented an overview of the Council's performance during 2005/06 and a draft Council Plan for 2006/07, setting out aspirations for further improvement over the next 1-3 years. It was a statutory requirement to publish the Council Plan before 30 June. The draft Plan had been made available on the Council's website and copies had been circulated separately to Members.

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It was noted that the Council Plan would require some drafting amendments prior to its referral to by full Council. It was suggested that these be delegated to the Chief Executive and Council Leader.

RECOMMENDED: That Council approve the draft 2006/07 Council Plan, subject to any amendments made by the Chief Executive and the Leader of the Council prior to the Council meeting on 29 June.

REASON: To enable the Council Plan to be published by 30th June, in accordance with statutory requirements.

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 2.50 pm].