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| MEETING | CABINET |
| DATE | 12 FEBRUARY 2013 |
| PRESENT | COUNCILLORS ALEXANDER (IN THE CHAIR FOR ITEMS 1-5 AND PART OF ITEM 9), CRISP, GUNNELL, LEVENE, LOOKER, MERRETT, SIMPSON-LAING (VICE-CHAIR - IN THE CHAIR FOR ITEMS 6-8, PART OF ITEM 9 & ITEMS 11-20) AND WILLIAMS |
| IN ATTENDANCE | COUNCILLORS BARTON, BOYCE, D'AGORNE, DOUGHTY, FRASER, HEALEY, REID, STEWARD AND WARTERS |

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

80. DECLARATIONS OF INTEREST

Members were invited 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 they may have in respect of business on the agenda. Councillor Crisp declared a personal interest in agenda item 17 (minute 94 refers) as a member of the Regional Arts Council.

81. EXCLUSION OF PRESS AND PUBLIC

Members considered whether to exclude the press and public from the meeting during consideration of Annex 1 to agenda item 18 (Disposal of Acres Farm, Naburn) on the grounds that it contained information relating to the financial or business affairs of particular persons, as this information was 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.)

Members indicated that they did not intend to make a resolution to exclude the press and public from the meeting for consideration of this item, as they would not be entering into

detailed discussion in relation to the exempt information contained at Annex 1 to this report.

82. MINUTES

RESOLVED: That the minutes of the last meeting of Cabinet held on 8 January 2013 be approved and signed by the Chair as a correct record.

83. 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, and that eight Members of Council had requested to speak on a number of agenda items as follows:

5. Forward Plan

Cllr Warters expressed concern that the strategy on tethered horses was to be considered at a Cabinet Member Decision Session that was due to be held in private.

6. 2012-13 Performance and Finance Monitor 3

Cllr Reid expressed concern that although Beckfield Lane Recycling Centre had been closed, the proposed savings had not been achieved.

9. Financial Strategy 2013-2018

Andrea Dudding, spoke on behalf of Unison in particular in relation to saving referred to in the report at CANS02/16 - Culture, Events & Festivals, CANS 42 - Cultural & Learning Services and CANS17 - Library Services. She expressed concern at proposed cuts to expenditure on libraries, arts and culture and requested that Members reconsidered this proposal taking into account the impact that it would have on tourism, jobs and the economy. Concerns were also expressed at cuts to the library service at a time when the city archives were being developed. She drew attention to the recommendations of the Fairness Commission.

Heather McKenzie also spoke on behalf of Unison commenting generally on the proposed cuts. She stated that, whilst recognising the financial pressures under which the proposals

had been made, she was concerned at the outsourcing of care provision and the implications that this would have on terms and conditions and standards of care. Concerns were also raised in respect of social enterprise. She urged that procurement policy incorporated support for the staff concerned. Concerns were also expressed at the short timescale for consultation but assurances were given that the union would continue to work with the council to mitigate job losses.

Cllr Warters raised concerns regarding the proposed increase in council tax and cuts to services. He stated his concerns regarding the proposed allocation of funding for the expansion of Osbaldwick Traveller Site and sought clarification as to whether the funding referred to on page 108 of the agenda papers included provision for the prosecution of those responsible for unlawful horse tethering.

Cllr D'Agorne stated that he appreciated the difficulties caused by the cuts to local government funding and supported the decision not to accept the government grant available to councils that did not increase council tax. He stated that he was, however, concerned about the privatisation of council services in areas such as libraries, elderly people's homes, looked after children, warden call and cleaning and security services. He stated that he could not support libraries and archives being delivered by an organisation outside of the council. Although social enterprise could be beneficial it should not be used as a cost-cutting strategy. The savings that could be made by using libraries as community hubs could be made in-house. He stated that he was also concerned at the decision to review staffing in older people's homes and questioned the morality of the TUPE process.

Cllr Steward, referring to paragraph 72 of the report, paid tribute to the work carried out by parish councils and gave reasons as to why some had increased their precept. He stated that criticism of increases in these cases were unfair. He drew attention to the work of the Community Engagement Task Group and suggested that Cabinet should engage more with parish councils as they were a valuable resource.

Cllr Richardson raised concerns in respect of bus services and the need to ensure that the services met the needs of residents, particularly the elderly and young people.

12. Discretionary & Mandatory Business Rate Relief & Discounts

Cllr Steward stated that there was a need to consider the implications on streets such as Micklegate when putting in place policies and procedures for dealing with Business Rate Relief and Business Rates discounts.

13. Waste Services – Service Delivery Options 2012/13 and 2013/14

Cllr Doughty expressed concern at a reduction in hours at the household waste recycling centres and the impact that this could have, for example an increase in fly tipping.

Cllr Reid stated that residents did not support a charge for the collection of green waste and that this may result in some residents using grey bins or fly tipping. Whilst consultation was welcomed, there had been no indication as to the level of charges. She urged that consultation also take place with the users of Towthorpe and expressed her fears that a reduction in hours of opening may be the first step towards the closure of this facility. Concerns were also raised regarding the proposed arrangements in respect of the disposal of brick rubble. Cabinet's attention was drawn to the written comments from the Liberal Democrat Group that had been circulated prior to the meeting.

14. Review of City and Environmental Services

Cllr Healey, referring to the reference in the report that the directorate "having already gone three reviews in recent years" queried whether such reviews should be considered across all directorates. Referring to the reference in the report to the use of "specialist external resources to support the Director in delivery of the change in structure", Cllr Healey suggested that the Authority should now have built up its own capacity to carry out such work. He stated that he supported the recommendations in paragraph 30 of the report.

15. Get York Building

Cllr Warters stated that the bringing forward of key development should not be on greenfield sites.

Cllr Doughty stated that there had been a crisis in house building for some time and he was pleased that this was now being recognised by Cabinet. The proposals were, however, too feeble to stimulate development. He stated that he would like to see brownfield sites being used ahead of greenfield. He stated that the proposed 5% reduction in the affordable housing target was unlikely to have the necessary impact and he proposed a reduction of 10% in circumstances when there were ten or more properties. This could be a temporary arrangement and be subject to review.

Cllr Barton drew attention to the need to tackle homelessness. He expressed concern at the cancellation of meetings of the Local Plan Working Group and of the targets that had been set in respect of affordable housing. He expressed concern at the fall in housing building in York and the performance of the city when compared with national figures. He stated that the proposals in the report were not sufficient to address the situation and that Cabinet needed to be braver in its actions and in respect of the targets that it had set.

Cllr Richardson stressed the need to put strategies in place to help young people to access suitable housing.

16. Housing Revenue Account Business Plan 2013 to 2043

Cllr Healey drew attention to issues in respect of the housing revenue account projections. He queried how the council's expenditure against income compared with other councils. He questioned whether it was prudent for the house building to be for a five year period only and stated that he had sought information from officers as to whether the council had the land available to support this development.

19. York a Sustainable City Tackling Fuel Poverty

Cllr Healey questioned why this item had been included as a late item after the agenda had first been published. He also expressed concern that the report did not include deliverable actions or budgetary information.

84. FORWARD PLAN

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

85. 2012-13 PERFORMANCE AND FINANCE MONITOR 3

Consideration was given to a report which set out details of the Council's headline performance in delivering the Council Plan priorities and the projected performance against budget, covering the period 1 October 2012 to 31 December 2012.

It was noted that the government had announced in December that the settlement for 2013/14 had been revised to include a further 1% cut in budget for the next financial year. This required the council to accelerate existing work and initiate additional changes to enable a balanced budget to be set. The impacts of the welfare reforms would also put further pressure on the council in supporting the most vulnerable residents.

It was reported that York and its partners had however delivered a number of significant successes in 2012 and maintained strong performance in key areas. Since Monitor 2, as a result of the implementation of mitigation strategies, the forecast pressures had reduced by £800k to £1.7m however further work would continue to ensure that the revenue budget was balanced.

Full details of the performance and delivery of the Council Plan in all five areas was set out in the report at paragraphs 8 to 79. Financial performance was also reported with the mid year forecast indicating financial pressures of £1.721k, an improvement of £792k compared to £2,513k reported at Monitor 2. Further information in respect of the financial outturn of each directorate and corporate budgets was set out at paragraphs 87 to 128. It was reported that although the City and Environmental services budget was reporting financial pressures, which had been exacerbated by the extreme weather, it was intended that the final outturn would be on budget. Information on the position of the General Fund Reserve and minimum level required was also stated.

Members commented on the work that was taking place to attract jobs and inward investment into the city. Members

stressed their commitment to continuing to work with partners and national bodies in order to attract funding. They stated that the city's economy was performing well compared to the situation nationally.

The Cabinet Member for Corporate Services stressed the importance of ensuring that expenditure came in on budget at the end of Quarter 4.

RESOLVED: That Cabinet agree to:

- i) Note performance against the Council plan.
- ii) Note the current projected pressures of £1,721k.
- iii) Approve the strategies in place to mitigate the forecast as outlined in the body of the report.¹

REASON: In order to ensure expenditure is kept within budget.

Action Required

1. Implement mitigation strategies as outlined. DM

86. CAPITAL PROGRAMME - MONITOR THREE 2012/13

[See also Part B minute]

Members considered a report which informed them of the likely outturn position of the 2012/13 Capital Programme based on the spend profile and information to January 2013, including under and over spends, programme changes together with any slippage.

The current approved Capital Programme for 2012/13 was £69.033m, financed by £27.438m of external funding, and internal funding of £41.595m. A decrease of £11.752m, details of which were set out in the report, and had resulted in a revised Capital Programme budget of £57.281 made up of under spends and net re-profiling to future years. The variances against each portfolio area, together with a summary of the key exceptions and implications on the capital programme, was set out at paragraphs 6 to 38 and at Annex A of the report. A

summary of the revised 5 year Capital Programme incorporating the proposed changes highlighted in the report was shown at Table 4 together with the proposed financing at Table 5. The schemes which made up the under spend of £1.126m reported in 2012/13 were set out at paragraph 47.

The overall spend and the commitment profile on the Economic Infrastructure Fund over the existing 5 year programme was reported at paragraphs 41 and 42 and at Annex B of the report.

RESOLVED: That Cabinet agree to:

- Note the 2012/13 revised budget of £57.281m as set out in paragraph 6 and Table 2.
- Note the restated capital programme for 2012/13 – 2016/17 as set out in paragraph 43, Table 4 and detailed in Annex A.
- Note the re-profiling and adjustments of the Economic Infrastructure fund to align to spend and approval as set out in the Economic Infrastructure reports to Cabinet noting the overall fund remaining at £28.5m and Annex B showing current EIF position. ¹.

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

Action Required

1. Adjust Capital Programme accordingly.

RB

87. TREASURY MANAGEMENT MONITOR 3 AND PRUDENTIAL INDICATORS 2012/13

Consideration was given to a report which provided Members with an update on Treasury Management Activities for the period 1 April 2012 to 31 December 2013 as required through regulations.

The report reviewed the economic background under which the activities had been operating at paragraphs 4 to 8, the annual investment strategy at paragraphs 9 to 12, the investment and borrowing portfolios at paragraphs 13 to 33 together with information on compliance with Prudential Indicators at paragraphs 34 to 36.

Monitoring of the Prudential Indicators during this period was detailed at Annex A of the report and it was confirmed that during the 2012/13 financial year the Council had operated within the treasury limits and Prudential Indicators set out.

RESOLVED: That, in accordance with the Local Government Act 2003 (revised), Cabinet agree to:

- i) Note the Treasury Management activities in 2011/12.
- ii) Note the movements in the Prudential Indicators at Annex A.

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

88. FINANCIAL STRATEGY 2013-2018

[see also Part B minute]

Cabinet considered the financial strategy for the period 2013 to 2018 which included details of the revenue budget proposals for 2013/14 and 2014/15. The strategy delivered a balanced budget over a two year period with savings of £20m and proposed a Council Tax increase of 1.9% in 2013/14.

Members discussed the key issues in the proposals, as outlined in paragraph 2 of the report. It was agreed that a two year budget better enabled longer term investments and savings to be developed and implemented, providing a stable, sustainable financial basis for the delivery of services.

Members commented on the context in which decisions on the budget were being made. Factors such as the significant changes in financial regulations, the increased pressures on demand for adult social care, formula grant reductions and reductions in other grant funding had resulted in very difficult decisions having to be taken. The budget proposals had sought to protect the most vulnerable, including the elderly, Looked After Children, and families on low income. The proposals also sought to promote growth in the local economy and hence measures such as the investment in the city centre, in the park

and ride and in the market. The council would continue to work with partners and with the voluntary sector in an effort to mitigate the impact of the cuts.

Referring to issues that had been raised under agenda item 4 regarding proposed expenditure on the expansion of the traveller site at Osbaldwick, Members stated that the council had statutory responsibilities in respect of this provision and was also seeking to ensure that all residents of the city were treated fairly. The Cabinet Member for Crime and Stronger Communities also clarified that decisions in respect of the tethered horse policy would be taken in public.

Members commented on the risks associated with the proposed savings, for example the reduction in children's services expenditure. The proposals posed significant challenges and it was unavoidable that there would be an impact on front line services. The Chair urged Members of all Groups to work together to mitigate the impact of the cuts and to lobby against further cuts to local government financing. The Chair expressed appreciation of the work that had taken place in preparing the budget proposals.

Following further discussions it was

RESOLVED: That the average rent increase of 4.36%, as set out in paragraphs 81 to 84 of the report, be approved.¹

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

Action Required

1. Implement rent increase as from 1 April 2013. DM

89. DISCRETIONARY & MANDATORY BUSINESS RATE RELIEF & DISCOUNTS

Members considered a report that provided details of the new power to grant business rate discounts. It also set out the changes to existing discretionary and mandatory rate relief when business rates are localised in April 2013.

Consideration was given to the draft policies and procedures for dealing with both Business Rate Reliefs and Business Rate Discounts. Members agreed that it would be necessary for the policies to be reviewed within two years of them being implemented.

RESOLVED: That Cabinet agree to:

- i) Approve the draft business rate discount policy attached at Annex A;
- ii) Approve the discretionary business rate relief process attached at Annex B. ^{1.}

REASON:

- i) To provide a policy to deal with any requests for business rate discounts.
- ii) To provide a policy and process to manage future requests for discretionary rate relief that allows for proper consideration of the financial impact of any award.

Action Required

1. Implement new policy and procedure from 1 April DW 2013.

90. WASTE SERVICES - SERVICE DELIVERY OPTIONS 2012/13 AND 2013/14

Members considered a report that outlined options to enable the Council to meet its statutory and policy targets and continue to provide a high quality waste collection and disposal service that was financially sustainable and which provided a robust base for future growth.

The Cabinet Member for Environmental Services stressed the need to make savings whilst ensuring that workable systems remained in place and were satisfactory to residents. A wide range of options were being considered and there would be full consultation with residents prior to a report being presented to Cabinet in April. The changes would then be implemented in May. He gave details of some of the options under consideration.

Referring to an issue that had been raised under agenda item 4, the Cabinet Member stated that, although it was proposed that consultation would take place on amending the opening hours at Towthorpe Household Waste Recycling centre, the closure of the centre was not being considered.

Members suggested that consideration also be given to the introduction of a sliding scale in respect of the collection of extra or bulky items from residents rather than the current flat rate of charging for ten items.

RESOLVED: That Cabinet agree to:

- i) Give approval to undertake consultation on the options for garden waste.
- ii) Give approval to undertake consultation on amending the opening hours at Towthorpe HWRC and ¹.
- iii) Receive a further report following these consultations before making a final decision. ².
- iv) Give approval to introduce the changes set out in Paragraphs 25 and 26 with the exception of the changes to the opening hours of Towthorpe HWRC, which are subject to consultation. ³.

REASON: To enable the Council to meet its statutory and policy targets and continue to provide a high quality waste collection and disposal service that is financially sustainable and provides a robust base for future growth.

Action Required

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| 1. Undertake consultation re garden waste and opening hours Towthorpe HWRC. | GD |
| 2. Add report to Forward Plan. | GD |
| 3. Implement changes outlined in paragraphs 25 and 26 of the report. | GD |

91. REVIEW OF CITY AND ENVIRONMENTAL SERVICES

Members considered a report that set out proposals for amending the City and Environmental Services Directorate to reduce costs; introduce a more coherent and efficient management structure; and to streamline and re-align the directorate structure to focus on delivery. Details were given of the two stage process.

Options had been developed through the consultation process taking into account the feedback given and the range of structure proposals presented for consideration. Details of the existing structure and each concept option were presented at Annex A of the report and summarised below:

CONCEPT 1 – 2 Assistant Directors and 4 Heads of Service Model (Refer to Annex A)

CONCEPT 2 – 2 Assistant Directors and 5 Heads of Service Model (Refer to Annex A)

The Cabinet Member for City and Environmental Services stated that the proposals were very radical and would result in substantial savings whilst still maintaining continuity in the delivery of services. Nevertheless it was important to recognise that issues such as success in income generation would be important factors.

RESOLVED: That Cabinet agree to:

- i) Approval for CONCEPT 2 established through Phase 1 of the review of the City and Environmental Services Directorate as a transitional arrangement to mitigate risk to senior management capacity and delivery, in the short to medium term, based on current known commitments.
- ii) Delegate to the Director of City and Environmental Services the completion of the review process through the detailed Phase 2 stage and to implement the outcomes of the review; in consultation with the appropriate Cabinet Spokespersons; and supported by

interim expert external resource to drive delivery and embed proposed outcomes.
1.

iii) Note that this will facilitate the future opportunity to further transform the transitional CONCEPT 2 structure into a structure based, in principle, around CONCEPT 1; but not bound by all the detail as presented at Annex A; subject to future funding position and how wider Council strategic initiatives are taken forward.

- REASON:
- i) This will enable timely implementation of the Phase 1 review outcomes to deliver the revenue savings in line with commitments and expectation for the Directorate by May 2013, along with facilitating Phase 2 of the review.
 - ii) This will enable the full revenue savings to be realised in the most expedient manner for financial years 2013/14 and 2014/15 in line with commitments and expectation.

Action Required

1. Implement transitional arrangements and completion of the review in consultation with Cabinet Spokespersons.

DR

92. GET YORK BUILDING - ECONOMIC GROWTH, A CASE FOR CHANGE

Members considered a report that outlined the current state of the building industry within York and the direct role that stimulating the house building industry would have on achieving the council's priority to create jobs and grow the economy. The report also discussed real and perceived barriers to building and considered options for the Council to play a leadership role in developing the climate where stalled development could be brought forward whilst protecting the historic and green nature of the city.

Members expressed concern at the problems associated with the high costs of housing in the city. They stated that the Get York Building programme would help drive the local economy, provide a boost to employment, reduce benefits dependency and create a knock on impact in the wider prosperity of the city as well as providing much needed sustainable homes to meet the housing needs of the city.

Details were given of the consultation that had taken place and the issues that had been raised, including the bureaucracy regarding off site financial contributions. The Cabinet Member for City and Environmental Services stated that the paper had recently been considered by the Local Plan Working Group and he reported on the views of the group.

Members welcomed the proposed establishment of a mortgage advice scheme which would be of particular benefit to smaller building companies.

Consideration was given to the following options:

Option 1 – To approve the proposed interventions to:

- Update the Affordable Housing Targets (as set out in Table 1) and approve as a material consideration for Development Management purposes;
- Accept, on sites of less than 15 homes in rural areas, an off site financial contribution in lieu of on site affordable housing, (as set out in Annex 1) for a period of 18 months and approve as a material consideration for Development Management purposes;
- Invest £1m in addressing overcrowding in existing council homes;
- Agree a first phase of building new council homes;
- Work up options for a mortgage advice scheme;
- Review general S106 requirements and development of new approaches to facilitate greater flexibility in the payment of contributions
- Develop opportunities for Institutional investment in to new Private Rented Sector homes within the city.

Option 2 – To ask officers to amend the proposed interventions.

RESOLVED: That Cabinet agree to:

Option1 as set out in Paragraph 20 of the report to:

- Update the Affordable Housing Targets (as set out in Table 1) and approve as a material consideration for Development Management purposes;
- Accept, on sites of less than 15 homes in rural areas, an off site financial contribution in lieu of on site affordable housing, (as set out in Annex 1) for a period of 18 months and approve as a material consideration for Development Management purposes;
- Invest £1m in addressing overcrowding in existing council homes from the HRA;
- Agree a first phase of building new council homes with funding from the HRA as set out in the HRA Business Plan.
- Work up options for a mortgage advice scheme;
- Review general S106 requirements and development of new approaches to facilitate greater flexibility in the payment of contributions
- Develop opportunities for Institutional investment in to new Private Rented Sector homes within the city. ^{1.}

REASON: To ensure that the council plays a full and active leadership role in delivering quality sustainable new homes, creating jobs and growing the economy of the city.

Action Required

1. Implement agreed interventions and update targets.

SW

93. HOUSING REVENUE ACCOUNT BUSINESS PLAN 2013 TO 2043

Members considered a report that provided an overview of the new Housing Revenue Account Business Plan for the next 30 years and provided details of the key priorities for the next five years, including the creation of an investment fund to support the delivery of more affordable new homes.

Consideration was given to the following options:

- Option one – To adopt the plan set out at Annex A
- Option two – To ask officers to revise the document

The Cabinet Member for Health and Adult Social Services stated that the authority's costs for keeping stock up to date compared well with that of other councils. Because of the changes to benefits it was difficult to accurately project income for the next few years and hence a prudent plan had been put in place.

- RESOLVED: That Cabinet agree to:
- i) Approve the overall HRA Business Plan, in particular the creation of an investment fund of £20m and recommend to Council the adoption of the HRA business plan as set out in Annex A.
 - ii) Agree in principle the release of £6m funding from the investment fund for the first phase of 60 new Council homes. Following detailed work identify the specific sites and construction costs a further report will be brought Cabinet setting out the exact costs of development for Cabinet to consider and recommend to full Council for approval.

REASON: The plan sets out a sustainable financial projection for the next 30 years and the priorities for the housing revenue account for the next 5 years. It gives clear messages as to the commitment to continue to invest in the council's exist stock, the local communities

and build new much needed social rented housing.

94. THE TOUR DE FRANCE - HOSTING THE GRAND DÉPART

Members considered a report that outlined proposals for York's participation in the activities supporting the "Grand Départ" of the Tour de France in Yorkshire in July 2014. The report outlined the associated benefits and operational costs and implications. Members' approval was sought to enter into an agreement with Welcome to Yorkshire and Leeds City Council, as the lead local authority, to host the second day start of the Grand Départ.

Members were delighted that the bid had been successful and York would be hosting the second stage start, as had been its preference. There would also be a range of activities and cultural events marking the occasion. Members commented on the inward investment that the event would bring to the city. It offered a unique opportunity to provide a showcase for the city in the international perception of York as a sporting city and a place to visit and do business. The event would also leave a legacy for cyclists for many years to come.

Members noted the operational costs and logistics, as outlined in paragraph 19 of the report. Leeds City Council would act as administrative body and guarantor for all the authorities with involvement in the stages and each of the authorities had been asked to commit in principle to providing the financial support required. This would commit the city to a payment of the hosting fee of £500k in three stages, on signing, one year before the event and on the first day of the Grand Départ.

It was noted that further reports would be presented to Cabinet as the project developed.

The Chair thanked all those involved in the successful bid.

RESOLVED: That Cabinet agree to:

- i) Approve the Council's commitment to staging the Grand Départ within the parameters outlined and agree that the £500k hosting fee will be

met from the Economic Infrastructure Fund.

- ii) Give delegated authority to the Chief Executive, in consultation with the Leader of the Council, to enter into an agreement with Welcome to Yorkshire and Leeds City Council to host the Grand depart.
- iii) The approach of the regional and local legacy and cultural work as outlined in the report. ¹.

REASON: To support the efficient and effective implementation of the work needed to successfully host the Grand Départ in the region and the legacy work for York's regional leading role and York element of the legacy implementation.

Action Required

1. Proceed with necessary work and enter into host agreement in consultation.

GC, KE

95. DISPOSAL OF ACRES FARM, NABURN

Consideration was given to a report that sought approval for the sale of Acres Farm, Naburn to the fourth highest bidder. The sale of the property, which was located in a semi rural position approximately three miles south of York city centre, had been approved by the Executive on 17 April 2003.

Consideration was then given to the following options:

Option 1 Dispose of Acres Farm to Bidder A

Option 2 Dispose of Acres Farm to Bidder B

Option 3 Dispose of Acres Farm to Bidder C

Option 4 Dispose of Acres Farm to Bidder D

Members agreed that it was important to put safeguards in place regarding any future change of use of the site.

RESOLVED: That, subject to the inclusion of a condition

regarding any future change of use, Cabinet agree to the sale of Acres Farm to Bidder D on the grounds that it reflects a reasonable market value for the land and creates a significant economic benefit for the city through the creation of jobs and training and best meets the requirements of the Asset Strategy and Council Plan. ¹.

REASON: To ensure the Council disposes of the land and buildings for the best consideration reasonably obtainable whilst also helping to deliver the objectives of the Council Plan.

Action Required

1. Proceed with sale subject to inclusion of condition.

LH

96. YORK A SUSTAINABLE CITY TACKLING FUEL POVERTY

The Chair stated that this report, which highlighted issues and ambitions regarding additional investment in Sustainability and tackling Fuel Poverty and had been included on the republished agenda, had now been withdrawn from the agenda and would be revisited at a later date.

REASON: Because of the difficult budget situation it is not currently possible to move forward with this issue.

PART B - MATTERS REFERRED TO COUNCIL

97. CAPITAL PROGRAMME - MONITOR THREE 2012/13

[See also Part A minute]

Members considered a report which informed them of the likely outturn position of the 2012/13 Capital Programme based on the spend profile and information to January 2013, including under and over spends, programme changes together with any slippage.

The current approved Capital Programme for 2012/13 was £69.033m, financed by £27.438m of external funding, and internal funding of £41.595m. A decrease of £11.752m, details

of which were set out in the report, had resulted in a revised Capital Programme budget of £57.281 made up of under spends and net re-profiling to future years. The variances against each portfolio area together with a summary of the key exceptions and implications on the capital programme, was set out at paragraphs 6 to 38 and at Annex A of the report. A summary of the revised 5 year Capital Programme incorporating the proposed changes highlighted in the report was shown at Table 4 together with the proposed financing at Table 5. The schemes which made up the under spend of £1.126m reported in 2012/13 were set out at paragraph 47.

The overall spend and the commitment profile on the Economic Infrastructure Fund over the existing 5 year programme was reported at paragraphs 41 and 42 and at Annex B of the report.

RECOMMENDED: That Council agree the adjustments in the Capital programme of an overall decrease of £11.752m in 2012/13 with re-profiling of budget from 2012/13 to 2013/14 and 2014/15 of £10.626m as detailed in the report and contained in Annex A of the report. ¹.

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

Action Required

1. Refer to Budget Council.

JP

98. FINANCIAL STRATEGY 2013-2018

[see also Part A minute]

Cabinet considered the financial strategy for the period 2013 to 2018 which included details of the revenue budget proposals for 2013/14 and 2014/15. The strategy delivered a balanced budget over a two year period with savings of £20m and proposed a Council Tax increase of 1.9% in 2013/14.

Members discussed the key issues in the proposals, as outlined in paragraph 2 of the report. It was agreed that a two year budget better enabled longer term investments and savings to

be developed and implemented, providing a stable, sustainable financial basis for the delivery of services.

Members commented on the context in which decisions on the budget were being made. Factors such as the significant changes in financial regulations, the increased pressures on demand for adult social care, formula grant reductions and reductions in other grant funding had resulted in very difficult decisions having to be taken. The budget proposals had sought to protect the most vulnerable, including the elderly, Looked After Children, and families on low income. The proposals also sought to promote growth in the local economy and hence measures such as the investment in the city centre, in the park and ride and in the market. The council would continue to work with partners and with the voluntary sector in an effort to mitigate the impact of the cuts.

Referring to issues that had been raised under agenda item 4 regarding proposed expenditure on the expansion of the traveller site at Osbaldwick, Members stated that the council had statutory responsibilities in respect of this provision and was also seeking to ensure that all residents of the city were treated fairly. The Cabinet Member for Crime and Stronger Communities also clarified that decisions in respect of the tethered horse policy would be taken in public.

Members commented on the risks associated with the proposed savings, for example the reduction in children's services expenditure. The proposals posed significant challenges and it was unavoidable that there would be an impact on front line services. The Chair urged Members of all Groups to work together to mitigate the impact of the cuts and to lobby against further cuts to local government financing. The Chair expressed appreciation of the work that had taken place in preparing the budget proposals.

Following further discussions it was

- RESOLVED:
- i) That, having considered:
 - a. Expenditure pressures facing the council as set out in the report
 - b. Impacts of savings proposals set out in Annex 2

- c. Medium term financial factors facing the council as outlined in the report
- d. Projected levels of reserves as set out in the report
- e. Statutory advice from the Director of CBSS

It be

RECOMMENDED: That Council:

- i) Approve the budget proposals outlined in the report and set out in detail within the financial strategy, in particular:
 - a. The net revenue expenditure requirement of £127.778m
 - b. The revenue growth proposals as outlined in the body of the report
 - c. The revenue savings proposals as outlined in Annex 2
 - d. The fees and charges proposals as outlined in Annex 3
 - e. The Housing Revenue Account budget set out in Annex 4
 - f. The dedicated schools grant proposals outlined in Annex 5
- ii) Note that the effect of approving the income and expenditure proposals included in the recommendations would result in an increase in the City of York element of the council tax of 1.9%.
1.

REASON: To ensure a legally balanced budget is set

Action Required

1. Refer to Budget Council

JP

99. TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS FOR 2013/14 TO 2017/18

Cabinet considered a report that asked them to recommend that Council approve the:

- Integrated treasury management strategy statement including the annual investment strategy and the minimum revenue provision policy statement;
- Prudential indicators for 2013/14 to 2017/18
- Revised treasury management policy statement
- Specified and non-specified investments schedule
- Treasury management scheme of delegation and role of the section 151 officer

It was noted that the Treasury Management Strategy and Prudential Indicators were aimed at ensuring that the council maximised its return on investment and minimised the cost of its debts.

RECOMMENDED: That Council approve:

- The proposed Treasury Management Strategy for 2013/14 including the annual investment strategy and the minimum revenue provision policy statement;
- The Prudential Indicators for 2013/14 to 2017/18 in the main body of the report;
- The Specified and Non-Specified Investments schedule (Annex B)
- The Scheme of Delegation and the Role of the Section 151 Officer (Annex D) ¹.

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 to Budget Council.

JP

100. CAPITAL PROGRAMME BUDGET 2013/14 TO 2017/18

Cabinet considered a report that summarised the current capital programme position covering 2012/13 – 2016/17, reflected the Capital Monitor 3 report on the agenda, highlighted the existing funding position and associated pressures and presented the new bids received as part of this year's Capital Resource Allocation Model (CRAM) process covering the period 2013/14 – 2017/18.

Members considered the capital investment requests, as detailed in the report.

RECOMMENDED: That Council:

- i) Agree to the revised capital programme of £176.709m, that reflects a net overall increase of £48.381m as set out in paragraph 30 table 10 and in Annex A 'budget amendments' column). Key elements of this include:
 - Extension of prudential borrowing funded Rolling Programme schemes totalling £3.365m including the IT development fund as set out in paragraph 10 table 2 and summarised in paragraph 27 table 9;
 - Creation of 2 new prudential borrowing funded Rolling Programme schemes totalling £1.500m as set out in paragraph 14 table 3 and summarised in paragraph 27 table 9
 - New schemes totalling £3.585m including an increase in prudential borrowing of £3.185m as set out in paragraph 16 table 4 and summarised in paragraph 27 table 9;
 - New externally funded schemes totalling £25.974m as set out in paragraph 18

table 5 and summarised in paragraph 26
table 9

- An increase in HRA funded schemes totalling £13.957m funded from HRA balances of £13.957m as set out in paragraph 19 table 6 and summarised in paragraph 27 table 9.

- ii) Approve the full restated programme as summarised in Annex A totalling £176.709m over financial years 2013/14 to 2017/18 as set out in paragraph 30 table 10.¹

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

Action Required

1. Refer to Budget Council.

JP

Councillor Alexander, Chair

[The meeting started at 5.00 pm and finished at 7.20 pm].