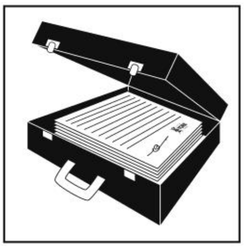

Notice of a public meeting of

Executive

To:	Councillors Aspden (Chair), Ayre, Craghill, D'Agorne, Mason, Runciman, Smalley, Waller and Widdowson
Date:	Thursday, 9 February 2023
Time:	5.30 pm
Venue:	The George Hudson Board Room - 1st Floor West Offices (F045)

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 Monday, 13 February 2023**.

*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.

1. Declarations of Interest

At this point in the meeting, Members are asked to declare any disclosable pecuniary interest or other registerable interest they might have in respect of business on this agenda, if they have not already done so in advance on the Register of Interests.

2. 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.

Please note that our registration deadlines are set as 2 working days before the meeting, in order to facilitate the management of public participation at our meetings. The deadline for registering at this meeting is **5:00pm on Tuesday, 7 February 2023**.

To register to speak please visit 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 can be found at the foot of this agenda.

Webcasting of Public Meetings

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

During coronavirus, we made some changes to how we ran council meetings, including facilitating remote participation by public speakers. See our updates (www.york.gov.uk/COVIDDemocracy) for more information on meetings and decisions.

3. Forward Plan (Pages 1 - 4)
To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.

4. Housing Delivery Programme Update (Pages 5 - 30)
The Corporate Director of Place to present a report which provides an update on the Housing Delivery Programme, and seeks approval to use grant funding for enabling works at Ordnance Lane, apply for further funding for increased affordable housing at Ordnance Lane, allocate a budget to progress the design of the Willow House site and the wider South Walmgate masterplan, and develop two vacant plots of land at Lowfield Green.

5. 2022/23 Finance and Performance Monitor 3 (Pages 31 - 78)
The Chief Operating Officer to present a report which provides details of the council's overall finance and performance position for the period 1 April 2021 to 31 December 2022, together with an overview of any emerging issues.

6. Capital Programme - Monitor 2022/23 (Pages 79 - 92)
The Chief Finance Officer to present a report which sets out the projected out-turn position on the capital programme for 2022/23 and asks Executive to recommend to Council the adjustments detailed in the report and in Annex A.

7. Financial Strategy 2023/24 to 2027/28 (Pages 93 - 220)
The Chief Finance Officer to present a report which asks Executive to recommend to Council the financial strategy for 2023/24 to 2027/28, including detailed revenue budget proposals for 2023/24.

8. Capital Budget 2023/24 to 2027/28 (Pages 221 - 248)
The Chief Finance Officer to present a report which sets out the Capital Strategy for 2023/24 to 2027/28; in particular, proposals to continue to prioritise investment in the economy, housing and transport and invest to save, and asks Executive to recommend the revised capital programme to Council.

9. Capital Financing & Investment Strategy (Pages 249 - 258)
The Chief Finance Officer to present a report which asks Executive to recommend the 2023-24 capital and investment strategy to Council for approval, in accordance with the Prudential Code 2017.

10. Treasury Management Strategy Statement and Prudential Indicators for 2023/24 to 2027/28 (Pages 259 - 294)
The Chief Finance Officer to present a report which asks Executive to recommend to Council the treasury management strategy and prudential indicators for the 2023/24 financial year.

11. Urgent Business
Any other business which the Chair considers urgent under the Local Government Act 1972.

Democratic Services officer:

Name: Fiona Young
Contact details:
- Telephone – (01904) 552030
- E-mail – 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**

Forward Plan: Executive Meeting: 9 February 2023

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 14 February 2023

Title and Description	Author	Portfolio Holder
Devolution – Outcome of Consultation **Purpose of Report** To summarise the findings from the recent statutory consultation on the draft Scheme for York and North Yorkshire Devolution. Executive will be asked to: consider any amendments to the Scheme following consultation and agree submission of the Scheme and Consultation Summary to Government	Will Boardman	Executive Leader (incorporating Policy, Strategy and Partnerships)
York Local Transport Strategy Consultation **Purpose of Report** To seek approval to commence consultation on the high level principles and priorities for York that will underpin future Transport Strategies. This will be required regardless of devolution as it will shape both the city councils' policies and help shape their priorities as they will become the Transport authority for the City setting Transport Policy. After consultation and pending guidance from the Department for Transport, further reports will be brought to Executive to adopt any Transport Policy which will then feed into a new Local Transport Plan that will require public decision before adoption. Executive will be asked to: approve the consultation and resident engagement on future transport policy.	Julian Ridge	Executive Member for Transport

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 16 March 2023

Title and Description	Author	Portfolio Holder
Re-commissioning of Sexual Health Services **Purpose of Report** To comply with the mandatory duty to provide appropriate access to free sexual health and contraception services, currently fulfilled by commissioning an Integrated Sexual Health Services (ISHS) contract with York and Scarborough Hospitals NHS Foundation Trust and Long-Acting Reversible Contraception (LARC) via a contract with NIMBUS Ltd representing GP Practices across York. These contracts are due to end on 30 June 2024. Executive will be asked to: approve the decision to recommission sexual health services.	Philippa Press	Executive Member for Adult Social Care & Public Health
Internal Re-organisation and Security of Clifton Green Primary **Purpose of Report** To set out proposals for the re-organisation and security of Clifton Green Primary school. Executive will be asked to: approve the expenditure for the re-organisation and security of Clifton Green Primary.	Claire McCormick	Executive Member for Children, Young People & Education
Recommission of the Current York Reablement Service **Purpose of Report** To seek a decision on the best option to recommission York's Reablement service, an important provision to meet the duties of the Care Act 2014 s2 (duty to prevent, reduce or delay needs for care and support for all adults), as the current service contract is coming to an end this year. Executive will be asked to: recommend the best option to recommission York Reablement Services.	Judith Culleton, Edward Njuguna	Executive Member for Adult Social Care & Public Health

Table 3: Items Slipped on the Forward Plan

None

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CITY OF YORK COUNCIL

Executive **9 February 2023**

Report of the Director of Housing, Economy & Regeneration

Portfolio Holder for Housing and Community Safety

Housing Delivery Programme update - Delivering Affordable Housing on Council Land

Introduction

1. This report provides an update on the progress of the Housing Delivery Programme (HDP). The report outlines a proposal to utilise grant funding to carry out enabling works at Ordnance Lane, apply for additional grant to support the delivery of an increased proportion of affordable housing at Ordnance Lane and allocate a budget to progress the design of the Willow House site and wider South Walmgate regeneration masterplan. The paper also recommends proposals for developing the two vacant plots of land at Lowfield Green.

2. The Housing Delivery Programme has made great strides towards achieving the ambitious delivery plans set at the outset of the programme. Lowfield Green has delivered over 100 new build homes to date along with high quality public realm and 6 self-build plots which are now largely occupied. Lowfield Green is a flagship development for the Council and demonstrates the commitment to excellent placemaking which is reflected in the overwhelmingly positive resident feedback during post occupancy surveys and winning the Lord Mayor’s Award at the York Design Awards 2022. High levels of grant funding have been secured on the first two Passivhaus projects, at Duncombe Barracks and Burnholme, which will be net zero carbon in operation with 60% being affordable housing, three times planning policy levels. Ordnance Lane received planning permission in July 2022 and has secured over £2.4m of grant funding to deliver enabling works on the site. The programme won the prestigious RTPI Silver Jubilee Cup recognising the programme’s imaginative response to its context and praising both the long-term sustainability benefits and the immediate positive impacts the developments will deliver to residents’ well-being by tackling present day issues such as fuel poverty and isolation and loneliness.

3. Additionally, the innovative Second-Hand Shared Ownership scheme has supported 65 households into affordable home ownership and further grant

funding has been received to enable another 40 families into a new affordable home during the next financial year. To date the work of the HDP has delivered 127 additional affordable homes in the city with a further 107 affordable homes currently in the delivery stage.

Recommendations

4. Executive are asked to:

Ordnance Lane Site

a) Approve the use of the One Public Estate (OPE) grant funding of £2.43m, to carry out enabling works at the Ordnance Lane site
b) Approve the carrying out of a procurement process to procure an enabling works contractor for the Ordnance Lane scheme and to delegate to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods, the Chief Finance Officer and the Director of Governance or their delegated officers) the authority to take such steps as are necessary to procure, award and enter into the resulting contract.
c) Approve the carrying out of a procurement process to procure a main works contractor for the Ordnance Lane site and to delegate to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods the Chief Finance Officer and the Director of Governance or their delegated officers) the authority to take such steps as are necessary to procure the contractor and to note that a future paper will be brought to the Executive to present the full business case and to seek approval to award the contract to the winning bidder.
d) Approve the submission of an application to Homes England for grant funding to support the delivery of 60% affordable housing on Ordnance Lane

Willow House and Walmgate Estate

e) Allocate £1m from the existing Housing Delivery capital budget for the design development of Willow House and the wider South Walmgate area to allow the submission of a planning application and note that a future paper will be brought to the Executive to present a full Business Case prior to carrying out a procurement process for a contractor.
f) Approve the inclusion of the adjacent garage sites in the South Walmgate area to be explored for redevelopment following engagement with the local community
g) Approve the carrying out of a procurement process to procure multidisciplinary design and project teams to deliver the Willow House scheme and to delegate to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods, the

Chief Finance Officer and the Director of Governance or their delegated officers) the authority to take such steps as are necessary to procure, award and enter into the resulting contract(s).

17-21 Piccadilly Site

h) Note the progress made on finding a long-term use for 17-21 Piccadilly and agree that non-residential uses should be considered for the ground floor as part of the disposal scheme.

Lowfield Plot A

i) Approve the development of Plot A at Lowfield Green as part of the Housing Delivery Programme utilising existing house types and design work to deliver approximately 10 additional new mixed tenure homes

j) Allocate £400k from the existing Housing Delivery capital budget for the design development of Plot A at Lowfield Green to allow the submission of a planning application and note that a future paper will be brought to the Executive to present a full Business Case prior to appointing a building contractor.

Lowfield Plot B

k) Agree to dispose of the Lowfield Plot B site, by freehold transfer or grant of a lease, to a Registered Provider or Community Housing Group for the delivery of age-appropriate housing primarily for residents aged over 55

l) Delegate authority to the Corporate Director of Place in consultation with the Executive Member for Housing and Safer Neighbourhoods and the Executive Member for Finance and Performance the finalisation of the selection criteria for the disposal of the Lowfield Plot B site

m) Approve the carrying out of a procurement process to procure a Registered Provider or Community Housing Group to deliver the Lowfield Plot B scheme and to delegate to the Corporate Director of Place (in consultation with the Executive Member for Housing and Safer Neighbourhoods, the Chief Finance Officer and the Director of Governance or their delegated officers) the authority to take such steps as are necessary to procure, award and enter into the resulting contract(s).

Reason: To ensure the continuation of a manageable pipeline of sites to deliver the Housing Delivery programme whilst making best use of CYC assets to deliver capital receipts and social benefits.

Background

5. The Housing Delivery Programme was established with the commitment of delivering around 600 homes, with a minimum of 40% of these being affordable. This delivery consists of building our own and facilitating self and community housing projects. Subsequently an opportunity to deliver affordable homes through second hand shared ownership was developed and included

within the programme. A net HRA investment of £45m is included within the 30 year HRA business plan.

6. The table below highlights the projects which are committed and being delivered including progress to date:

Project	Total homes	Affordable	% Affordable	Progress
Lowfield (Phase 1)	140	56	40%	109 homes complete to date
Burnholme	78	47	60%	Construction underway
Duncombe	34	20	59%	Construction underway
Second-hand Shared Ownership	105	105	100%	65 affordable homes provided
Rough sleepers programme	6	6	100%	Complete
Total	363	234	64%	

7. In addition to the projects directly delivered within the HDP, the team have also facilitated the following committed projects:

Project	Total homes
Lowfield Self and Community Build	25
Burnholme Self Build	5
Disposal of Sturdee Grove for Affordable Housing	9
Disposal of 17-21 Piccadilly for Affordable Housing	25
Disposal of former Clifton Without School for Affordable Housing	20
Self-Build Small Sites Disposal	8
Disposal of Morrell House for Community Housing	12
Disposal of Former Tang Hall Library for Community Housing	5
Total	109

8. These committed and completed projects provide a combined housing provision of 472 homes of which 279 are affordable homes meaning that 59% of the delivery is of affordable tenures, far exceeding the original target of

40%. The recommendations in this report would see the following further projects delivered:

Project	Total homes	Affordable
Lowfield Plot A	10	4
Lowfield Plot B	20 to 60	5 to 60
Willow House	30	20
Ordnance Lane	85	51
Total	145 to 185	80 to 135

9. The combination of committed projects and the proposals detailed in this report sets the Housing Delivery Programme on a path to exceeding the target of 600 homes and delivering approximately 60% affordable housing across the programme.

10. Additionally, there are future sites allocated for housing, namely Manor and Askham Bar, which are not being actively progressed in the current phase of the HDP and will be brought forward in a future phase to Executive for consideration.

Ordnance Lane

11. Ordnance Lane is a key site for delivering the aspirations of the HDP. To date the Council have committed significant resource to the project and received planning approval in July 2022 following engagement events attended by over 200 local residents and other stakeholders. The development will create 85 new homes including 25 intergenerational apartments, as well as a further 8 commercial spaces and 2 community spaces and 2 new areas of public open space. All new homes on Ordnance Lane will respond to the climate emergency by being built to certified Passivhaus standard and will be zero carbon in use meaning residents will see a reduction in energy bills of over 70%. The development has low and controlled car parking provision and to compliment this, an abundance of cycle parking is being provided, together with free e-cargo bike rental for residents, hire vehicles and ultra-rapid charging points.

12. The Ordnance Lane development retains and enhances the best and largest building on the site at the heart of the development, the previous military accommodation known as ‘The Married Quarters’. This building will be retrofitted to very high thermal performance standards to ensure that homes will be comfortable and energy efficient for future occupiers. The proposals give a long term and viable future to this building which previously hasn’t existed. The redevelopment will reuse existing materials where possible to

utilise the embodied carbon and the whole development has been designed to better reflect the heritage of the site. The area will also include a net gain of 129 trees, with community food growing infrastructure, enhanced recycling and biodiversity.

13. Both the indoor community space and outdoor shared spaces meet the needs of local people and are designed to bring people together, tackling loneliness and isolation through community gardening, relaxation, socialising and play which in turn increases the health, wellbeing and resilience of communities. The new community and commercial spaces will provide an active frontage to the newly pedestrianised Ordnance Lane and a pedestrian and cycle route linking the new homes with existing amenities on Fulford Road, the industrial estate as well as to New Walk, a popular riverside path linking residents straight to the city centre. These connections will create stronger physical links to the shops, riverside and other public uses in the area.

14. In addition to the homes, 8 commercial spaces will provide opportunities and meet the needs of local businesses, reflecting the light industrial use of the site. Two spaces front towards Fulford Road, close to an existing parade of shops and a café. 6 small spaces can be utilised as makers' spaces, co-working spaces, office or other flexible use compatible with the residential nature of the area. A rental valuation suggests that these units could be attractive for a range of uses. The commercial units create active frontages to bring activity and overlooking to a pedestrian and cycle link which is central to the redevelopment plans.

15. In September 2021 the Council was successful in a bid to the One Public Estate for £2.43m to carry out the enabling works. The terms of this grant require the council to have spent the grant funding and entered a construction contract for new housing prior to March 2024. Given the unprecedented market conditions experienced in recent months it is felt that a prudent and financially cautious approach to this development should be progressed. This paper is seeking permission to progress the enabling works to fully utilise the grant funding. Carrying out enabling works will significantly reduce the site 'abnormal' costs by removing contamination, carrying out demolition and removing hard-standing.

16. Carrying out the enabling package will allow further time to review the changing market conditions before commencing a tender for the main works contract. Market intelligence from the consultant team along with internal procurement colleagues is showing a significant reduction in tender inflation in comparison to the previous 12 months.

17. An outline business case for the delivering 85 homes and 10 commercial spaces at the Ordnance Lane site has been developed based on the latest pre-tender estimate and the future development is deemed to be viable. The indicative level of long-term HRA investment is within the £7.3m assumed within the original business plan developed in 2018. Given the fluidity of the market it is proposed that a full business case is brought back to Executive with an agreed contract value following a tender exercise as market conditions may substantially change over the coming 12 months.

18. Market conditions will be kept under review during enabling works and a main works tender will be launched later in 2023. The procurement will build on the success of the procurement for Duncombe and Burnholme with quality criteria which promotes Green Skills, local supply chains and experience of high-quality sustainable housing developments.

19. As with Duncombe and Burnholme, it is proposed to increase the levels of affordable housing to 60% made up of 20% Social Rent and 40% Shared Ownership. Ongoing dialogue with Homes England suggests they wish to support this proposal, as they did with Duncombe and Burnholme, in order to maximise the affordable housing delivery. Delivering the additional affordable homes is dependent on support from Homes England and a grant bid is being prepared subject to Executive approval.

20. Based on current projections, a one-bedroom apartment could be purchased through shared ownership with a deposit of around £6,000 and an income of £25,000. A two-bedroom house could be purchased with a deposit of £12,000 with a combined household income of approximately £40,000. These examples are modelled on buyers acquiring a 30% equity share in their home, however buyers will be able to acquire between 10% and 75% initial equity stake depending on their financial position. The market sale homes are proposed to deliver significant sales returns in order to help cross fund the development costs, enabling the social value.

Willow House and Walmgate Estate

21. Willow House is a vacant care home in the Council’s ownership and has been empty since around 2017. Since becoming vacant, residents in the local area of Walmgate have been keen to bring the site into use as family housing, whilst preserving the green amenity area between the building and Walmgate Bar. The site has previously been marketed, with the strongest interest from student housing providers which was not considered consistent with the needs and aspirations of local residents.

22. In March 2021, Executive approved a recommendation for the Housing Delivery Programme to undertake feasibility work into redeveloping the site. Alongside comprehensive public engagement, the Housing Delivery Team have developed an early design proposal for a financially viable mixed tenure housing scheme that builds on the strengths of this prominent and unique site. The proposal respects the sensitivity of the site, being located next to Walmgate Bar, a scheduled ancient monument, the city walls, and public open space which has two high quality trees within it. The brief also includes a wider objective, to consider and develop local area improvements in the wider South Walmgate area, much of which is within the ownership of the council.

23. The high-level plans for the site have been informed by significant positive public engagement events attended by over 100 local residents. The plans include retention of the green space adjacent to Walmgate Bar and the development of 30-40 homes. The proposal incorporates the adjacent garage site, providing additional new homes. The proposal reinstates the original physical connection between Long Close Lane and Walmgate Bar. The proposals have been through an extensive pre-application planning process and it is considered that the plans are viable and deliverable.

24. Using the design work carried out to date along with a detailed cost report, an outline business case has been created to ensure the project is viable prior to seeking a budget for further design development. The current business case anticipates long-term HRA investment of £3.370m which would be repaid over 40 years through rental income, representing a sound investment in accordance with well-established development finance modelling. The initial business case will evolve through the next design stage.

25. This report seeks an allocation of £1m from the existing Housing Delivery Programme budget in order to take the project through planning and prepare the project for tender of a construction contract. The full business case will be brought before Executive for approval prior to entering a build contract.

26. The current procured multidisciplinary design team contract comes to an end in February 2023. Therefore, a procurement exercise will be undertaken to appoint a design team for the project.

17-21 Piccadilly

27. Executive previously agreed the principle of disposing of this site by way of a long leasehold for an affordable housing scheme. A marketing brief has been

issued to Registered Providers (RP's) which follows a period of soft market testing with RPs to ensure the way in which the brief has been put together, provides interest in the RP market. Soft test marketing responses from RP's has been good and formal bids are now awaited. Given the location of the site within the city centre, it is realistic to expect that the ground floor of proposed schemes could form commercial use, a sentiment shared by RPs from the soft test marketing exercise. Accordingly, whilst the residential content of the scheme will still form affordable accommodation, commercial uses should also be considered for the ground floor level.

Further opportunities at Lowfield Green

28. Lowfield Green obtained outline planning permission for the site wide masterplan in August 2018. This included 140 mixed tenure homes to be delivered directly by the council, 6 self-build sites, a 19 home community build scheme, as well as a potential care home and a potential health and public service hub.

29. All 140 homes delivered by the council are due to be complete in spring 2023 along with the 6 self-build plots. The Community Build plot has been purchased by Yorspace, a community housing group. The terms of the land disposal require Yorspace to commence construction by Summer 2023 with construction work on this site to be completed within 18 months of the commencement date. Given that the majority of the site will soon be complete, it is fundamental to the delivery of the masterplan that the remaining undeveloped plots are brought forward for development as soon as possible.

Health and Public Services Building Plot – Plot A

30. This vacant plot, referred to as plot A, sits at the entrance to the Dijon Avenue access to the site and has been used for site welfare facilities throughout the main works contract with Wates Construction Ltd. In the original masterplan this plot was set aside for a potential public service hub following early interest from partners. However following further engagement with potential users it has been confirmed this use is no longer required in the area. The plot is well connected to local amenities and is in the heart of the thriving new community created at Lowfield Green.

31. The options for the future use of this plot have been analysed based on the need to prioritise certainty of delivery and accelerate the timescales for construction works in order to conclude the masterplan as soon as possible and minimise the disruption to existing residents. The options considered included developing specialist housing on the site, delivering the site as

general needs housing through the Housing Delivery Programme or freehold disposal of the plot. The options of both specialist housing and disposal presented significant risk of delay and did not provide adequate certainty that construction would commence within a reasonable timeframe.

32. Delivering the plot through the Housing Delivery Programme would utilise the existing housetypes and design work to deliver additional homes on the plot. This approach would deliver good value for money as the design costs would be reduced given the site would repurpose existing detailed design as well as accelerating the design period meaning the proposal for planning approval could be submitted by mid-2023. The design proposal would focus on delivering approximately 10 homes, predominantly bungalows, for a mix of social rent, market sale and shared ownership. Early pre-application advice from Planning suggests that this approach would be welcome on the site. There is continued demand for new properties on Lowfield Green, particularly accessible housing such as bungalows.

33. Delivery through the HDP will also ensure that community engagement is embedded into the design process ensuring that the views of residents are incorporated into the design development. Given the site is situated close to existing homes on Dijon Avenue the proposals will need to be sensitive to the surroundings and developed in collaboration with neighbours.

34. A financial appraisal of the project has been undertaken on an estimated 10 homes on the plot using build costs for Lowfield Green housetypes inflated to present day costs. On the basis of 60% market sales, 20% shared ownership, 20% social rent the scheme delivers a mixed tenure development with a strong financial return to the council requiring minimal borrowing to deliver the project.

35. Based on the high level viability appraisal the project would require a small amount of borrowing and would pay back all investment within the first 2 years of completion (subject to the level of grant funding received on the affordable properties). Bringing this site into the HDP provides greater certainty and speed of delivery which would be welcomed by new and existing residents around Lowfield Green and would minimise the time the site is left vacant. It is estimated that development on site would commence late in 2023/early 2024.

36. This reports requests the allocation of £400k from the existing Housing Delivery programme budget to progress this proposal through planning and develop the design in readiness to tender for a building contractor. Prior to

signing the build contract, a business case would be brought back to Executive for approval, including the allocation of the development budget.

Former Lowfield Care Home site - Plot B

37. The ‘Care Home Plot’ sits adjacent to the recently completed Village Green. The outline planning permission (Ref 17/02429/OUTM) was for a three storey, 80 bed residential care (C2) facility with a ground floor area of approximately 3910sqm.

38. A procurement exercise for a residential care home provider was carried out in summer 2019. Following feedback from potential providers, it was concluded that they did not feel the location was suitable for residential care and would not be able to offer beds back to the Council at actual cost of care rates required, as such the procurement exercise was terminated.

39. Following a consultation exercise with York residents in 2019 and soft market testing with social landlords and developers, Extra Care was identified as an alternative means to achieve the Council Plan’s ambitions for residents’ good health and wellbeing in later life. Consultation with Age UK York and other advocacy groups also identified that despite the high level of home ownership in York, there are few Extra Care developments offering market sale or intermediate homeownership such as Shared Ownership.

40. Based on these further insights and positive soft market testing, a revised procurement exercise was undertaken in 2021 with a view to developing an Extra Care scheme consisting of a minimum of 40 No. one and two bedroom apartments, offering a minimum of 20% of the homes to be for social rent. The site was offered with a long lease of 125 years and an expected capital receipt of £425k for its disposal. Whilst positive feedback was received prior to going to market, no formal bids were tendered, and the procurement was terminated largely due to the restrictive terms of the leasehold sale.

41. The site is dual aspect with vehicular access from Restharrow Road and abutting the village green on the other side. In design terms this site requires a design solution that overlooks the green space to create natural surveillance. This site requires a bespoke housing or an apartment led proposal.

42. As with vacant Plot A, a number of potential options have been analysed in order to determine the most efficient route to delivering homes on this site. These options included delivery through the Housing Delivery Programme, disposal of the freehold or disposal to a Registered Provider or community

housing group through an evaluated process to deliver age-appropriate housing for residents aged over 55.

43. Whilst there was strong support for delivering the plot through the HDP, this option required a significant commitment of HRA resources which given the current commitments of the Housing Delivery Programme, meant it may not be feasible to bring this project into the delivery phase for another 2 years once there is sufficient capacity in the programme and sufficient headroom in the programme cashflow. Given this would create a significant delay to the completion of the masterplan, the analysis demonstrated that this option could not be progressed at this time. The option of freehold disposal would reduce the council's ability to influence what is delivered on the site, both in terms of the type of housing and the timescales it is delivered within therefore this option was not deemed proceedable. Disposal through an evaluated process allows greater certainty of delivery and gives the council much greater control to ensure a high-quality housing development with wider social benefits is delivered within agreed timescales.

44. To better inform the options analysis, the Housing Delivery Team have recently carried out further soft market testing with Registered Providers working in the city along with providers of private residential care homes, developers, and community housing groups to understand if the level of interest in developing the site has changed over the last two years. The soft market testing explored opportunities for the provision of housing, including that for older people, as either a self-supporting community housing group, residential care, extra care or independent living as well as seeking views on whether providers would be interested in the development opportunity if there were no restrictions on the site.

45. There were 7 positive responses received from Registered Providers (RPs) to the expression of interest as well as interest from a local community housing group. Expressions of Interest clearly demonstrated the site would need to be available on a 999 year lease or a freehold basis. Of the RPs that submitted positive submissions all were interested in the site as over 55s accommodation with the vast majority seeking to deliver a 100% affordable scheme with a large proportion of affordable rent along with a proportion of shared ownership. The community housing group have expressed an interesting in creating a self-supporting community which would include a number of residents aged over 55 years old alongside some younger members with families. The aim is to create an intergenerational community where members bring different skills and experiences. The development would provide age-appropriate housing, enabling residents to live at home and with independence for longer. The group are keen to provide affordable housing as

part of their offer. There may be other community housing groups interested in this development opportunity.

46. Whilst the delivery of affordable rented homes is an important element of a balanced community and addresses those most in housing need, evidence in the emerging Local Housing Needs Assessment (LHNA) demonstrates there is currently a significant lack of market and intermediate affordable tenures, such as shared ownership for older people. York has a large proportion of homeowners in later life, therefore those looking for alternative housing options are more likely to have some equity but are not able to afford, nor need, a full residential care setting. Developing mixed tenure housing options for people aged over 55 not only promotes independence but operates as a prevention strategy by trying to support homeowners into suitable future-proofed accommodation. There is the knock-on benefit of releasing the larger family houses back onto the market for younger families.

47. Given the level of interest in the site, this paper seeks approval to conduct a compliant procurement exercise advertising the opportunity for an older persons' housing development to both affordable housing providers and community housing groups setting out the scheme parameters and evaluation criteria. Disposing of the site through an evaluated procurement process allows the council to seek maximum social value from the sale of the land whilst achieving a capital receipt. The final criteria will be delegated to the Corporate Director of Place in consultation with Executive Member for Housing and Community Safety and the Executive Member for Finance and Performance however it is anticipated this criteria would include the level of capital receipt, tenure mix, sustainability, design and wider social/community value. The procurement criteria can also seek certainty of delivery through prescribed timescales and seeking commitment from bidders around the site logistics and minimising impact on the local community throughout the construction period. The successful bidder would be required to submit a full planning application for the site and this would enable local residents to engage with the process if they had specific concerns about the development proposals for the site.

48. In the case of a failed procurement for the disposal of this site it will be brought into the Housing Delivery Programme which may then have increased financial capacity, and a business case will be presented to Executive to seek a budget to develop the site directly.

Implications

Financial

49. The report makes recommendations for capital funding at Ordnance Lane funded from grant £2.43m, Lowfield Plot A (£400k) and Willow House (£1,000k), the latter two funded from HRA capital resources.

50. To date Members have approved £26.8m of resources across the Housing Delivery Programme from appropriations (£8m) and HRA resources excluding RTB's of £18.8m. The recommendation in this report increase that approval level to £28.2m.

51. This investment has been assumed within the latest update of the business plan however following the recent impact of inflation pressures across the HRA this has reduced the overall resources over the medium term.

52. As stated in the report current economic uncertainty has impacted both costs and income assumptions across the programme. The schemes once designed will require further Executive approval which will include most up to date assumptions.

53. The advantage of funding these schemes within the HRA is that the development can be delivered without incurring additional financing costs in construction. This can only be achieved where HRA resources can cash flow the development. It will be necessary to ensure the timing of schemes is arranged so that this potentially will impact the timing of delivery of the schemes.

54. Any capital receipt from the disposal of land at Lowfield Plot B is a general fund resource and will be used to support the financing of the overall capital programme.

Equalities

55. The Council needs to take into account the Public Sector Equality Duty under Section 149 of the Equality Act 2010 (to have due regard to the need to eliminate discrimination, harassment, victimisation and any other prohibited conduct; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it and foster good relations between persons who share a relevant protected characteristic and persons who do not share it in the exercise of a public authority's functions). An Equalities Impact Assessment will be carried out in respect of each site at the appropriate time.

Procurement

56. Any proposed works will need to be commissioned via a compliant procurement process under the Council's Contract Procedure Rules and if applicable, the Public Contract Regulations 2015. The Commercial

Procurement team will need to be consulted alongside Legal Services, and the Insurance team so appropriate documents, contracts and processes can be completed.

57. Should the council proceed with a disposal that present restrictions, obligations and stipulations to the site(s), this will lead to a procurement and as such, the council will need to adhere to the Contract Procedure Rules and the Public Contract Regulations 2015.

Legal

58. As the Council would still own/retain some neighbouring land, if subsequently effecting disposals of any of the land referred to in this report (whether by freehold sale or grant of long lease) the Council could seek to impose a restrictive covenant limiting/restricting what the (disposed of) land could be developed/used for (for example prohibiting: (a) occupation of some or all of the housing by persons aged under 55; and/or (b) disposal/use of some or all of the housing on any basis other than as ‘affordable housing’ (whether shared ownership, discount sale or affordable rent). However it should be borne in mind that:
    i. This would reduce the capital receipt obtained;
    ii. This would not give the Council any power to require that the buyer actually develops the land;
    iii. In practice it may be difficult to monitor or enforce compliance with any such covenant(s);
    iv. The buyer may potentially subsequently be able to obtain an order from the First Tier Tribunal (part of the courts & tribunals system) discharging/releasing or relaxing/modifying the covenant if the buyer can persuade them that the covenant is obsolete/unnecessary or prevents a reasonable alternative use of the land (in the case of a leasehold disposal, the buyer can only make such an application to the Tribunal after expiry of the initial 25 years of the term (period) of the lease)

59. The land referred to in this report still sits within the General Fund. For any land within the General Fund:
Section 123 of the Local Government Act 1972 gives the Council power to dispose of General Fund land (including by granting lease) – the consent of the Secretary of State for Housing, Communities and Local Government is required for disposal of land at a consideration below market value but a General Consent Order gives Secretary of State consent to disposal of land for less than market value consideration provided both of the following conditions are satisified: (i) the Council considers that the purpose of the disposal will improve the environmental, economic or social well-being of its

area; and (ii) the difference between the market value and the consideration being obtained does not exceed £2 million

Risk Management

Ordnance Lane

60. There is a risk that build cost inflation will challenge the viability of Ordnance Lane. This will be managed through the development of a full business case undertaken as the market stabilises and assumptions are ratified. Both the enabling works and the planning permission will have increased the value of the site.

Willow House

61. There is a risk the project will be delayed in planning as a result of the sensitive location of the scheme. To mitigate this risk design work is commencing early and will engage with a high-quality design team to ensure the proposals respond to their context.
62. Throughout RIBA 1-3 the project will need to be regularly reappraised to ensure it is still a viable proposition given the instability of the housing market.

Lowfield vacant plots

63. Access to the Lowfields site for both plots will be from Dijon Avenue which carries the risk on disruption to neighbouring communities. This risk can be reduced through engagement with bidders and contractors at an early stage to highlight the access constraints.
64. Lowfield Plot A has a number of site constraints including existing trees, a substation and proximity to existing buildings therefore the number and type of homes deliverable on the site may vary as the project progresses through detail design.
65. Options for delivery by third parties may be impacted by capital availability, cash flow, cost inflation, resource readiness or ground conditions.

Contact Details

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Michael Jones Head of Housing Delivery and Asset Management	**Report Approved**	√	**Date**	31st Jan 2023

Specialist Implications Officer(s)
Chloe Wilcox – Head of Procurement
Cathryn Moore – Corporate Business Partner (Legal)
Gerard Allen - Senior Solicitor Property
Patrick Looker – Head of Service Finance
Nick Collins – Head of Property

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

Fishergate
Guildhall
Westfield

For further information please contact the author of the report

Annexes

Annex 1 – Site plans for Ordnance Lane, Willow House, Lowfield Green vacant plots A and B

Abbreviations
RPs - Registered Providers of Housing
LNHA – Local Housing Needs Assessment

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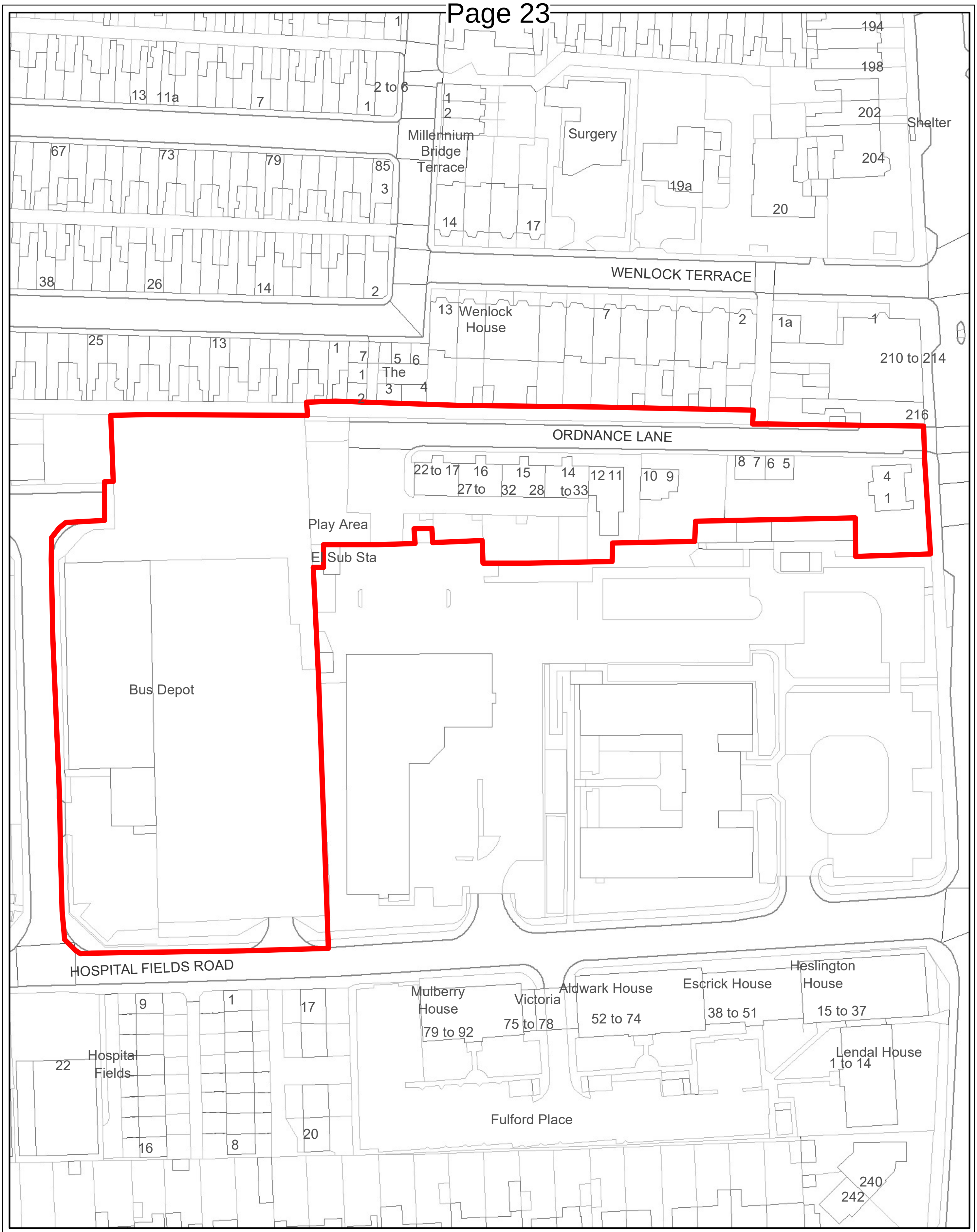

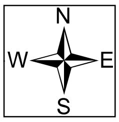

Land at Hospital Fields Road

N W E S

SCALE 1:1,250 DRAWN BY: CC DATE: 26/01/2023

Originating Group: Asset & Property Management

Drawing No.

Asset & Property Management

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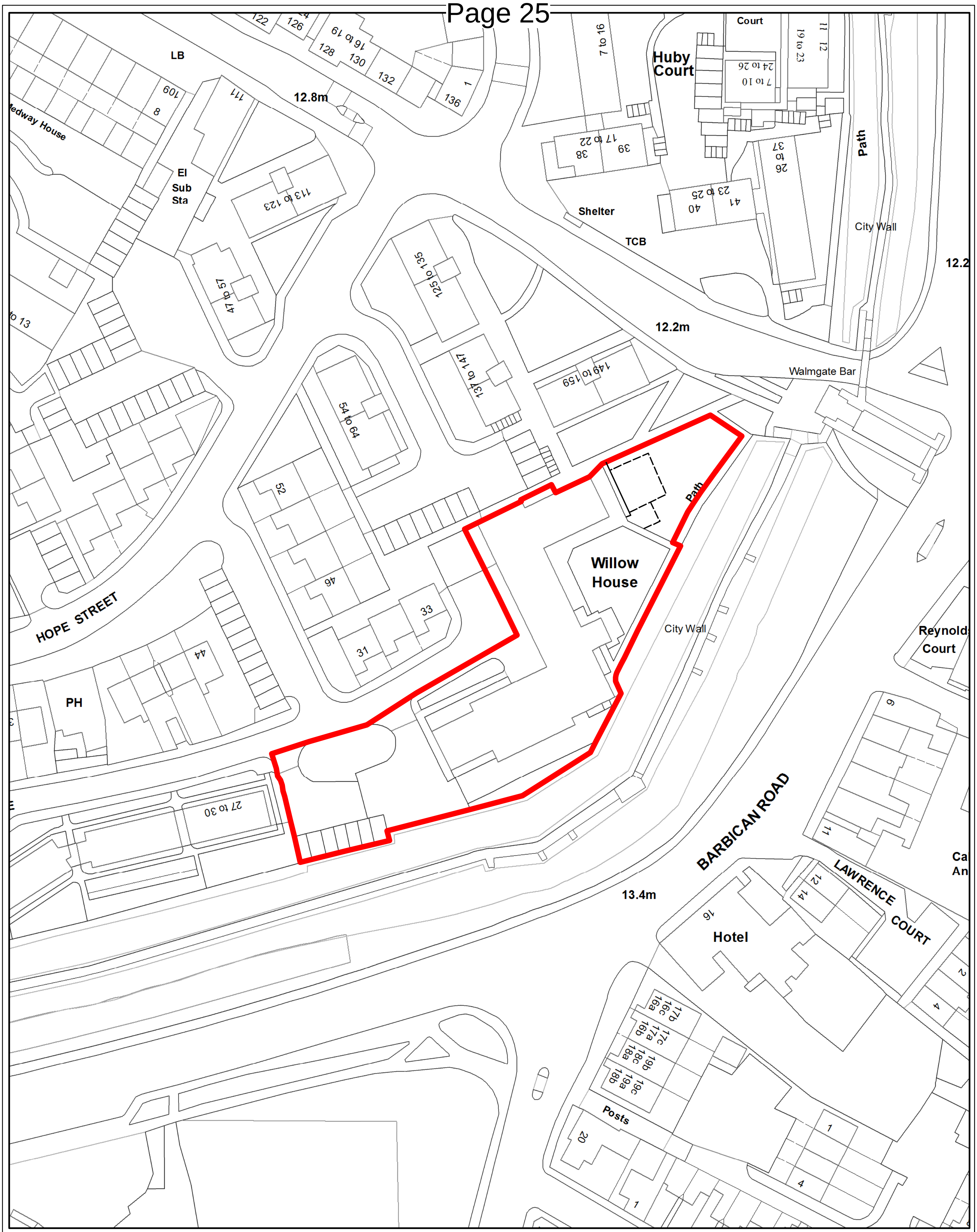

Willow House Elderly Peoples Home

SCALE 1:1,000 DRAWN BY: CC DATE: 20/11/2017

Originating Group: Asset & Property Management

Drawing No. E00643

Asset & Property Management

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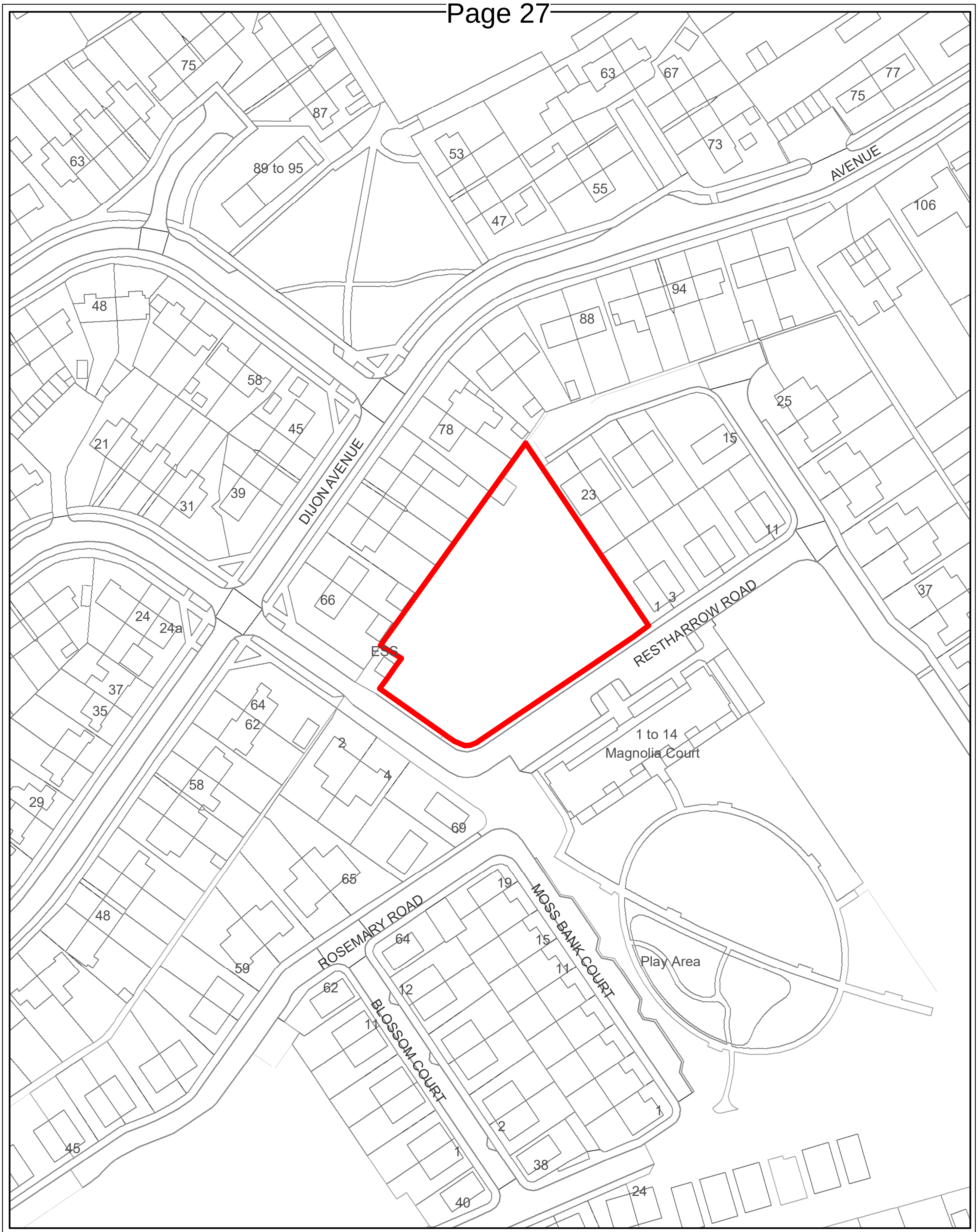

Lowfield Green Vacant Plot A

SCALE 1:1,250 DRAWN BY: CC DATE: 05/01/2023

Originating Group: Asset & Property Management

Drawing No.

CITY OF YORK COUNCIL

Asset & Property Management

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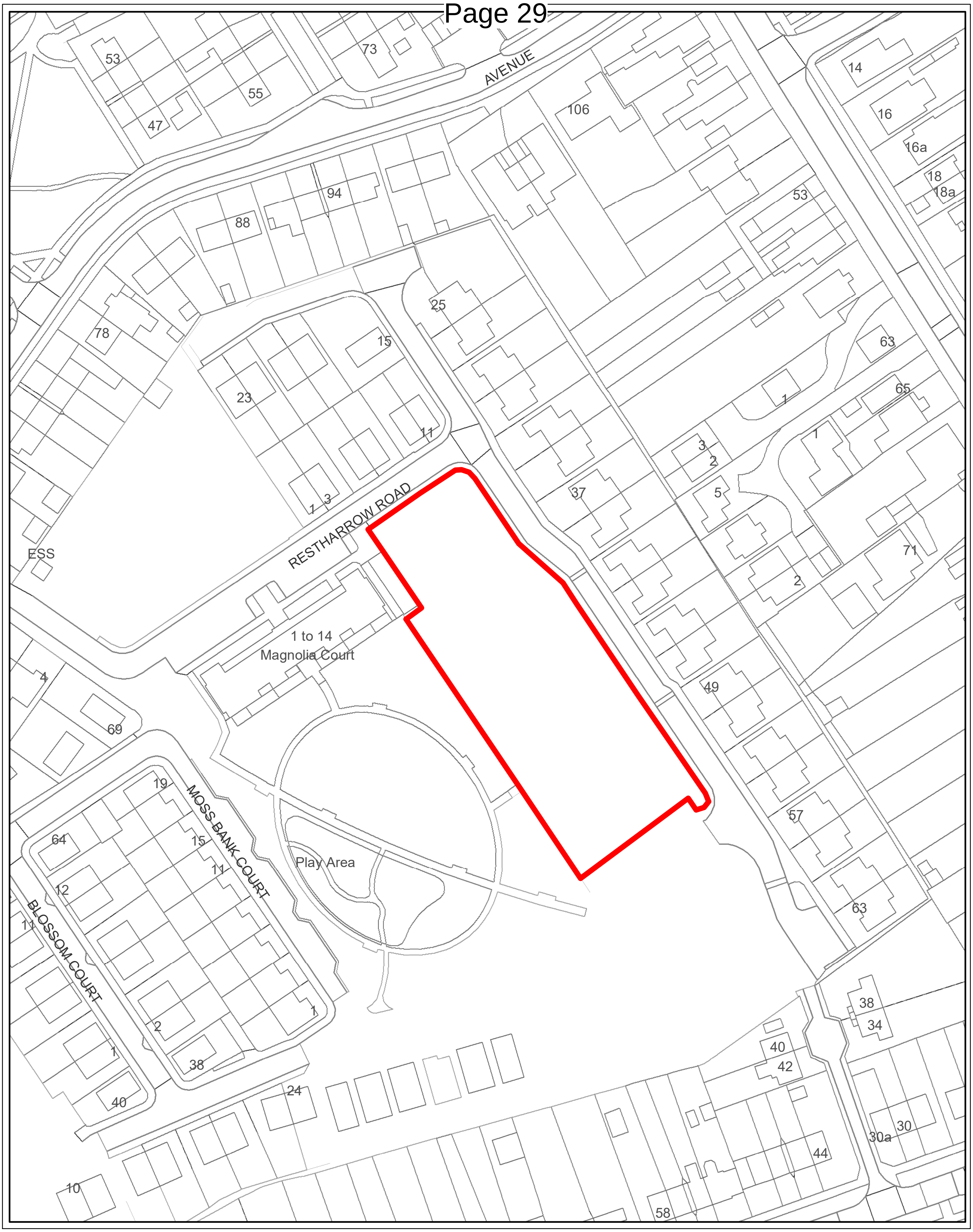

CITY OF YORK COUNCIL

Asset & Property Management

Lowfield Green Vacant Plot B

SCALE 1:1,250

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DATE: 05/01/2023

Originating Group: Asset & Property Management

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Executive **9 February 2023**

Report of the Chief Operating Officer
Portfolio of the Executive Member for Finance and Major Projects

2022/23 Finance and Performance Monitor 3

Summary

1. To present details of the overall finance and performance position for the period covering 1 April 2022 to 31 December 2022, together with an overview of any emerging issues. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.

2. This report highlights a number of known pressures that need to be carefully managed throughout the year, with mitigation strategies being in place and regularly monitored across all directorates. Through ongoing monitoring and identification of mitigation alongside a review of reserves and other funding, the Council will continue to make every effort to reduce this forecast position but it is possible that it will not be reduced to the point that the outturn will be within the approved budget. The Council has £6.9m of general reserves that would need to be called on if this were the case.

3. We continue to see significant and ongoing pressure across both children's and adults social care budgets in particular. Within Children's these pressures are mainly in relation to Out of City placements and the continued use of agency staff. With Adults, the main pressures include the cost of care beds and also an inability to recruit to vacancies leading to the use of more expensive agency staff.

4. In a number of areas, services are holding vacancies in order to reduce costs and mitigate against the overall forecast overspend. This is expected to have an impact on the level of service that can be delivered in those areas. The impact of this is being closely monitored by Directorate Management Teams.

5. As outlined in the 2021/22 outturn report, considered by Executive in June 2022, many of the budget pressures are recurring whilst the mitigations that have allowed us to balance the budget were one off. Given the

recent increases in interest rates, rising inflation and the ongoing pressures in both adults and children's social care it is therefore unsurprising that the forecast is a significant overspend. Inflationary pressures are a particular challenge, adding some £4.5m to the overall forecast outturn.

6. Whilst the council's overall financial health provides a strong platform upon which to meet these financial challenges and good progress is being made with the achievement of savings, the forecast outlined in this report remains a matter of concern. The ongoing pressures within social care will again need to be addressed in the 2023/24 budget setting process.

Recommendations

7. Executive is asked to:
   - note the finance and performance information and the actions needed to manage the financial position

Reason: to ensure expenditure is kept within the approved budget.

Financial Summary

8. The gross financial pressures facing the council are projected at £8.5m but after mitigation it is considered that this can be brought down to a net position of £3.7m.

9. As previously reported, there are serious underlying budget pressures across both adult and children's social care. Both adult and children's social care is operating in an extremely challenging environment and as a result additional funding of £7.6m was allocated across the People directorates in the 2022/23 budget.

10. This report highlights a number of known pressures that need to be carefully managed throughout the year, with mitigation strategies being in place and regularly monitored across all directorates. Through ongoing monitoring and identification of mitigation alongside a review of reserves, the Council will continue to make every effort to reduce this forecast position but it is likely that it will not be reduced to the point that the outturn will be within the approved budget. The Council has £6.9m of general reserves that would need to be called on if this were the case.

11. A number of mitigations and cost control measures have been implemented during the year to ensure a reduction in expenditure. Given the scale of the financial challenge, and the expected impact on budgets in future years due to inflationary and other pressures outlined above, it is vital that every effort is made to balance the overall position. It is

recognised that this will require difficult decisions to be made to protect front line services to vulnerable residents.

12. York is maintaining both sound financial management, and delivering priority services to high standards, during a continued period of significant financial challenge. Whilst the Council's track record of delivering savings and robust financial management provides a sound platform to continue to be able to deal with these and future challenges there remains a significant risk to ongoing service delivery and achievement of Council priorities that needs to be managed effectively.

Financial Analysis

13. The Council's net budget is £135m. Following on from previous years, the challenge of delivering savings continues with £6.4m to be achieved to reach a balanced budget. The latest forecast indicates the Council is facing net financial pressures of £3.7m (after mitigation) and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below. The main variations and any mitigating actions that are proposed are summarised in Annex 1.

Service area	Net budget	2022/23 Net Q2 Forecast Variation	2022/23 Net Q3 Forecast Variation
	£'000		£'000
Children & Education	22,365	7,732	6,697
Adult Social Care & Integration	49,544	2,192	3,322
Place	21,748	0	0
Customers & Communities, Public Health & Corporate Services	24,655	693	550
Central budgets	18,072	-2,829	-2,829
Sub Total		**7,788**	**7,740**
Contingency	-1,000	-1,000	-1,000
Use of earmarked reserves		-3,000	-3,000
Net total including contingency	135,384	**3,788**	**3,740**

Table 1: Finance overview

Reserves and Contingency

14. The February 2022 budget report to Full Council stated that the minimum level for the General Fund reserve should be £6.8m (equating to 5% of the net budget). At the beginning of 2022/23 the reserve stood at £6.9m and, as part of the budget report, approval was given to maintain this level of reserve in 2022/23.

15. Should the mitigation outlined in annex 1 not deliver the required level of savings in the current financial year then this reserve is available to support the year end position. However, in light of the ongoing financial challenges being faced by all councils it is now more important than ever to ensure the Council has sufficient reserves. Therefore, should it be the case that we need to draw down a substantial amount from this general reserve in 2022/23, some growth will need to be included in the 2023/24 budget to ensure that reserves can be maintained at an appropriate level.

16. In addition to the general reserve of £6.9m there are a range of other earmarked reserves where funds are held for a specific purpose. These reserves are always subject to an annual review and these funds will again be reviewed on a quarterly basis and where appropriate to do so will be released to support the in-year position. It is expected that some £3m is available to support the position. Whilst this is a prudent approach that will ensure the financial resilience of the Council, it is not a substitute for resolving the underlying overspends but instead allows time to develop future savings proposals in a planned way.

17. As in previous years a contingency budget is in place and this is currently assumed to be available to offset the pressures outlined in this report. The unused budget of £0.5m from last year, added to the base budget of £0.5m totals £1m available to offset the forecast overspend.

Loans

18. Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There are 2 loans in this category. Both loans are for £1m and made to Yorwaste, a company part owned by the Council. The first was made in June 2012 with a further loan made in June 2017 as agreed by Executive in November 2016. Interest is charged on both loans at 4% plus base rate meaning currently interest of 7.5% is being charged. All repayments are up to date.

Performance – Service Delivery

19. In spite of the many challenges that the organisation and City has faced over the last two years, performance across the wider organisation, not just the Council plan indicators, has continued to remain high and continues to compare favourably when benchmarked against other areas with similar characteristics to York. Whilst Covid and the actions taken to tackle the global pandemic have in places affected performance in the short-term, the general pattern for data and information monitored by the Council is that levels of resident and customer satisfaction, timeliness and responsiveness, as well as various directorate and service based indicators, have remained positive.

20. It is likely that due to impacts of COVID, a number of the Council Plan indicators will continue to see a change both in terms of their numbers and their direction of travel in future reporting periods. The majority of the performance measures within the Council Plan have a lag between the data being available and the current reporting period and therefore impacts will not be immediately seen, and may occur over several years as new data becomes available.

21. The Executive for the Council Plan (2019-23) agreed a core set of strategic indicators to help monitor the council priorities and these provide the structure for performance updates in this report. The indicators have been grouped around the eight outcome areas included in the Council Plan. Some indicators are not measured on a quarterly basis and the DoT (Direction of Travel) is calculated on the latest three results whether they are annual or quarterly.

22. A summary of the strategic indicators that have an **improving** direction of travel based on the latest, new, available data are shown below and further details around all of the core indicator set can be seen in Annex 2.

- **Median Earnings of Residents –** In April 2022, the (provisional) median gross weekly earnings for full-time resident employees in York were £609.20, which is an increase of 4.4% from £597.90 in 2021. Over the coronavirus pandemic period, earnings estimates were affected by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough) making interpretation difficult; also data collection disruption and lower response rates mean that, for 2020 and 2021, data was subject to more uncertainty and should be treated with caution. Nationally in 2022, median weekly earnings for full-time employees saw strong growth across all major occupational groups, particularly for lower-paying occupations (with process, plant and machine operatives up 8.6% and elementary occupations up 6.9%); pay for professional occupations saw the smallest increase at 2.4%. Data for 2023-24 will be available in November 2023.

- **Number of incidents of Anti-social behaviour within the city centre –** There were 1,276 incidents of anti-social behaviour within the city centre alcohol restriction zone during 2021-22, compared to 1,410 in 2020-21, and continues the year-on-year reduction seen since 2018-19. Figures for the first eight months of 2022-23 (up to the end of November) (641) indicate that this reduction is continuing.

- **P&R/Local bus Passenger Journeys –** Passenger journeys for park and ride customers totalled 0.95m (provisional) for Q3 2022-23. This is higher than the journeys made during Q3 2021-22 (0.83m) showing that the recovery post-covid is continuing. Pre-pandemic figures were around 1.1m in Q3 2019-20. Passenger journeys on local buses totalled 2.66m (provisional) for Q3 2022-23. This is an increase on the 2.35m journeys made during Q3 2021-22 although pre-pandemic figures were around 3.3m in Q3 2019-20.

- **Parliament Street Footfall –** Footfall in Parliament Street during the first three quarters of 2022-23 (up to the end of December) totalled around 5.54 million data captures. This is exactly the same as during the same period in 2021-22 and higher than the 3.35 million data captures during the same period in 2020-21. The latest figures are lower than the 6.48 million data captures during the same period in 2019-20 (pre-pandemic) but the direction of travel remains positive.

- **Library visits –** Library visits (to all libraries, including reading cafes) during 2021-22 totalled 617,771, which is a large increase on the 183,706 visits during 2020-21. This shows a very positive direction of travel, although the 2021-22 figure is still a long way below the pre-pandemic figures (1,023,034 visits in 2019-20). There were 634,243 library visits in the year up to the end of Q3 2022-23 which compares with 437,260 in the same period in 2021-22, suggesting the positive direction of travel is continuing.

- **% of vacant city centre shops –** Whilst acknowledging that a number of city centre streets and prime commercial locations seem to be experiencing higher vacancy levels than York's average, overall at the end of December 2022, there were 50 vacant shops in the city centre (a reduction from 56 at the same point in 2021), which equates to 7.9% of all city centre shops, and is much lower than the national benchmark in 2021-22 of 14.4%.

- **Education Progression and GCSE Results** – Progress 8 is a measure of the progress made by pupils between Key Stage 2 and

Key Stage 4. A positive score represents progress above the average for all pupils and a negative score progress below the average for all pupils. In 2020 and 2021, all GCSE, AS and A level exams were cancelled and replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. Summer 2022 saw a return to the familiar testing methods. The results showed that:

- Despite an incredibly turbulent two years, York's Year 11s, and their teachers, went against National trend in 2022 by improving on 2018-19 performance. York's Progress 8 score was 0.26, against a National average of -0.02.
- 75.3% of Key Stage 4 pupils achieved grades 9-4 in English and Maths (considered a standard pass), compared to 56.1% Nationally.

- **CYC Apprenticeships –** The number of CYC stand-alone apprenticeships only, which excludes those within schools or being completed alongside existing roles, was 26 at the end of Q3 2022-23. During the height of the pandemic, the number remained consistent but was slightly lower than previously seen. Levels have now not only recovered but are exceeding figures seen in recent years demonstrating the value placed on these roles within the CYC workforce and work being undertaken to increase participation.

- **Secondary mental health services in employment** - The 2021-22 ASCOF results showed that 17% of all those in contact with secondary mental health services were in employment, compared with the England average of 6% and 8% regionally. York is the 6th best performing LA in the country on this indicator.

23. Strategic indicators that have a worsening direction of travel based on the latest, new, available data are;

- **All Crime per 1,000 population** – Overall crime levels in York for 2021-22 showed that levels had risen slightly since 2020-21 and were back to pre-pandemic levels (67.4 crimes per 1000 population in 2021-22 and 66 crimes per 1000 population in 2019-20). Figures for the first eight months of 2022-23 (48 crimes per 1000 population up to the end of November) suggest that overall crime levels have continued to slowly rise, a pattern seen at national level, and are predicted to be in the range of 70-72 crimes per 1000 population at the end of the year. The York figure of 48 in the year up to the end of November is still lower than the national figure of 61.7 at the same point.
- **Affordable Homes –** During the first nine months of 2022-23 there have been 48 new affordable homes delivered which is a reduction from previous years. A further 110 affordable homes completions are

currently expected during 2022-23, which would constitute a total of 158 in the year. It is important to note that significant change is possible in the final outturn where, for example, unanticipated site or market factors result in some delay to completion beyond the financial year end. However, for various reasons there is often a 'back-loading' effect of completions towards the end of the year and this is expected in 2022-23. There is a significant future pipeline of affordable homes with planning permission in place across the council's own newbuild development programme and section 106 planning gain negotiated affordable housing. Inclusive of applications with a resolution to approve from Planning Committee, there are around 950 affordable homes identified in approved planning applications. The progress ranges from sites that are being built out currently to others with substantial infrastructure or remediation challenges to resolve prior to development. Over 350 of these have progressed through detailed planning, either as a Full application or Reserved Matters. The remainder are at Outline stage, with more uncertainty on timescales and final delivery levels, including the York Central affordable housing contribution.

Annexes

24. Annex 1 shows the quarterly financial summaries for each of the Council directorates.

25. Annex 2 shows performance updates covering the core set of strategic indicators which are used to monitor the progress against the Council Plan.

26. All performance data (and approximately 1,200 further datasets) within this document is made available in machine-readable format through the Council's open data platform at www.yorkopendata.org under the "performance scorecards" section.

Consultation

27. Not applicable.

Options

28. Not applicable.

Council Plan

29. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan.

Implications

30. The implications are:

- **Financial** are contained throughout the main body of the report.
- **Human Resources (HR)** There are no HR implications related to the recommendations
- **One Planet Council / Equalities** Whilst there are no specific implications within this report, services undertaken by the council make due consideration of these implications as a matter of course.
- **Legal** There are no legal implications related to the recommendations
- **Crime and Disorder** There are no crime and disorder implications related to the recommendations
- **Information Technology (IT)** There are no IT implications related to the recommendations
- **Property** There are no property implications related to the recommendations
- **Other** There are no other implications related to the recommendations

Risk Management

31. An assessment of risks is completed as part of the annual budget setting exercise. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

Contact Details

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<tr><td colspan="4"></td></tr>
<tr><td colspan="3">Wards Affected: All</td><td colspan="2">✓</td></tr>
<tr><td colspan="5">For further information please contact the authors of the report</td></tr>
</table>

Glossary of Abbreviations used in the report:

ASCOF	Adult Social Care Outcomes Framework
GCSE	General Certificate of Secondary Education

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Annex 1 – Directorate Financial Summaries

Children's Social Care

1 A net overspend of £6,697k is forecast, primarily due to children's social care. The number of Children Looked After (CLA) in York was consistently at a higher level than the budget was built to accommodate. The number at the beginning of the financial year was 281 and as at the end of December it is 268.

2 The placement budgets are projected to overspend by a total of £5,399k in 2022/23. This figure is made up of variances of £527k on IFAs, £3,970k on Out of City Placements, £616k on local fostering placements and £286k on Leaving Care placements and adoption/CAO allowances. The pressure on this budget is partly due to the limited market for children's placements and the statutory requirements placed on local authorities to meet children's needs, coupled with inflationary pressures which could continue to worsen the position.

3 In addition, there is a projected overspend in the Corporate Parenting staffing teams of £435k due to additional Working With York and agency staff and a net overspend on Inter-Agency Adoption Fees of £58k.

4 Safeguarding Interventions is projected to overspend by £332k. This area now has 5 budgeted teams to provide additional capacity to assist in the improvement journey being undertaken. This is to deal with the continued higher number of cases and still requires some WWY and agency staff to cover vacancies. In addition, Legal fees are forecast to overspend by £227k.

5 Staffing budgets within Children's Social Work Services are predicted to overspend by £241k. This is mainly due to temporary staffing across the service, which the directorate is working to eliminate with permanent appointments. Since Q2 significant progress has been made and the number of agency appointments across children's social care has more than halved. Given how far we are into the financial year this has resulted in a modest reduction in the agency staffing projection for 2022/23 but is expected to save in excess of £1m on an ongoing basis if maintained into 2023/24.

6 There is a projected overspend of £236k in the Referral, MASH and Assessment teams. This is due to the current temporary staff in this area until permanent appointments are made.

7 A projected overspend in Disabled Children's Services of £558k is mainly overspends on short breaks and direct payments £495k, again due to the CLA numbers being above the budgeted level.

8 There are two significant variations in Education and Skills. The first is the Home to School Transport budget, which was already in an historic overspend position due to increase in numbers for post 16/19 and the increasing trend of trying to provide more specialist education provision for this group of students more locally. This is a much more cost-effective alternative to expensive out-of-city provision but has a consequent effect on this budget as we have had to provide more transport to establishment such as York College, Askham Bryan, Choose 2 and Blueberry Academy.

9 The change in legislation to allow EHCPs up to the age of 25, resulting in significantly more students accessing this option, has also significantly increased our transport spend.

10 The projected position is an overspend of £353k at this point. This now includes the effect of the new taxi contracts implemented from the new academic year. This position includes the assumption that £300k of costs for the 2021/22 academic year are charged to the DSG prior to all Home to School Transport being charged to the General Fund as per the safety valve agreement. The recurring pressure is therefore approximately £650k. Included within here is an offer of a 15.5% increase from September to Pullman for the bus provision (based on the contractual inflation indicators and consistent with inflationary increases agreed by colleagues in Transport on their bus contracts). It is likely that the taxi contract increase would have actually been much higher if the work of the new transport team had not begun to identify route efficiencies. It is also expected that the increased scrutiny provided by this team will control and drive costs down further, working in partnership with the contractor

11 Staff resourcing issues in the SEND Statutory Services Team, and the need to resource this work to progress the Safety Valve targets has resulted in a significant number of agency staff being appointed into this team over the period from April to date. The majority of the roles have now been permanently filled but the result is a predicted overspend in 2022/23 of £449k.

Dedicated Schools Grant

12 The Dedicated Schools Grant (DSG) is currently projected to be on track to meet the targets set out in the Safety Valve recovery plan agreed with the DfE.

13 The main pressure is within the High Needs Block and is due to the continuing increase in High Needs numbers, and increasing complexity, requiring expensive provision, especially in Post 16 and Post 19 provision and the education element of Out of Authority placements.

14 The brought forward balance on the DSG at 1 April 2021 was a deficit of £9.940m. As a result of the 2021/22 in-year overspend the cumulative deficit to carry forward to 2022/23 would have been £13.443m. However, following discussions with officials from the DfE and ESFA, the Safety Valve Agreement was secured, resulting in an additional payment of £7.6m of DSG on the 31 March 2022. This reduces the cumulative deficit carried forward into 2022/23 to £5.843m.

15 This additional funding represents the first payment under the Safety Valve agreement, which commits the local authority to bring the DSG into an in-year balanced position by 2025/26. Further payments are conditional on the local authority meeting the targets set out in the Management Plan, and reporting quarterly to the DfE on progress, with the eventual aim of eliminating the in-year deficit by the target date, with additional payments by the DfE eliminating the historic deficit at that point.

16 The Office of the Director and Central budgets are predicted to overspend by £55k in total for 2022/23, mainly due Directorate Management Team costs incurred from interim appointments to cover for the vacant DCS post, and advertising costs for the Director and AD posts.

17 The mitigations included at Monitor 2 have largely been achieved and are now included within the service figures above. Additional mitigation measures which can be used to reduce the overspend further have been identified and are listed below:

- The 2022/23 budget included an amount of £2,033k to fund the transfer of expenditure from the DSG to the General Fund. Not all of this is now required in 2022/23 as the DSG Safety Valve projections included headroom in the first year that has not been drawn on due to good progress being made on safety valve outcomes. At this stage it is recommended that a figure of £300k from this growth can be used to offset current year pressures.

- Similarly, the rebalancing of the sharing of costs of out of city education and care placements between the DSG and General Fund can be slowed in 2022/23 and still meet the targets set within the safety valve agreement. It is suggested at this point that a further amount of £350k can be charged to the DSG in this financial year..
- Charge additional GF expenditure to grants in 2022/23, particularly in respect of the new Family Hubs grant where some staffing expenditure can be charged to the grant. An amount of £30k for the service manager's time on the project has been identified to date.

Adult Social Care

18 The projected outturn position for Adult Social Care is an overspend of £3,322k. This assumes that £1,553k of previously agreed savings and mitigations will be made by the end of the year. In addition to this £2,550k of further mitigations have also been identified in order to bring the projected overspend down.

19 Some of the main pressures on the ASC budget include:

- Market prices for beds currently higher than CYC standard rates.
- Providers requesting increases above 3% - an open book accounting exercise has been developed to assess these requests
- Ability to recruit to vacancies and use of agency staff

20 Referrals into social care are continuing to increase and remain above pre pandemic levels. It should be noted however, that this is not translating into more or higher packages of care in the community. In addition, waiting lists are being reduced without this work converting into more care in the system

21 £357k of the Older People's Accommodation Programme is being held back against the overspend this year. In addition, it is expected that the budget for Preparing for Adulthood customers will not be fully spent (£150k).

22 There is some slippage in the ASC reform budget largely due to a delay in recruitment to some of the posts funded by this growth (£300k).

23 There is a projected underspend on staffing in the Commissioning Team due to vacancies (£98k), and the Carers Commissioned Services budget is also expected to underspend (£54k).

24 The Community Care budget is projected to overspend by around £178k. This is following the Council's decision to bring the service and staff of Riccall Carers in-house following the company going into administration and is largely due to spend on agency staff.

25 The Personal Support Service team budget is expected to overspend by £232k as difficulty in recruiting new care staff has meant an increased use of more expensive agency staff reported against this budget. The Night Care budget is projected to underspend by £56k due to vacancies in the team.

26 Yorkcraft is projected to overspend by £92k due to an underachievement of income (£134k) and failure to achieve a previous year's saving (£93k), offset by an underspend on staff due to vacancies (£105k) and other minor overspends across the service.

27 Small Day Services are projected to underspend by £127k. This is largely due to vacancies as the service has been running at a reduced capacity following Covid, and in addition the Service Manager post is currently vacant. This service is currently being remodelled.

28 Be Independent is currently projected to overspend by £270k. There is still a budget gap of £130k which needs to be addressed and staffing is expected to overspend by £128k due to having a review manager post over establishment and also to an unfunded regrade of some posts in the team. The closure of the shop selling equipment to the public has resulted in a £49k budget pressure but is partially offset by the removal of the receptionist role facilitating these sales. This is offset by additional income arising from Mediquip moving into the site at James Street.

29 Older People permanent residential care is projected to overspend by £832k. This is largely due to the average weekly cost per customer being £69 a week higher than in the budget, due to the rising costs of care and there are also 9 additional customers by the end of Q3. As outlined in the body of the report, all council services are seeing increased costs due to inflation and other pressures. This includes social care, where costs have increased since the budget was set and this has resulted in a number of forecast overspends.

30 Permanent Nursing Care is projected to overspend by £766k. The average weekly cost per customer is £40 more than in the budget, and there are currently 10 fewer health funded customers than assumed when the budget was set.

31 The Older People Community Support Budget is projected to overspend by £211k. This is due to the average weekly cost of an exception placement being £178 more than in the budget and the average number of weekly hours of homecare provided by framework providers has increased by 158 since the budget was set.

32 The Older People Direct Payments budget is projected to overspend by £175k, largely due to the average weekly cost per customer being £69 a week higher than in the budget (£148k) and there are also 2 additional customers since the budget was set.

33 The Physical & Sensory Impairment (P&SI) Direct Payment budget is projected to overspend by £376k largely due to the average weekly cost per customer being £63 more than in the budget.

34 P&SI Residential Care is projected to overspend by £252k largely due to 4 additional customers compared to budget (£267k). This is slightly offset by an increase in the average rate of health income received for S117 customers.

35 P&SI Community Support is projected to overspend by £123k due to the average weekly cost of an exception customer increasing by £98 compared to the budget. In addition, there are 3 more exception customers than in budget.

36 P&SI Supported Living schemes are currently projected to overspend by £452k due to the average cost per customer being £80 a week more than in the budget (£230k) and there being 2 more customers in placement than was assumed when the budget was set (£113k). In addition, the number of customers receiving health funding has fallen and the average rate of health funding per customer is also below budget.

37 There is a projected overspend on staffing across the Hospital Discharge Team, ASC Community Team and ISS Team budgets of £178k largely due to the use of agency staff to cover vacancies, sickness and maternity leave.

38 There is currently expected to be an overspend of £208k on staffing in the Safeguarding Team due to the use of agency staff, partly to cover vacancies, but also some of the agency hours are above the establishment of the team. There has been a significant increase in the number of referrals to the Safeguarding Team which all require investigation.

39 Direct Payments Mental Health is currently projected to overspend by £81k; this is due to having 4 more customers than when the budget was set and the average cost per placement is £31 per week higher than budget.

40 The Mental Health nursing care budgets are expected to overspend by £187k, largely due to there being 3 more customers in placement than was assumed when the budget was set, one of whom has costs backdated to September 2021.

41 There is expected to be an overspend of £323k on the Learning Disability Community Support budget due to the average weekly cost of a homecare placement being £196 a week more than in the budget (£122k) and the average cost of a day support customer being £15 per week more than set in the budget (£116k), together with having two more homecare customers and 3 fewer customers receiving health funding than when the budget was set.

42 Learning Disability direct payments are projected to overspend by £635k. This is due to the average cost per customer being around £124 a week more than in the budget (£818k), together with having two fewer customers receiving health funding than when the budget was set (£55k). This is offset by a projected increase in the value of direct payment reclaims based on recoveries made to date (£330k).

43 The Learning Disability nursing care budgets are expected to overspend by £170k. This is due to the average cost per customer in working age placements being £505 per week more than budget (131k), and in addition, there are two more customers in Older People placements.

44 The budget for Learning Disability permanent residential placements is expected to overspend by £708k. The average weekly cost of a working age placement is £204 more than in the budget (£724k) and the average rate of health funding received per customer is less (£80k). This is slightly offset by having 1 less customer compared to budget (£96k).

45 To date, the following mitigations have been identified:

- £500k from the more effective use of Step Up Step Down beds
- Increasing the level of health contributions towards the cost of individual packages will generate £200k and a further £200k from uplifting existing funded packages for annual inflation

- Managing the costs of children preparing for adulthood and reducing by £200k

46 Further areas also being investigated include the following:

- Reviewing the effectiveness and use of 24-hour support at home
- Ensuring all new packages of care have explored the use of telecare before being agreed
- Further scrutiny of double up care packages to ensure they adequately meet the needs of the individual
- Work underway on reducing use of expensive agency staff. Teams have been asked to identify social work tasks and non-social work tasks to explore different models of delivery.
- Heads of services to reduce the burden of any duplicate processes that takes time away from assessment

Place

47 The directorate is forecast to outturn on budget (including commercial portfolio). This includes £1.6m forecast inflation pressures offset by forecast directorate underspends, the maximising of external funding opportunities and the use of reserves to support the position where required.

48 The council, like many other organisations, has been impacted by the increased costs of energy. Wholesale electricity costs increased by 128% from April 2022 which added approximately £900k to costs compared to 2021/22 whilst wholesale gas has seen increases of 400% to date, adding a further £300k to costs. There were further increases from 1st October in relation to gas prices although they have been mitigated by the government price cap from October 2022. Due to the current uncertainty, these costs will be regularly reviewed and reported back to Members. Fuel costs have also been significantly higher during 2022/23 than budgeted and this has added circa £300k additional pressures. There have been additional inflationary pressures that are also being managed within the overall Place budget.

49 There is a forecast underspend (£1,078k) across waste disposal mainly due to recyclate sales which are at levels above budget due to high commodity prices for the first six months of the year. Income levels are currently forecast at £900k above budget as the price levels are starting to fall. There is also a windfall receipt (£178k) in connection with the

AWRP contract in relation to lower than assumed contract insurance costs.

50 There is a continued forecast shortfall in commercial waste income totalling £250k based on current service levels.

51 Car park income to 30th November has remained strong across the city at approximately 20% ahead of budget. This has resulted in additional income of c£1,000k in the year to date. This has been offset by reduced Respark income particularly from visitor badges and season tickets (£50k). There have also been additional card processing fees as more transactions have been paid by card / phones leading to a £100k pressure across the service. Overall the net projection to the end of the year has increased to £1.1m surplus for the year.

52 There is a forecast shortfall in planning fees of £476k as applications, particularly major, have been lower prior to the Local Plan being finalised.

53 There is a forecast shortfall in income on commercial property of £360k based on expected rent levels. The budgeted level of income is £6.3m. This is partly due to reduced rental from the racecourse (following the impact of Covid). It is offset by a forecast saving of £85k across staffing budgets mainly due to vacant posts.

54 Across commissioning, design and facilities management there are expenditure pressures of up to £300k. This is due to security costs which are higher than budgeted (£115k) along with additional maintenance expenditure (£120k) and a shortfall in budgeted income from West Offices (£65k) prior to new partners taking space.

55 The overall directorate forecast also assumes that a number of income budgets including those across land charges, building control and licensing will outturn on budget.

56 Across Transport Services there has been an underspend on concessionary fares of c £600k as the number of concessions are yet to return to pre pandemic levels. This has offset a number of inflationary pressures around bus services, CCTV monitoring, traffic signals maintenance and electricity and income pressures. Overall the service is anticipated to balance. A number of bus services that were commercial and not funded by the Council have been withdrawn by the operator. The Council in consultation with the Enhanced Partnership have safeguarded these services with short term contracts to safeguard the extent of the network as per the Executive Decision in December. This is funded through the BSIP funding awarded by

Department for Transport. Uncertainty remains over funding for busses post March as the significant funding from government which goes direct to bus operators is unlikely to be extended in its current format

57 There are also a number of pressures across services faced by inflationary costs such as and Highways and Public Realm however it is assumed that these can be mitigated by cost savings and a review of reserves.

Housing Revenue Account

58 The Housing Revenue Account budget for 2022/23 is a deficit of £347k. The rising cost of utilities is having a big impact on the HRA budgets as well as other inflationary rises such as the pay award and the cost of materials and repairs, with the overall forecast being £1.7m above the budget, an improvement of £268k since quarter 2.

59 The cost of repairs to council housing stock has risen since the start of the year due to these inflationary increases in pay award, materials, sub-contractor costs and fuel rises. The level of such increases are far higher than was forecast when the budget was set, as such the Repairs Team are expecting a pressure on the cost of maintaining our housing stock of around c£600k in 2022/23.

60 The loss of rental income for general needs properties, hostels and shared ownership properties has slightly improved since the last quarter due to the income from the additional temporary accommodation at Crombie House and Ordnance Lane. The voids remain high with an overall loss of income of £491k below budget. A third of these properties are long term voids, such as Glen Lodge and Bell Farm, where the properties are awaiting large scale capital works, this programme of works is expected to take place in 2023/24.

61 The cost of gas and electric have increased far higher than the original forecast and continues to be a pressure on the budgets of the Independent Living Schemes and Hostels, however the increase in October was lower than initially forecast, reducing the pressure on utilities to £590k. The insurance for Housing stock has increased by £151k above the budget, meaning overall the HRA is forecasting a deficit position of £1.742m.

62 When taking out one-off expenditure items relating to revenue contributions to capital, the HRA is forecasting a loss of £332k in the year which is unsustainable in the long term. The Government have now completed a rent consultation and have capped the rent increase

for 2023/24 at 7% to protect residents against the potential cost of high inflationary rent increases. Whilst this is good news for residents (particularly those not in receipt of benefits), as the inflationary gap is not supported by government funding, this will put significant pressure on the HRA going forward as costs increase quicker than income. This will lead to savings being required from the HRA in future years.

63 The HRA working balance position as at 31st March 2022 was £29.57m. The HRA projected outturn position means the working balance will reduce to £27.48m at 31st March 2023. This compares to the balance forecast within the latest business plan of £29.15m. The current HRA debt totals £149m.

64 The working balance has been increasing in order to start repaying the £121.5m debt that the HRA incurred as part of self-financing in 2012. The current business plan assumes that reserves are set aside to enable to the debt to be repaid over the period 2023/24 to 2042/43.

Corporate Services, including Customers & Communities and Public Health

65 Overall the remaining Council services are forecasting an overspend of £550k.

66 Internal Business Support is forecast to overspend by £265k due to reduced income from schools for payroll services and not achieving the budgeted vacancy factor. Other variations include an £82k shortfall in income projected in Registrars and the continued pressure on Housing Benefit overpayments (£150k) as outlined in the 2021/22 outturn report. These overspends are offset by forecast underspends in policy & partnerships (£66k) due to staff vacancies and York Learning (£71k) following an increase in courses offered and other minor savings.

67 As part of the leisure services contract with GLL, which is based on the Sport England template, the council retained the risk for extraordinary increases in energy prices at Yearsley Pool, Energise Centre and the Stadium. The cost of utilities has been particularly significant in the Leisure sector as the cost of heating gyms and particularly swimming pools is an all year cost. Whilst GLL have reduced energy consumption at its facilities utilising pool covers, introducing LED lights and better utilising building energy usage the increased costs are still significant. The contract stipulates a formula for calculating the councils risk share component and will be based on actual usage and costs. The current forecast for additional costs in 2022/23 to the council totals c £600k. This has been assumed in corporate inflationary provisions.

Corporate Budgets

68 These budgets include Treasury Management and other corporately held funds. A net underspend is forecast due to the early and increased delivery of a corporate saving. In addition, due to slippage on the capital programme, there has been a saving on interest and the cost of borrowing.

Annex 2 – Performance – Council Plan Outcomes

1 This report concentrates on the indicators that make up the Council Plan performance framework and does not cover COVID-related activity.

2 It is likely that due to impacts of COVID, a number of the indicators will see a significant change both in terms of their numbers and their direction of travel in future reporting periods. The majority of the performance measures within the Council Plan have a lag between the data being available, and the current reporting period and therefore impacts will not be immediately seen, and may occur over several years as new data becomes available.

3 Within the updates on the Council Plan indicators, are a number of indicators which show the status of economic, community or corporate recovery since the start of the pandemic.

Well paid jobs and an inclusive economy

Well paid jobs and an inclusive economy						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Business Rates - Rateable Value	£254,426,811 (Q2 2022/23)	£253,728,536 (Q3 2022/23)	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
Median earnings of residents - Gross Weekly Pay (£)	£597.90 (2021/22)	£609.20 (2022/23)	⇨	Annual	National Data 2022/23: £642.20 Regional Data 2022/23: £594.10	2023/24 data available in November 2023
% of working age population qualified - to at least L2 and above	83.6% (2020/21)	87.9% (2021/22)	⇧ Good	Annual	National Data 2021/22: 78.20%	2022/23 data available in June 2023
% of working age population qualified - to at least L4 and above	46.4% (2020/21)	59.3% (2021/22)	⇧ Good	Annual	National Data 2021/22: 43.50% Regional Data 2021/22: 38.0%	2022/23 data available in June 2023
% of vacant city centre shops	8.03% (Q2 2022/23)	7.87% (Q3 2022/23)	⇩ Good	Monthly	National Data 2021/22 14.40%	Q4 2022/23 data available in April 2023
GVA per head (£)	30,465 (2019/20)	28,967 (2020/21)	⇨	Annual	Regional Rank 2020/21: 2	2021/22 data available in April 2023
% of working age population in employment (16-64)	81.80% (2021/22)	81.60% (Q1 2022/23)	⇨	Quarterly	National Data Q1 2022/23 75.20%	Q2 2022/23 data available in February 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Business Rates

4 The year to date collection rate for Business Rates up to the end of December 2022 was 82.55% (1.95% below the target collection rate but 4.22% above the collection rate in 2021-22). The year to date collection rate for Council Tax up to the end of December 2022 was 81.61% (2.82% below the target collection rate but broadly the same as the collection rate in 2021-22).

Median earnings of residents – Gross weekly pay

5 In April 2022, the (provisional) median gross weekly earnings for full-time resident employees in York were £609.20, which is an increase of 4.4% from £597.90 in 2021. Over the coronavirus pandemic period, earnings estimates were affected by changes in composition of the workforce and the impact of the Coronavirus Job Retention Scheme (furlough) making interpretation difficult; also data collection disruption and lower response rates mean that, for 2020 and 2021, data was subject to more uncertainty and should be treated with caution. Nationally in 2022, median weekly earnings for full-time employees saw strong growth across all major occupational groups, particularly for lower-paying occupations (with process, plant and machine operatives up 8.6% and elementary occupations up 6.9%); pay for professional occupations saw the smallest increase at 2.4%. Data for 2023-24 will be available in November 2023.

% of working age population qualified – to at least L2 and above

6 In 2021-22, 87.9% of the working age population in York were qualified to at least L2 and above (GCSE grades 9-4), which is higher than the national and regional figures (78.2% and 76.4% respectively). This result ranks the city of York first regionally. The 2021-22 figure has increased from 2020-21 (83.4%). Achieving level 2 is valuable in itself: full level 2 qualification on average results in a 9% increase in earnings. Data for 2022-23 will be available in June 2023.

% of working age population qualified – to at least L4 and above

7 In 2021-22, 59.3% of the working age population in York were qualified to at least L4 and above (certificate of higher education or equivalent), which is higher than the national and regional figures (43.5% and 38.0% respectively). This result ranks the city of York first regionally. The 2021-22 figure is a big increase from 2020-21 (46.4%). Data for 2022-23 will be available in June 2023.

% of vacant city centre shops compared to other cities

8 Whilst acknowledging that a number of city centre streets and prime commercial locations seem to be experiencing higher vacancy levels than York's average, overall at the end of December 2022, there were 50 vacant shops in the city centre (a reduction from 56 at the same point in 2021), which equates to 7.9% of all city centre shops, and is much lower than the national benchmark in 2021-22 of 14.4%.

9 The York figure has not fluctuated a great deal in the past 10 years, with a high of 10.3% in 2017-18. The national benchmark figure has remained stable in the last ten years, between 9 and 12%, but the latest figure of 14.4% in 2021-22 is the highest seen. Properties in York are owned by different commercial parties and CYC commercial properties have very low levels of vacancies.

10 This measure will continue to be monitored alongside looking at vacancy rates within secondary shopping centres, which are areas that the organisation has a long-term commitment towards investing in, in order to broaden the economic picture of the city. At the end of Q3 2022-23, the vacancy rates within secondary shopping centres were relatively low (3% at Clifton Moor, 2% in Haxby Village and 5% in Acomb High Street). At Monks Cross, the vacancy rate has decreased from 23% at the start of 2022-23 to 12% at the end of Q3 showing a good direction of travel.

11 In the financial year up to the end of December 2022, there were 643 new business start-ups in the City of York Council area, which is higher than in the previous year (550 by December 2021). The latest figure is at only a slightly lower level to that seen before the pandemic.

GVA (Gross Value Added) per head (£)

12 In 2020-21 (the latest available data), the GVA per head in York was £28,967 which was the second highest figure regionally. The slight decrease on values from last year (£30,465 or 4.9%) was expected, mainly as a result of the COVID-19 pandemic (GVA per head for the UK fell by 3.8%), but, annually since 2009-10, the GVA per head has generally been increasing (from £25,976 per head). Data for 2021-22 will be available in April 2023.

% of working age population in employment (16-64)

13 In Q1 2022-23, 81.6% of the working age population were in employment, which is higher than the national and regional figures (75.5% and 74.7% respectively) and the York performance gives the city a ranking of first regionally. The figure for Q1 2022-23 in York is higher than seen in previous years. Q2 data will be available in February 2023 and reported in the Q4 monitor

14 At the end of December 2022 there were 11,668 people, in York, on Universal Credit which is an increase of 82% compared with February 2020 (pre-pandemic figures). Following a high of 13,236 in February 2021, the figures dropped to a low of 11,054 in May 2022 but they have increased over the last seven months.

Getting around sustainably

Getting around sustainably	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
P&R Passenger Journeys	0.74m (Prov) (Q2 2022/23)	0.95m (Prov) (Q3 2022/23)	⇧ Good	Quarterly	Not available	Q4 2022/23 data available in April 2023
Local bus passenger journeys originating in the authority area (excluding P&R)	2.30m (Prov) (Q2 2022/23)	2.66m (Prov) (Q3 2022/23)	⇧ Good	Quarterly	Not available	Q4 2022/23 data available in April 2023
% of road and pathway network that are grade 4 (poor) or grade 5 (very poor) - roadways	22% (2020/21)	22% (2021/22)	⇨	Annual	Not available	2022/23 data available in early 2023
% of road and pathway network that are grade 4 (poor) or grade 5 (very poor) - pathways	3% (2020/21)	4% (2021/22)	⇨	Annual	Not available	2022/23 data available in early 2023
Area Wide Traffic Levels (07:00 -19:00) (Excluding A64) from 2009/10 baseline (2.07m)	1.77m (2019/20)	1.34m (2020/21)	⇨	Annual	Not available	2021/22 data available in Spring 2023
Index of cycling activity (12 hour) from 2009 Baseline (31,587)	114.00% (2020)	101.00% (2021)	⇩ Bad	Annual	Not available	2022 data available in June 2023
Index of pedestrians walking to and from the City Centre (12 hour in and out combined) from 2009/10 Baseline (37,278)	103.00% (2020/21)	103.00% (2021/22)	⇨	Annual	Not available	2022/23 data available in March 2023
% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus - excluding cars, Lift, Motorcycle, Train)	71.90% (2019)	79.40% (2021)	⇨	Annual	Not available	2022 data available in March 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

P&R Passenger Journeys

15 Passenger journeys for park and ride customers totalled 0.95m (provisional) for Q3 2022-23. This is higher than the journeys made during Q3 2021-22 (0.83m) showing that the recovery post-covid is continuing. Pre-pandemic figures were around 1.1m in Q3 2019-20.

Local bus passenger journeys

16 Passenger journeys on local buses totalled 2.66m (provisional) for Q3 2022-23. This is an increase on the 2.35m journeys made during Q3 2021-22, showing that the recovery post-covid is continuing. Pre-pandemic figures were around 3.3m in Q3 2019-20.

% of ROAD and PATHWAY network that are grade 4 (poor condition) or grade 5 (very poor condition) - Roadways / Pathways

17 In 2021-22, 22% of the road network was classed as in poor or very poor condition, which is the same as in 2020-21. In 2021-22, 4% of the pathway network was classed as in poor or very poor condition. This remains relatively low compared with previous years, with the highest being 6% in 2015-16. Data for 2022-23 will be available in Spring 2023.

Area Wide Traffic Levels (07:00 -19:00) (Excluding A64)

18 Between 2011-12 and 2016-17, the number of vehicles on the city's roads increased year on year to a high of 2.2 million. Since then the numbers have decreased to a provisional figure of 1.34 million in 2020-21. This decrease in numbers is set against a backdrop of a city with an increasing population. However, the covid pandemic has brought with it numerous

national lockdowns and local restrictions so the decrease in traffic levels is to be expected. Figures for 2021-22 will be available in Spring 2023 and are also expected to be lower than historic figures, due to further restrictions and working from home orders.

Index of cycling activity (12 hour)

19 The data suggests that cycling levels in the 2020s are lower than in the 2010s. There are a number of reasons for this; technical issues with the hardware and software counting system, the impact of the Tour de France and the major effect of the Pandemic on all types of behaviour, including the introduction of furlough and the establishment of working from home as the new normal.

20 Cycling counter data from across the city has been cleaned and anomalies removed, to cleanly calculate results for the last ten years. This recalculation leaves an initial level in 2021 of 101% of the 2009 baseline compared to 114% the previous year. The cleaned data supports the view that there is significantly less commuting, evidenced by AM/PM data having lower peaks at rush hour times. Google mobility statistics capture the increase in leisure-related cycle trips, however due to technical issues with the counters and the placement of these counters on commuter routes, this has not been reflected in CYC numbers.

21 Approximately 10% of the cycle counter network has technical issues. To resolve this the Council is in the process of procuring a robust maintenance process alongside re-engineering processes for the production, quality assurance, analysis and publication of cycling information. All raw data for the last ten years relating to cycle counters has been republished to the Council's Open Data platform during November 2022 to reflect these issues and give a common platform to report on.

Index of pedestrians walking to and from the City Centre (12 hour in and out combined)

22 From a baseline in 2009-10 (37,278), there has been a 3% increase in the number of pedestrians walking to and from the city centre in 2021-22. This is the same as in 2020-21 but 8% lower than in 2019-20. Data is gathered on an annual basis over the course of one day; it is a count of pedestrians crossing an inner cordon set just beyond the inner ring road and includes off-road routes such as riverside paths. Data for 2022-23 will be available in March 2023.

% of customers arriving at York Station by sustainable modes of transport (cycling, walking, taxi or bus – excluding cars, lift, motorcycle or train)

23 In 2021, 79% of customers arrived at York station by sustainable modes of transport which is an increase from 72% in 2019 (Due to COVID restrictions on movement, the survey did not take place during 2020, therefore data is not available for this year). The data is gathered by an

annual survey which takes place for a five-hour period in seven locations around the station. Members of the public are asked how they arrive at the station and the results are flow weighted to take into account the split of people arriving at each entrance. Data for 2022 will be available in March 2023.

Good Health and Wellbeing

Good Health and Wellbeing						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Proportion of adults in contact with secondary mental health services living independently, with or without support (New definition from 2021/22)	38% (Q1 2022/23)	37% (Q2 2022/23)	⇨	Quarterly	National Data 2021/22 26%	Q3 2022/23 data available in March 2023
Overall satisfaction of people who use services with their care and support	72.30% (2020/21)	65.10% (2021/22)	⇨	Annual	National Data 2021/22 63.90%	2022/23 data available in October 2023
% of reception year children recorded as being obese (single year)	7.60% (2019/20)	8.90% (2021/22)	⇨	Annual	National Data 2021/22 10.11%	2022/23 data available in November 2023
Slope index of inequality in life expectancy at birth - Female - (Three year period)	6.2 (2019/20)	5.7 (2020/21)	⇨	Annual	Regional Rank 2020/21: 3	2021/22 data available in February 2023
Slope index of inequality in life expectancy at birth - Male - (Three year period)	8.3 (2019/20)	8.4 (2020/21)	⇨	Annual	Regional Rank 2020/21: 3	2021/22 data available in February 2023
% of adults (aged 16+) that are physically active (150+ moderate intensity equivalent minutes per week, excl. gardening)	63.0% (2020/21)	66.5% (2021/22)	⇨	Bi-annual	National Data 2021/22 61.4%	2022/23 data available in April 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

24 Demand for adult social care remains high, following the COVID-19 pandemic; CYC conducts around 6,000 assessments each year following a formal request for support. Monitoring initial contacts helps give ASC a view of possible future demand and our Customer Contact Workers (CCWs) record the number of contacts received to ASC, whether made by email, telephone or other methods. Complete information for December 2022 is not yet available, so the comparisons below relate to October-November 2021 and 2022.

- During October and November of 2022, the CCWs received 2,704 contacts, a 7% reduction from the number received during October-November 2021 (2,917).
- Around 14% of the contacts during October and November 2022 were resolved using Information, Advice and Guidance (IAG), which is a substantially lower percentage than were resolved using IAG during October-November 2021 (26%). This is likely to have been as a result of our CCWs dealing with increasingly complex issues from those with ASC-related queries.

25 The number of individuals in residential/nursing care placements fell sharply at the start of the 2020-21 financial year, mainly due to the Covid crisis, but has remained relatively stable since the summer of 2020. At the end of December 2022, this number was 561, compared to 572 at the end of December 2021.

26 During the third quarter of 2022-23, the number of new admissions of people to residential/nursing care was 29, a decrease of 44% compared with the same period in 2021-22 (52), which is due to the introduction of a “high cost” panel specifically to deal with potentially high-cost packages of care.

27 The number of people receiving home care services as their main provision has begun to rise again in recent months after a steady decline in the number during 2021-22. At the end of December 2022, there were 697 people who had, as their main provision, a home care service; this is slightly higher than the corresponding figure at the end of December 2021 (688). However, some of the recipients of home care services may otherwise have been placed in much more costly residential/nursing care, and the relatively small increase reflects on the good preventative work CYC has done.

28 In the third quarter of 2022-23, 153 clients were recorded as receiving a paid ASC service for the first time (“new starters”). This is a significant increase compared with the number in the corresponding quarter during 2021-22 (125). The number during the third quarter of 2022-23 (82) that have returned to ASC for a paid service is lower than reported during the third quarter of 2021-22 (93). This suggests that although we are still experiencing high demand for care, which prevents us keeping the number of first-time entrants lower than we would wish, we are doing well by ensuring that fewer people need to re-enter ASC for additional spells of care; it is an ongoing challenge to maintain this position.

Proportion of adults in contact with secondary mental health services living independently

29 The 2021-22 ASCOF results were released in October 2022 and showed that York is in the upper quartile for performance with 46% of adults in contact with secondary mental health services living independently, compared with the England average of 26% and 32% regionally. The definition used for this indicator has changed from prior years, and therefore the current figures cannot be compared with previous ones. The Care Programme Approach has been decommissioned and this indicator now includes all people in contact with secondary mental health services, rather than just those on the Care Programme Approach. Subsequent data shows that this figure for York has lowered to 37% at the end of the second quarter of 2022-23, but this is based on an incomplete sample of those in contact with secondary mental health services.

30 The 2021-22 ASCOF results showed that 17% of all those in contact with secondary mental health services in employment, compared with the England average of 6% and 8% regionally. York is the 6th best performing LA in the country on this indicator. As above, the definition used for this indicator has changed from prior years, due to the decommissioning of the Care Programme Approach, and therefore the current figures cannot be compared with previous ones. Subsequent data shows that this figure for York at the end of the second quarter of 2022-23 is 15%, but it is based on an incomplete sample of those in contact with secondary mental health services.

Overall satisfaction of people who use services with their care and support

31 Data at LA and national level for 2021-22 was published in October 2022, and the data shows that there has been a decrease in satisfaction levels experienced by York's ASC users compared with 2020-21 (down from 72% to 65%). This has been mirrored at a national level (a decrease from 68% to 64%) as ASC users have found life increasingly difficult. We are about to conduct the 2022-23 Adult Social Care User Survey and expect to have provisional results for York in March/April.

32 Outcomes from the 2021-22 Survey of Adult Carers in England (SACE) were published in June 2022, and although there was a decrease in the percentage saying that they were "extremely or very" satisfied with their care and support (40% compared with 43% in 2018-19, the last time the Survey was carried out), York remained in the upper quartile for performance on this indicator amongst the 149 LAs that carried it out; the average for England as a whole was 36%. The next SACE will be conducted during 2023-24.

% of reception year children recorded as being obese (single year)

33 The participation rates for the National Child Measurement Programme (NCMP) in York for 2021-22 were 97.5% for reception aged children and 94.9% for year 6 pupils.

- The 2021-22 NCMP found that 8.9% of reception aged children in York were obese, compared with 10.1% in England and 11% in the Yorkshire and Humber region. York has the second lowest obesity rate for reception aged children in the Yorkshire and Humber region.
- Of year 6 children in York, 18.9% were found to be obese in 2021-22 compared with 23.5% in England and 24.9% in the Yorkshire and Humber region. York has the lowest obesity rate for Year 6 children in the Yorkshire and Humber region.

Healthy Life expectancy at birth – Female/Male (slope index of inequality)

34 Average Life Expectancy and Healthy Life Expectancy for men in York (79.9 years and 65.3 years) is above the England average (79.4 years and 63.1 years). Average Life Expectancy and Healthy Life Expectancy

for women in York (83.6 years and 64.6 years) is also above the England average (83.1 years and 63.9 years).

35 The slope index of inequality shows how much life expectancy at birth varies with deprivation. A higher figure shows a greater disparity between the more deprived and the less deprived areas. Alternative measures are the difference in life expectancy between the most and least deprived deciles in an area and the difference in life expectancy between the deprivation deciles with the highest and lowest values.

36 Deprivation deciles are drawn up using data from the 2019 Indices of Multiple Deprivation (IMD). The Lower Super Output Areas (LSOAs) in York are ranked from 1 to 120 on the overall IMD measure and then divided into local deprivation deciles with 12 LSOAs in each.

37 The slope index of inequality in life expectancy for women in York for 2018-20 is 5.7 years. The England average is 7.9 years with a range of 1.2 to 13.9 years. In York there is a 7 year difference in life expectancy between the most and least deprived deciles and a 7.9 year difference between the deprivation deciles with the highest and lowest life expectancy.

38 The slope index of inequality in life expectancy for men in York for 2018-20 is 8.4 years. The England average is 9.7 years with a range of 2.6 to 17.0 years. In York there is a 10.3 year difference in life expectancy between the most and least deprived deciles and a 10.3 year difference between the deprivation deciles with the highest and lowest life expectancy.

39 The slope index of inequality in life expectancy for women in York for 2018-20 (5.7 years) has fallen (improved) compared with the figure of 6.2 years in the previous period 2017-19 and is similar to the first published value of 5.8 years for 2008-10.

40 The slope index of inequality in life expectancy for men in York for 2018-20 (8.4 years) has been fairly stable in recent periods e.g. it was 8.4 years in 2016-18, however it has increased (worsened) compared with the first published value of 6.4 years for 2008-10.

% of adults (aged 16+) that are physically active (150+ moderate intensity equivalent minutes per week, excluding gardening)

41 The latest data from the Adult Active Lives Survey for the period from mid-November 2020 to mid-November 2021 was published in April 2022. The period covered by the survey includes five months of notable restrictions (two-and-a-half months of full national lockdowns and two-and-a-half months of significant restrictions) and seven months of limited restrictions

(three months of easing restrictions and four months with no legal restrictions). In York, 523 people aged 16 and over took part in the survey, and they reported higher levels of physical activity, and lower levels of physical inactivity, compared with the national and regional averages. Positively:

- 67% of people in York did more than 150 minutes of physical activity per week compared with 61% nationally and 60% regionally. There has been no significant change in the York value from that 12 months earlier.

- 24% of people in York did fewer than 30 minutes per week compared with 27% nationally and 28% regionally. There has been no significant change in the York value from that 12 months earlier.

A Better Start for Children and Young People

A Better Start for Children and Young People						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Secondary school persistent absence rate (10% absence) (recorded over 6 terms)	13.18% (2018/19)	12.10% (2020/21)	⇩ Good	Annual	Not available	Data for 2021/22 available in February 2023
Voice of the Child - Service Usage and Life Opportunities	Narrative	Narrative	N/A	Quarterly	Not available	Q3 2022/23 narrative available in February 2023
% of children who have achieved a Good Level of Development (GLD) at Foundation Stage - (Snapshot)	75.60% (2018/19)	70.90% (2021/22)	⇨	Annual	National Data 2021/22 65.20%	Data for 2022/23 will be released in November 2023
Average Progress 8 score from KS2 to KS4	0.22 (2018/19)	0.26 (2021/22)	⇨	Annual	National Data 2021/22 -0.02	Data for 2022/23 will be released in November 2023
% of pupils achieving 9-4 or above in English & Maths at KS4 (C or above before 2016/17)	73.60% (2018/19)	75.30% (2021/22)	⇨	Annual	National Data 2021/22 56.10%	Data for 2022/23 will be released in November 2023
%pt gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English & Maths at KS4	29.00% (2018/19)	32.00% (2021/22)	⇨	Annual	National Data 2021/22 28.20%	Data for 2022/23 will be released in November 2023
% of Year 12-13 (academic age 16-17) NEET who possess less than a L2 qualification - (Snapshot)	100% (Q2 2022/23)	100% (Q3 2022/23)	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

42 The number of children in York's care was 268 at the end of Q3 2022-23, consistent with the Q2 outturn. York's rate per 10k remains above the comparator averages at 72.4, compared to the recently released statistical family (63.6) and national (70) averages.

43 The number of children who were the subject of a child protection plan has reduced to 130 at the end of December 2022, following a steady reduction. As previously reported, the number of children subject to a plan peaked in August 2022 at 193. At 35.1 plans per 10k population, performance at the end of December is now within York's expected range

and lower than comparator averages (Family 39.3 per 10k, National 42.1 per 10k).

44 The number of referrals to children's social care has been consistent with last year; At the end of Q3, around 1,200 referrals had been received. Re-referral performance (within 12 months of a previous referral) also remains stable and in line with benchmarks. Due to tight reporting timescales, it is likely that a small number of referrals will be missing from Q3, but not enough to noticeably impact on performance.

45 The number of contacts to Early Help in Q3 was 391, compared to over 600 in the previous three quarters. December appears to have had the greatest impact on performance, with only 62 contacts to Early Help, compared to a monthly average of ~200 contacts during the rest of 2022-23 to date.

Voice of the Child

46 Advocacy casework for children and young people who are in care or leaving care, going through the child protection process or wanting to make a complaint has continued to be provided throughout this period. Between October and December 2022, Speak Up received a total of 17 referrals for advocacy; these consisted of 4 referrals for children and young people in care, 1 referral for young parents aged 18 and under whose child is subject to a Child Protection Plan, 1 referral for a young person subject to a Child Protection Plan, 9 referrals for care leavers and 2 young people were referred who did not meet the scope of the advocacy service but they were provided with advocacy on an agreed exception basis.

Secondary school persistent absence rate

47 The Department for Education did not report persistent absence during COVID-19 due to school closures. 2020-21 national data has recently been released showing that 14.8% of secondary age pupils were persistently absent during the academic year, compared to 12.1% of York secondary pupils. 2021-22 academic year data for York pupils will be available next quarter.

% of children who have achieved a Good level of Development (GLD) at Foundation Stage

48 After two years of cancelled tests due to the pandemic, performance in this area deteriorated across England. In York, 70.9% of our 5-year-olds achieved a Good Level of Development compared to 65.2% Nationally, and 64.4% in Yorkshire and Humber. Performance in York, England and the Y&H Region all dropped by about 5% points on 2018-19.

49 Studies are emerging which are analysing the impact of the pandemic on Early Years Development. Broadly, the studies are suggesting that we

could see similar performance for several cohorts whilst the children "catch up" on the past two years.

Education Progression (Average Progress 8 score from KS2 to KS4) and GCSE Results (% of pupils achieving 9-4 in English and Maths at KS4)

50 Progress 8 is a measure of the progress made by pupils between Key Stage 2 and Key Stage 4. A positive score represents progress above the average for all pupils and a negative score progress below the average for all pupils.

51 In 2020 and 2021, all GCSE, AS and A level exams were cancelled and replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. Summer 2022 saw a return to the familiar testing methods.

52 Despite an incredibly turbulent two years, York's Year 11s, and their teachers, went against National trend in 2022 by improving on 2018-19 performance. York's Progress 8 score was 0.26, against a National average of -0.02.

53 75.3% of Key Stage 4 pupils achieved grades 9-4 in English and Maths (considered a standard pass), compared to 56.1% Nationally.

% point gap between disadvantaged pupils (eligible for FSM in the last 6 years, looked after and adopted from care) and their peers achieving 9-4 in English and Maths at KS4

54 In 2020 and 2021, all GCSE, AS and A Level exams were cancelled and replaced by a combination of teacher assessment, mock exam results, course work and a standardised calculation. Summer 2022 saw a return to the familiar testing methods.

55 As with National averages, York saw a slight widening of the gap at age 16. York's gap between disadvantaged pupils and their peers in 2022 was 32% compared to 28.2% for English and Maths at grades 9-4.

56 Reducing the attainment gap between disadvantaged pupils and their peers is a key priority in all phases of education across 0-19 years. Our long-term strategy re closing the gap is linked to the early identification of speech, language and communication needs in the early years through Early Talk For York (ETFY). Early communication and language development is particularly important in helping to tackle inequalities between disadvantaged children and their peers. Data shows that the 'gap' between non disadvantaged children nationally and disadvantaged children in the ETFY area reduced by 32%, from 34.5% (2018) to 2.5%, during the pilot. The scale up of the programme is designed to reduce the long-standing attainment gap and will focus on supporting the transition of children from the early years in to school.

% of 16-17 year olds who are NEET who do not have a L2 qualification

57 The number of all 16-17 year olds in York who are NEET remains low at 25 young people at the end of December 2022.

58 Historically, NEET trends follow the academic year, with increases over the summer months when a small number of 16 year olds finish school without a plan for September.

59 At the end of December 2022, all of the young people who were NEET did not have a Level 2 qualification. The number of young people who are NEET is very low in York, so high levels are not unexpected. Performance is largely in line with historical performance.

A Greener and Cleaner City

A Greener and Cleaner City						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Percentage of household waste sent for reuse, recycling or composting	47.15% (Prov) (Q1 2022/23)	43.32% (Prov) (Q2 2022/23)	⇨	Quarterly	National Data 2020/21 42.30%	Q3 2022/23 data available in April 2023
Residual household waste per household (kg/household)	125.48kg (Prov) (Q1 2022/23)	127.90kg (Prov) (Q2 2022/23)	⇨	Quarterly	National Data 2020/21 552.9kg	Q3 2022/23 data available in April 2023
Incidents - Flytipping /Cleansing(includes dog fouling,litter)/Graffiti - On Public/Private Land	677 (Q2 2022/23) (Flytipping)	485 (Q3 2022/23) (Flytipping)	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
	524 (Q2 2022/23) Cleansing	407 (Q3 2022/23) Cleansing	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
	202 (Q2 2022/23) Graffiti	258 (Q3 2022/23) Graffiti	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
Carbon emissions across the city (tonnes of carbon dioxide equivalent) - (Calendar Year)	936 (2018)	912 (2019)	⇨	Annual	Not available	2020 data available in August 2023
Level of CO2 emissions from council buildings and operations (tonnes of carbon dioxide equivalent)	3,657.56 (2020/21)	3,633.3 (2021/22)	⇨	Annual	Not available	2022/23 data available in September 2023
Number of Trees Planted (CYC)	271 (2020/21)	73 (2021/22)	⇨	Annual	Not available	2022/23 data available in April 2023
% of Talkabout panel who think that the council are doing well at improving green spaces	42.26% (Q1 2022/23)	38.30% (Q3 2022/23)	⬇ Bad	Bi-annual	Not available	Q1 2023/24 data available in June 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Percentage of household waste sent for reuse, recycling or composting

60 The latest provisional data for the amount of household waste sent for reuse, recycling or composting was 43.3% within Q2 2022-23 which is a decrease from 47.4% during Q2 2021-22. Whilst there has been a big reduction of 2,500 tonnes of overall household waste to 21,000 tonnes (23,500 in 2021-22), there has also been a decrease of 2,100 tonnes in household waste being sent for reuse, recycling or composting, where we have expected a reduction of 1,400 tonnes.

Residual household waste per household (kg/household)

61 The latest provisional residual waste (i.e. non-recyclable) per household data shows that figures have decreased during Q2 2022-23 to 127.9kg

(from 135.0kg in Q2 2021-22). This decrease is due to the reduction in overall household waste and specifically the decrease of 700 tonnes of household waste not sent for reuse, recycling or composting (11,700 in 2022-23 from 12,400 in 2021-22).

Incidents - Fly tipping / Rubbish / Cleansing (includes dog fouling, litter and all other cleansing cases) / Graffiti – On Public/Private Land

62 The number of service calls received during 2021-22 due to fly-tipping (2,069) had reduced from the 2,277 received during 2020-21. There have been 1,745 calls received during the first three quarters of 2022-23 (up to the end of December) suggesting that the figures for 2022-23 may rise above those seen in previous years.

63 The number of service calls received during 2021-22 due to street cleansing (including dog fouling and litter) (2,150) had increased slightly from 1,990 in 2020-21. There have been 1,536 calls received during the first three quarters of 2022-23 (up to the end of December) suggesting that the figures are remaining stable.

64 The number of service calls received due to graffiti decreased from 479 in 2020-21 to 452 in 2021-22. However, due to increased CYC pro-activeness, the figures during the second half of 2021-22 were steadily increasing and figures of 660 for the first three quarters of 2022-23 (up to the end of December) show that overall figures for 2022-23 will be much higher than seen in previous years.

Air Quality

65 Professor Sir Chris Whitty, the Chief Medical Officer for England, has released his annual health report and has focussed on the many risks to health from air pollution. The report lays out the scale of the challenge of reducing air pollution nationally, the substantial progress that has been made and highlights achievable solutions. Copies of the report and an Executive Summary can be downloaded here: Chief Medical Officer's annual report 2022: Air Pollution.

66 Following approval of CYC's 2022 Air Quality Annual Status Report (ASR), Public Protection have commenced work on the next report, due with DEFRA by the end of June 2023. The next ASR report will summarise the latest air quality monitoring results for York (2022) and ongoing progress on delivering measures in York's current Air Quality Action Plan to deliver further improvements in air quality.

67 Public Protection continue the rollout of the DEFRA funded Low Emission Taxi Grant scheme. Approximately 33% of York taxis are now electric or petrol hybrid vehicles. Further promotion of the scheme was undertaken via CYC's social media channels and correspondence with taxi associations. In October 2022, Licensing and Regulatory Committee

approved the issuing of ten new hackney carriage vehicle licences. Licences will be only be issued to wheelchair accessible vehicles, which are also fully electric or plug in electric hybrid. Interested potential future hackney carriage proprietors have been made aware of the local grant funding available.

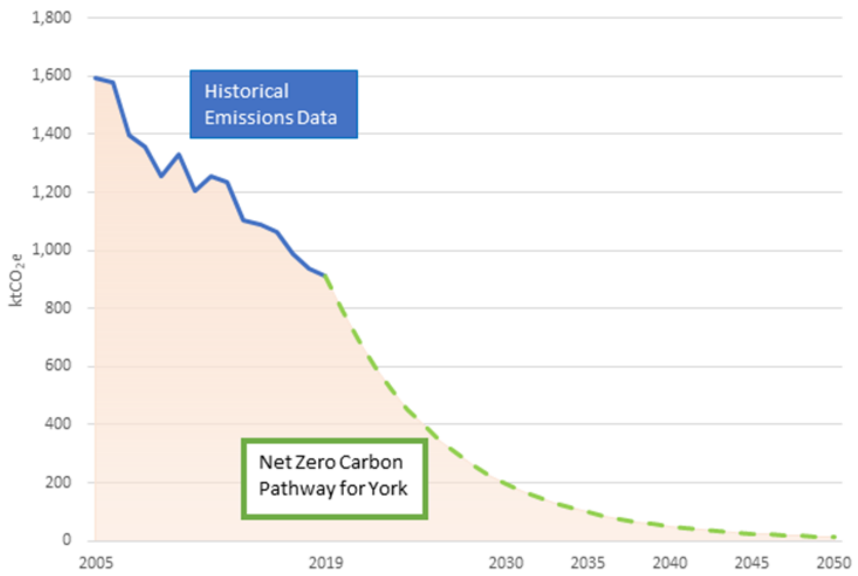
68 Further CYC social media promotion around the use of appropriate fuels and maintenance of appliances in line with the Government's national Burn Better campaign was undertaken in October 2022. Public Protection continue to check that solid fuels being sold in York are certified as 'Ready to Burn' in line with the Air Quality (Domestic Solid Fuels Standards) (England) Regulations 2020.

69 CYC has previously obtained DEFRA AQ Grant funding to carry out a feasibility study and subsequent pilot scheme to reduce emissions relating to freight deliveries travelling in to and out of York. As part of this work, CYC has previously engaged with businesses, including delivery companies, on the initial feasibility work and options for a pilot scheme. The pilot scheme concept was developed further throughout 2022 with one of CYC's own buildings, 107-109 Walmgate, identified as a base for the 9-month hub pilot, which is expected to run until mid-2023, with evaluation and pilot review expected by December 2023.

Carbon Emissions

70 Recent figures of 912 tonnes of carbon dioxide equivalent in 2019, compared to 936 tonnes in 2018 should be seen in context of the overall direction of travel as reported within the Climate Change Strategy, in that since 2005 city-wide emissions have fallen by 39% due to a combination of increasingly decarbonised electricity supply, structural change in the economy, and the gradual adoption of more efficient buildings, vehicles and businesses.

Net Zero Carbon Pathway for York from Climate Change Strategy



Trees Planted

71 During 2021-22, there were 73 trees planted, compared to 271 in 2020-21. The trees planted were of the larger variety and included a mix of 20 Limes and Maples along Monks Cross Link Road.

72 During 2022-23, there have been 55,020 trees planted so far in the York Community Woodland, with further trees expected to be planted before the end of the financial year. This delivers, ahead of target, the Council Plan 2019-23 commitment to plant a minimum of 50k trees by 31 March 2023. This was achieved through the council's partnership with Forestry England, who will nurture the new trees through to successful establishment and lead the woodlands long-term management for the next 120 years. Tree planting will continue over subsequent tree planting seasons to reach a total of 210,000 trees, one for each resident of York.

73 Due to the seasonal nature of tree planting, full data for 2022-23 across the whole city will be available in April 2023.

% of Talkabout panel who think that the council and partners are doing well at improving green spaces

74 The second resident satisfaction survey taken bianually by the Takabout panel tool place during Q3 2022-23. There are approximately 1000 members of the Talkabout panel, but the response rate was only 404, a significant decrease from 550 in Q1 2022-23, and work is planned to be undertaken in the Spring to increse the panel membership.

75 The results for Q3 2022-23 showed that 38% of respondents agreed the Council and its partners are doing well at improving green spaces, down from 42% in Q1 2022-23.

76 When asked about improving the quality of streets/public spaces, 32% of survey respondents thought that the Council and its partners were doing well. The current results have returned to similar levels seen in the year before the pandemic of around 33-35%. During 2020-21, the percentage of respondents who felt the Council were doing well in this area peaked with 48% agreeing throughout the year. 70% agreed they were doing well at conserving York's heritage. Although this has decreased from 76% in Q1 2021-22, it remains the top answer choice for this question with a consistently high percentage agreeing.

Creating Homes and World-class infrastructure

Creating homes and World-class infrastructure						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Net Additional Homes Provided - (YTD)	402 (2021/22)	337 (at Q2 2022/23)	⇨	Bi-annual	Not available	2022/23 data available in June 2023
Net Housing Consents - (YTD)	327 (2021/22)	467 (at Q2 2022/23)	⇨	Bi-annual	Not available	2022/23 data available in June 2023
Number of homeless households with dependent children in temporary accommodation - (Snapshot)	28 (2021/22)	22 (Q1 2022/23)	⇨	Quarterly	Not available	Q2 2022/23 data available in March 2023
Average number of days to re-let empty properties (excluding temporary accommodation) - (YTD)	77.65 (Q2 2022/23)	80.90 (Q3 2022/23)	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
Energy efficiency - Average SAP rating for all Council Homes	70.60 (2020/21)	70.60 (2021/22)	⇨	Annual	Not available	2022/23 data available in September 2023
Number of new affordable homes delivered in York	129 (YTD Q3 2021/22)	48 (YTD Q3 2022/23)	⬇ Bad	Quarterly	Not available	Q4 2022/23 data available in April 2023
Average broadband download speed (Mb/s)	159.3 (2021/22)	177.5 (2022/23)	⇨	Annual	National Data 2022/23 106.09	2023/24 data available in September 2023
Superfast broadband availability	95.53% (2021/22)	96.17% (2022/23)	⇨	Annual	National Data 2022/23 96.58%	2023/24 data available in September 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

New Additional Homes Provided

77 Between 1st April 2022 and 30th September 2022 there were a total of 337 net housing completions. This represents a near return to pre-pandemic levels of housing completions and the figures are similar to those achieved in both 2018 and 2019 for the same 6-month monitoring period. However, this year's figures are heavily influenced by the completion of 232 student flats at Frederick House, and with labour and materials shortages still being experienced by housebuilders, these factors continue to affect housing delivery rates throughout the authority area. Data for the full 2022-23 reporting year will be available in July 2023

78 Some of the main features of the housing completions have been;

- 232 student cluster flats were completed at Frederick House in time for the new academic year;
- 107 homes were competed on housing sites;

- A total of 319 new build homes were completed whilst 3 homes were demolished;
- Individual sites that saw the construction of five or less dwellings contributed an additional 42 homes, and
- Development sites at the Germany Beck site in Fulford (40) and the Former Lowfield School site (16) were the most significant individual sites that provided housing completions, whilst the first completions at the Former Civil Service Club, Boroughbridge Road (4) also took place.

Net Housing Consents

79 Planning applications determined between 1st April 2022 and 30th September 2022 resulted in the approval of 467 net additional homes. Compared to last year's update covering the same equivalent monitoring period this represents a return to a level of consents needed to meet our housing requirement. Data for the full 2022-23 reporting year will be available in July 2023.

80 The main features of the consents approved were;

- 261 of all net homes consented (55.9%) were granted on traditional (Use Class C3) housing sites;
- Sites granted approval for traditional (Use Class C3) housing included Development Site Hospital Fields Road and Ordnance Lane (85), Os Field 2800 Eastfield Lane Dunnington (83), and Cherry Tree House 218 Fifth Avenue (48);
- Approval was granted for two privately managed student accommodation developments that totalled 208 'cluster' flats at Mecca Bingo 68 Fishergate (104) and Alton Cars York Ltd 3 James Street (104) and represents 44.5% of all approvals over the monitoring period;
- A further 158 homes in Copmanthorpe were approved through a resolution to grant consent by councillors with the application being referred to the Secretary of State for determination;
- An application on Land North of Monks Cross that is allocated within the draft Local Plan (ST8) for 970 homes went to appeal in January 2022 due to non-determination and a decision from the Secretary of State is imminent. Indications are that CYC Planning Committee would have approved this scheme if the Local Plan had been adopted, and
- A further application for circa 300 homes at Huntington South Moor, New Lane also went to appeal in January and has been sent to the Secretary of State for consideration. CYC do not support this site for development.

Number of homeless households with dependent children in temporary accommodation

81 The latest available data shows that the number of households with dependent children in temporary accommodation has reduced from 28 at Q4 2021-22 to 22 at Q1 2022-23. This is 43% of total households in temporary accommodation at Q1, which is a decrease from 57% at the end of 2021-22 where numbers had risen throughout the year. The national figures for England consistently showed throughout 2021-22 that around 62% of households in temporary accommodation were households with children.

82 When looking at the total number of households in temporary accommodation per households in area (000s), York performs positively compared to national benchmarks (0.58 in York compared to 3.97 Nationally, 0.89 Regionally and 15.46 in London). It should be noted that these figures are snapshot figures and therefore may fluctuate between the snapshot dates.

Average number of days to re-let empty Council properties (excluding temporary accommodation)

83 The average number of days to re-let empty Council properties (excluding temporary accommodation) was 80.9 days at the end of December 2022. This figure had been reducing slowly from 108 days at the end of May 2022 but this new figure of 80.9 is a slight increase from 75.8 in November.

84 The Building Services department continues to experience significant challenges associated with the national issues of significant competition for skilled tradespeople and the shortage of building materials. This is in addition to the service continuing to work through the pent up demand for the service following the full release of lockdown restrictions. At the start of the last calendar year, an “Action Plan” was created to support improvement through these challenges. The total number of void properties at the end of December 2022 was 85. This has reduced from a peak of 152 at the end of October 2021, but still remains high.

Energy efficiency – Average SAP rating for all Council Homes

85 The provisional average SAP rating for all Council homes in 2021-22 is 70.6. This is primarily based on our stock condition survey of 2019. A large scale stock appraisal exercise is underway as part of development of an energy efficiency and retrofit strategy for council homes, a process which includes work with carbon reduction analysts, Parity Projects Portfolio, to model energy performance, and identify the most cost-effective route to net-zero. One key output of this work will be a detailed analysis of multiple sources of energy performance data, however further property surveys are needed in order to update the current estimate.

Number of new affordable homes delivered in York

86 There were 224 new affordable homes delivered in York during 2021-22 which was a large increase on the 130 delivered during 2020-21.

87 During the first nine months of 2022-23 there have been 48 new affordable homes delivered which is a reduction from previous years. A further 110 affordable homes completions are currently expected during 2022-23, which would constitute a total of 158 in the year. It is important to note that significant change is possible in the final outturn where, for example, unanticipated site or market factors result in some delay to completion beyond the financial year end. However, for various reasons there is often a 'back-loading' effect of completions towards the end of the year and this is expected in 2022-23.

88 There is a significant future pipeline of affordable homes with planning permission in place across the council's own newbuild development programme and section 106 planning gain negotiated affordable housing. Inclusive of applications with a resolution to approve from Planning Committee, there are around 950 affordable homes identified in approved planning applications. The progress ranges from sites that are being built out currently to others with substantial infrastructure or remediation challenges to resolve prior to development. Over 350 of these have progressed through detailed planning, either as a Full application or Reserved Matters. The remainder are at Outline stage, with more uncertainty on timescales and final delivery levels, including the York Central affordable housing contribution.

Superfast broadband availability/Average broadband download speed (Mbs)

89 In 2022-23, 96.3% of properties in York had access to superfast broadband (download speeds of at least 30 Mbit/s), which compares to 95.5% in 2021-22. Nationally 96.9% of UK homes can access superfast broadband although more than a quarter (27%) who have access to it have not taken it up.

90 With households now using 482 GB of data a month on average, full fibre can better support families who need to stream, work, game, video-call and study online all at the same time. Full-fibre connections – along with upgraded cable networks – can deliver download speeds of one gigabit per second (Gbit/s) or higher. In total, gigabit-capable broadband through a range of technologies is now available to 74% of York households (70% of the UK), up from 61.3% last year (47% Nationally). This increase can be attributed to the Council's continuing work with service providers around improving infrastructure.

91 The average broadband download speed in York in 2022-23 was 177.5 Mb/s, which compares to 159.3 Mb/s in 2021-22 and 147.1 Mb/s in 2020-

21. The national benchmark download speed is 106.1 Mb/s in 2022-23. This data is provided by an Ofcom panel of consumers so should be treated as an indication rather than actual figures.

Safe Communities and culture for all

Safe Communities and culture for all						
	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
% of Talkabout panel satisfied with their local area as a place to live	84.73% (Q1 2022/23)	82.18% (Q3 2022/23)	⇨	Bi-annual	Community Life Survey 2020/21 79%	Q1 2023/24 data available in June 2023
All Crime per 1000 population	45.7 (YTD Nov 21)	48 (YTD Nov 22)	⇧ Bad	Monthly	National Data YTD Nov 2022 61.7	Q3 2022/23 data available in February 2023
Number of Incidents of ASB within the city centre ARZ	922 (YTD Nov 21)	641 (YTD Nov 22)	⇩ Good	Monthly	Not available	Q3 2022/23 data available in February 2023
Visits - All Libraries	437,260 (YTD Q3 2021/22)	634,243 (YTD Q3 2022/23)	⇧ Good	Quarterly	Not available	Q4 2022/23 data available in April 2023
% of Talkabout panel who agree that they can influence decisions in their local area	25.67% (Q1 2022/23)	20.94% (Q3 2022/23)	⇩ Bad	Bi-annual	Community Life Survey 2020/21 27%	Q1 2023/24 data available in June 2023
% of Talkabout panel who give unpaid help to any group, club or organisation	65.38% (Q1 2022/23)	60.64% (Q3 2022/23)	⇨	Bi-annual	Community Life Survey 2020/21 62%	Q1 2023/24 data available in June 2023
Parliament Street Footfall	5.54 million (YTD Q3 2021/22)	5.54 million (YTD Q3 2022/23)	⇧ Good	Monthly	Not available	Q4 2022/23 data available in April 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

% of Talkabout panel satisfied with their local area as a place to live

92 Results from the Q3 2022-23 Talkabout survey showed that 83% of the panel were satisfied with York as a place to live, and 82% were satisfied with their local area, both consistent with results from Q1 2022-23. A slight decline in satisfaction with the local area can be seen over recent years but York continues to perform well against the latest national figures of 79% (Community Life Survey 2020-21) and 78% (Local Government Association Poll February 2022).

All Crime per 1000 population

93 Overall crime levels in York for 2021-22 showed that levels had risen slightly since 2020-21 and were back to pre-pandemic levels (67.4 in 2021-22 and 66 in 2019-20).

94 Figures for the first eight months of 2022-23 (48 crimes per 1000 population up to the end of November) suggest that overall crime levels have continued to slowly rise, a pattern seen at national level, and are predicted to be in the range of 70-72 crimes per 1000 population at the end of the year. The York figure of 48 in the year up to the end of November is still lower than the national figure of 61.7 at the same point.

Number of Incidents of ASB within the city centre (Alcohol Restriction Zone)

95 There were 1,276 incidents of anti-social behaviour within the city centre alcohol restriction zone during 2021-22, compared to 1,410 in 2020-21,

and continues the year-on-year reduction seen since 2018-19. Figures for the first eight months of 2022-23 (up to the end of November) of 641, compared to 922 the year before, indicate that this reduction is continuing.

96 Across the city as a whole, there were 3,492 calls for service recorded by North Yorkshire Police linked to anti-social behaviour during the first eight months of 2022-23 (up to the end of November). This is lower than during the same reporting period in previous years (4,779 in 2021-22 and 6,268 in 2020-21).

Visits - All Libraries

97 Library visits (to all libraries, including reading cafes) during 2021-22 totalled 617,771, which is a large increase on the 183,706 visits during 2020-21. This shows a very positive direction of travel, although the 2021-22 figure is still a long way below the pre-pandemic figures (1,023,034 visits in 2019-20).

98 There were 634,243 library visits in the year up to the end of Q3 2022-23 which compares with 437,260 in the same period in 2021-22, suggesting the positive direction of travel is continuing.

% of Talkabout panel who agree that they can influence decisions in their local area

99 Results from the Q3 2022-23 Talkabout survey found that 21% of panellists agreed that they could influence decisions in their local area, down 5% from the previous survey and below the latest national figure of 27% (Community Life Survey 2020-21). The percentage agreeing they can influence decisions has been between 27-30% over the past three years.

% of Talkabout panel who give unpaid help to any group, club or organisation

100 Results from the Q3 2022-23 Talkabout survey found that 61% of panellists had given unpaid help to any group, club or organisation within the last 12 months. This is a slight decrease from Q1, however is similar to the latest national figure of 62% taken from the government's Community Life Survey 2020-21.

Parliament Street Footfall

101 Footfall in Parliament Street during the first three quarters of 2022-23 (up to the end of December) totalled around 5.54 million data captures. This is exactly the same as during the same period in 2021-22 and higher than the 3.35 million data captures during the same period in 2020-21. The latest figures are lower than the 6.48 million data captures during the same period in 2019-20 (pre-pandemic) but the direction of travel remains positive.

An open and effective Council

An open and effective Council	Previous Data	Latest Data	DoT	Frequency	Benchmarks	Data Next Available
Forecast Budget Outturn (£000s Overspent / -Underspent) - CYC	£7,788 (excluding contingency) (Q2 2022/23)	£7,740 (excluding contingency) (Q3 2022/23)	⇨	Quarterly	Not available	Q4 2022/23 data available in April 2023
Average Sickness Days per FTE - CYC (Excluding Schools) - (Rolling 12 Month)	9.4 (October 2021)	13.0 (October 2022)	⇨	Monthly	Public Sector (Y&H) 2020/21 8	Q3 2022/23 data available in February 2023
Customer Services Waiting Times - Phone / Footfall / Webchat	00:03:26 (Phone) (Q2 2022/23)	00:00:43 (Phone) (Q3 2022/23)	⇩ Good	Monthly	Not available	Q4 2022/23 data available in April 2023
	82.50% (Footfall) (Q2 2022/23)	88.60% (Footfall) (Q3 2022/23)	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
	NC (Webchat) (Q2 2022/23)	NC (Webchat) (Q3 2022/23)	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
Number of days taken to process Housing Benefit new claims and change events (DWP measure)	3.14 (2020/21)	3.19 (2021/22)	⇨	Monthly	Not available	2022/23 data available in April 2023
% of 4Cs complaints (grade 1 and 2) responded to 'In Time'	95.07% (Q2 2022/23)	92.38% (Q3 2022/23)	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
% of 4Cs complaints (grade 1 only) responded to 'In Time'	82.61% (Q2 2022/23)	84.55% (Q3 2022/23)	⇨	Monthly	Not available	Q4 2022/23 data available in April 2023
FOI & EIR - % In time - YTD	85.80% (Q2 2022/23)	85.40% (Q3 2022/23)	⇨	Quarterly	Not available	Q4 2022/23 data available in April 2023
CYC Apprenticeships	19 (Q3 2021/22)	26 (Q3 2022/23)	⇧ Good	Quarterly	Not available	Q4 2022/23 data available in April 2023
The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual or quarterly. All historic data is available via the Open Data Platform						

Average Sickness Days per FTE - CYC (Excluding Schools)

102 At the end of October 2022, the average number of sickness days per FTE (rolling 12 months) had increased to 13.0 days from 9.4 in October 2021. In 2020-21, sickness had reduced in the authority by approximately 2 days per FTE, to 8.8 days per FTE, which is close to the LGA public sector for Yorkshire and Humber authorities average of 8 days. Since the start of Covid, although exact comparative figures are not yet available, all authorities in Yorkshire and Humber are reporting a significant increase in sickness levels within the whole workforce due to both Covid cases and increased pressures in frontline services.

103 On top of day-to-day managerial practices for sickness cases, additional work is underway to assist and remind managers of the support and services that employees can access as well as the managerial role in ensuring the wellbeing and absence management of those employees absent, or those who remain at work but showing signs of reduced resilience. Managers are being reminded of the importance of timely absence support for individuals and teams, and employees are reminded of the self care that they need to exercise to ensure that they are able to perform their roles effectively.

104 CYC still has a number of Covid cases throughout staffing structure and contributes to increases overall sickness figure. Internally, business

continuity plans are in place to ensure that services are able to be resilient to the fluctuating peaks and troughs of Covid infections, and it is likely that absence levels associated with Covid will return during Winter, when combined with other reason for absence, which will further impact on our absence levels.

Customer Services Waiting Times (Phone / Footfall / Webchat etc)

105 Customer Service is the main point of contact for residents and business visitors. As expected, the number of calls received decreased to 38,710 (from 59,338 in Q2 2022-23), with 89% answered (34,417). 51% of calls were answered within 20 seconds.

106 Customer Service signposted 5,793 customers (5,473 in the previous quarter), faciliated 449 customer appointments (580 in the previous quarter) with 89% seen within the target wait time (83% in the previous quarter) and welcomed 2,843 business visitors (2,480 in the previous quarter). In addition to speaking to customers over the phone, the customer service team also responded to 12,463 e-mails (14,518 in the previous quarter). Customer satisfaction is 78%, which has improved as expected due to lower waiting times.

107 Customers are continuing to opt to access services using alternative means:

- 10,417 customers made payments using the auto payments facility
- 11,980 people used the auto operator
- 56% of issues available to report online were reported by customers on-line

Number of days to process Benefit claims (currently Housing Benefit)

108 The average number of days taken to process a new Housing Benefit claim, or a change in circumstance, has remained stable, being just over three days during 2021-22. York performance is above the most recent national average of 4.98 days (2020-21).

109 The third quarter of 2022-23 saw the completion of the Energy Rebate (£150), the closure of the second Household Support Fund (HSF) and the start of the third Household Support Fund. The YFAS fund aimed at keeping residents in the community, and providing emergency payments, continues to operate as normal but with high demand. The third Household Support Fund will close at the end of March 2023 but further schemes have been announced for 2023-24.

110 Welfare support provided at the end of the third quarter of 2022-23 includes:

- Second Household Support Fund – 8,332 payments to families totalling £1,012,672 (now closed)
- Third Household Support Fund – 1,573 payments to families totalling £368,425 (closing 31st March 2023)
- 60,516 Energy Rebate payments of £150 and 13,863 credits of £150 to Council Tax accounts which accounts for 100% of qualifying residents (now closed)
- 76 Discretionary Energy Rebate payments of £150 totalling £11,400 (Now closed)
- 967 YFAS payments totalling £236.5k
- 128 Discretionary Housing Payments totalling £115k

% of 4C's Complaints responded to 'In Time'

111 In Q3 2022-23, there has been a small decrease in the number of grade 1 and grade 2 corporate complaints received compared to the same reporting period in 2021-22 (364 in Q3 2022-23 compared to 378 in Q3 2021-22). There has been a small reduction in performance for the percentage of corporate complaints responded to in time (92.4% in Q3 2022-23 compared to 96% in Q3 2021-22). The Corporate Governance team continues to work across the council to ensure there are improvements.

FOI/EIR and SAR - % In time

112 In Q3 2022-23, although there has been a decrease in the number of FOIs (Freedom of Information Act requests) and EIRs (Environmental Information Regulation requests) received compared to the same reporting period in 2021-22 (170 FOIs in Q3 2022-23 compared to 241 in Q3 2021-22 and 110 EIRs in Q3 2022-23 compared to 146 in Q3 2021-22), we have improved the percentage of both FOIs and EIRs responded to in time (86.4% of FOIs in Q3 2022-23 compared to 80% in Q3 2021-22 and 90.2% of EIRs in Q3 2022-23 compared to 88% in Q3 2021-22).

113 There has been an increase in the number of SARs (subject access to records request) received compared to the same reporting period in 2021-22 (38 in Q3 2022-23 compared to 25 in Q3 2021-22), and we continue to maintain improved percentage of SARs responded to in time (80.65% in Q3 2022-23 compared to 80% in Q3 2021-22).

CYC Apprenticeships

114 The number of CYC stand-alone apprenticeships only, which excludes those within schools or being completed alongside existing roles, was 26 at the end of Q3 2022-23. During the height of the pandemic, the number remained consistent but was slightly lower than previously seen. Levels have now not only recovered but are exceeding figures seen in recent years demonstrating the value placed on these roles within the CYC workforce and work being undertaken to increase participation.

115 Regular updates on apprenticeships within CYC and York are submitted to the Decision Sessions for Economy and Strategic Planning and the Staffing Matters and Urgency Committee. Highlights from the most recent report include:

- To support the wider city agenda, the council's Apprenticeship Levy Transfer Scheme, a total of £160,000 had been committed to support 9 local businesses and 27 apprenticeships
- £120,000 per year had been set aside to fund apprenticeships within hard to fill posts, such as business support and customer services, and some of these opportunities were also ring-fenced for our care leavers
- The apprenticeship team also support a number of other pathway interns and work experience placements such as T Levels

 Agenda Item 6

Executive **9 February 2022**

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance & Major Projects

Capital Programme - Monitor 2022/23

Summary

1 The purpose of this report is to set out the projected outturn position for 2022/23 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.

2 The 2022/23 capital programme approved by Council on 7 February 2022 and updated for amendments reported to Executive in the 2021/22 outturn report resulted in an approved capital budget of £193.550m.

Recommendations

3 Executive is asked to:

- Recommend to Full Council the adjustments resulting in a decrease in the 2022/23 budget of £27.164m as detailed in the report and contained in Annex A.

- Note the 2022/23 revised budget of £127.393m as set out in paragraph 6 and Table 1.

- Note the restated capital programme for 2022/23 – 2026/27 as set out at paragraph 60 table 2. Reason: to enable the effective management and monitoring of the Council's capital programme.

- Reason: To enable the effective management and monitoring of the Council's capital programme

Consultation

4 The capital programme was developed under the capital budget process and agreed by Council on 7 February 2022. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

5 A decrease of £27.164m is detailed in this monitor resulting in a revised capital programme for 2022/23 of £127.393m. There is an increase of £5.305m and a re-profiling of budgets to future years totalling £32.469m. This is mainly due to Local Authority homes new build expenditure, Fleet replacement, Haxby Station, Flood Alleviation Schemes including Germany Beck being delayed until 2023/24.

6 Table 1 outlines the variances reported against each portfolio area and a summary of the key exceptions and implications on the capital programme are highlighted in the paragraphs that follow.

Department	Current Approved Budget £m	Projected Outturn £m	Adjustment £m	Reprofile £m	Total Variance £m	Paragraph Ref
Children's services	16.990	14.956	**0.466**	**(2.500)**	**(2.034)**	7 - 16
Adult Social Care	1.166	1.166	**-**	**-**	**-**	-
Housing Services	51.752	49.064	**3.312**	**(6.000)**	**(2.688)**	17 - 23
Transport, Highways & Environment	68.175	49.620	**2.275**	**(20.830)**	**(18.555)**	24 - 34
Regen, Economy & Property Services	7.749	6.185	**(0.750)**	**(0.814)**	**(1.564)**	35 -38
Community Stadium	0.777	0.777	**-**	**-**	**-**	-
ICT	3.152	2.985	**-**	**(0.167)**	**(0.167)**	39 - 42
Customer & Corporate Services	1.714	1.489	**0.002**	**(0.227)**	**(0.225)**	-
Communities & Culture	2.382	1.101	**-**	**(1.281)**	**(1.281)**	43 - 44
Climate Change	0.700	0.050	**-**	**(0.650)**	**(0.650)**	45 - 46
Total	**154.557**	**127.393**	**5.305**	**(32.469)**	**(27.164)**	

Table 1 Capital Programme Forecast Outturn 2022/23

Analysis

Children and Education Services

7 The total approved budget within the Children's Services and Education Capital Programme for 2022/23 is currently £16.990m

8 The current approved budget for the main Basic Need scheme in the programme is £720k. As no further new work is expected to commence in 2022/23 from Basic Need it is now proposed to re-profile a further £500k of this into 2023/24. This leaves an amount of £220k in the main Basic Need budget for the remainder of this financial year, to deal with any additional urgent requirements before the year-end.

9 The new build at Fulford School continues to progress on schedule.

10 The schemes at Manor and Millthorpe are almost complete with the majority of the expenditure in this financial year apart from retentions on the main contracts. A small amount of budget on each scheme has been reprofiled into 2023/24 for these payments.

11 The major scheme at Danesgate to make significant adaptations and re-modelling to improve the layout of the buildings for young people with Social, Emotional and Mental Health (SEMH) has been completed. A small amount of funding has been reprofiled into 2023/24 to fund retentions. The works at Danesgate included: at the Pupil Support Unit (the main building on site) significant alterations to classroom areas to allow for smaller group teaching, the creation of more intervention areas, infill works to add additional teaching space, the creation of an indoor exercise room and a sensory room; at the Skills Centre a proper kitchen was installed to provide school meals in-house to all age groups, a mezzanine floor above the dining area was walled to provide SEN teaching space and external decking was replaced. Other external works carried out were to install a new metal fence round the playing fields, install a small animal house, and demolish a derelict coach house on the site.

12 The schemes within the School Condition and Maintenance programme that were still in progress at the time of monitor 2 have now been successfully completed.

13 As most schemes are now complete there is a further minor underspend on the overall maintenance programme. In addition, provision is required in 2023/24 for retention payments. It is therefore proposed to re-profile a further £700k into 2023/24 across the Condition and Maintenance scheme and the two LA funded Maintenance schemes in the programme.

14 The Department for Education announced additional one-off capital funding for schools totalling £447m at the beginning of December for capital improvements to buildings and facilities, prioritising works to improved energy efficiency. City of York maintained schools will receive an additional £466k and this requires adding into the programme under the Devolved Formula Capital (DFC) scheme.

15 The scheme to provide local residential accommodation for children unable to live at home has so far funded refurbishment works at Wenlock Terrace at a cost of approximately £400k. Further plans are being developed, however at this stage it is expected that further expenditure will not be incurred until 2023/24 so it is proposed to reprofile £900k into this year.

16 The changes outlined above result in a revised Children's Services and Education capital programme of £14.956m for 2022/23

<u>Housing & Community Safety</u>

17 The total approved budget within Housing & Community Safety Capital Programme for 2022/23 is currently £49.064m.

18 There is significant pressure of c£200k on the funding for the adaptations programme for council tenants. Comparisons with the same period last year show that :

- there has been a 33% increase in rate of referrals from tenants requiring the work to their home to enable them to live independently and safely.
- the work is being approved and carried out more rapidly following a streamlining of the process to reduce the number of unnecessary visits
- the cost of work has on average increased in line with general inflation to around 11.1%.

19 The expected outturn for the full year is now forecasted to be around £836k an increase of £200k. Without this additional expenditure, tenant's safety and independence will be put at risk and there will be knock on effects to both already stretched NHS and Adult Social Care services. Funding of such pressure is to come from within the housing resources.

20 Caddick Construction have now taken possession of the site at Burnholme and site stripping works are underway. This is to deliver 78 Passivhaus homes including 60% of affordable housing, set out in a high quality public realm and all together designed to be inclusive and support low carbon lifestyles. The project also includes the preparation of 5 self-build plots. The construction is expected to last approximately two years with a completion anticipated in Winter 2024. Budget of £6m has been reprofiled to 2023/24 to reflect the contract expenditure.

21 Lowfield Green is nearing completion with 109 homes complete. All 140 homes being delivered by the Council will be complete by Spring 2023 along with two new areas of public realm for new and existing residents in the community. The contract has been extended due to delayed work to divert a mains sewer along with severe delays related to material and labour shortages caused by the Covid 19 pandemic. As a result of this delay the capital costs will increase by £3.362m from the previously approved budget which will be offset by increased sales revenue. It is anticipated that the long-term investment requirement from the Housing Revenue Account will not exceed the approved net budget of £4.5m as agreed in the original Executive approval from 12th July 2018. This presents a significant achievement given the extremely high levels of inflation in building materials and labour over the last two years.

22 Following start on site in the summer, construction works at Duncombe Barracks are progressing well with the drainage, foundations and substructure blockworks underway. This is to deliver 34 Passivhaus homes including 60% of affordable housing, and one commercial unit, set out in a high quality public realm and all together designed to be inclusive and support low carbon lifestyles. The construction will continue throughout 2023 and completion is expected in Spring 2024.

23 The Housing ICT project new system is now live with further modules being added to the new open Housing system. Budget of £193k to be adjusted by £50k to reflect the fact that the business change and analytical work is to be met by the revenue budget.

Transport, Highways & Environment

24 There has been a total reduction of £18.555m to Transport, Highways & Environment schemes in 2022/23 as set out below, leaving a projected outturn of £49.620m.

25 A number of schemes within Highways, mainly carriageways, will now be completed in 2023/24 including Hull Road, Kent Street and Boroughbridge Road.

26 The contract for the installation of the Hostile Vehicle Mitigation measures in the city centre has now been awarded, and the main works are programmed to start in March 2023, with completion in summer 2023, depending on the timescales for utility diversion works. The reprofiled expenditure reflects the expected delivery timescale.

27 The Replacement Vehicles and Plant expenditure has been reprofiled to reflect the latest delivery timescales for vehicle and plant. Although a significant amount of vehicle and plant has been ordered and committed delivery timescales are such that it will not arrive until 2023/24. Of the vehicles that have been delivered there are some that have been in storage as their use is dependent on the Hazel Court charging infrastructure which was due to be complete by November 2022, but due to unforeseen issues with historic cabling and ducting this has been delayed and is now due to be completed by the end of February 2023. Vehicles are being phased into use from the end of January onwards until the full charging infrastructure is available

28 There is slippage in the Integrated Transport Schemes primarily relating to the Active travel programme covering various schemes, a detailed update on active travel schemes was provided to Executive in November 2022. There is also slippage on the TSAR scheme as it will not be possible to implement the Pavement/Piccadilly/Coppergate scheme in 22/23.

29 A number of City Walls schemes are in design stage and will now be delivered in 23/24 including Bootham Bar and Bootham to Robin Hoods Tower.

30 The funding for the National Cycle Network Route 65 (NCN65) scheme was allocated to develop a programme of planned improvements along the section of the route that runs through York. Feasibility and design work has been carried out on the proposed improvements to the approaches to Millennium Bridge to ensure the route is still accessible during flood events, but as it is not possible to construct the scheme in the winter period the expenditure is reprofiled to reflect the expected delivery timescale.

31 The council made a successful bid to the government for funding for York's Bus Service Improvement Plan (BSIP) and an allocation has been awarded

for a three-year programme of improvements to bus services and bus infrastructure. The initial focus will be on bus priority schemes, Park & Ride interchanges, bus stop upgrades, and real-time screen upgrades.

32 Work has been carried out to develop the proposed new Flood Sign Renewal scheme, the signs will be installed during 2023/24.

33 A planning application for dualling the York Outer Ring Road is proceeding through the determination period, and the target date for a decision is February 2023. In parallel, the project team are working on the other key elements in the scheme such as acquiring land, preparation of a Compulsory Purchase Order, developing the business case, and completing the detailed design for the scheme. Commencement of works on site is programmed for autumn 2023 and the reprofiled expenditure reflects the latest forecast position.

34 Work is continuing to progress the design work and develop a revised business case for the new rail station at Haxby following the approval of a preferred site for the station by Executive in December 2021. Additionally, further approvals were given at Executive in October 2022 to progress the scheme to the next stages and submit a planning application when practicable. The reprofiled expenditure reflects the latest scheme timescales.

Regeneration, Economy & Property Services

35 The Guildhall redevelopment and refurbishment project achieved Practical Completion under the Construction Contract on 25 April 2022. The property was handed over to University of York Science Park on 29 April 2022 under the terms of the lease agreed by Executive in Nov 2020.

36 The first business tenants moved in in early May and the building was formally re-opened in mid-May. The Café opened to the public in June and the Guildhall has hosted a number of high profile events both for business and Civic ceremonies including – Annual Council, Remembrance Day and more recently Fashion Week shows, a series of Business Month events and a Christmas Fair. The feedback from the University and business tenants is very positive. The project has also been shortlisted for and won a number of Awards.

37 The additional costs associated with the project, due to the significant contract delays and associated additional works have been reported

previously. Over the period since completion the project team have worked with the contractor to ensure rectification of any defects and snags and the process of carefully scrutinising the final account claim and has seen the overall project costs reduced by c£0.5m from the previously reported position

38 Within the Commercial property acquisition scheme there are works to be delivered at Union Terrace and Robinson Court but the review of requirements is still being undertaken so this expenditure will not be delivered in 23/24

ICT

39 The revised capital budget for ICT is £3.152k in 2022/23. At Monitor 3 the forecast is that £167k will be slipped back into 23/24. As identified at Monitor 2, the main area of spend is the refresh in infrastructure technology as part of the new Managed Service contract with North.

40 Key elements that are being replaced or developed with North are:

1. The Council Wifi
2. The Wide area Network edge equipment
3. Network Datacentre Switches
4. The integration of Mitel Telephony with Microsoft Teams

41 Industry wide supply chain issues have led to significant delays in the planned delivery of some of this new technology, particularly items 2, 3 and 4 listed above. Schemes that have been or are on target to be delivered in 2022/23 are:

- Continued roll out of Microsoft 365 and associated back up technology
- Replacement of Infrastructure cyber security systems
- Replacement of the current remote connectivity platform relating to hybrid working
- Extension of the Financial Management System, Authority Financials.
- Replacement of the corporate print solution from Gandlake to PresConnect
- YOTTA Highways Asset Management system procurement
- The annual laptop refresh programme
- Increased capacity for Nutanix to improve performance. This is the core of the entire infrastructure holding all virtual servers, all stored data and applications.

- York Stadium Fibre connectivity

42 At monitor 2 it was anticipated that the Electronic Data and Records Management System replacement would be completed this financial year however this is now due for completion in 23/24 resulting in an underspend this financial year on this project

Communities & Culture

43 Haxby & Wigginton Library construction is complete and due to open 3 Jan 2023. Clifton Library has secured planning and is currently out to tender but with some minor enabling works due to start on site in January 2023, £1,023k to be slipped in 23/24.

44 Surveys undertaken at the York Acorn and Social Club have indicated that funds in excess of the capital budget are required for the Westfield Multi-Use Games Area. To allow time for alterations to the plans to be made and additional grants secured covering the full cost of the project, the budget and works have been slipped into 23/24

Climate Change

45 The York Community Woodland project team has been able to minimise call on the council's Northern Forest capital budget by securing Forestry England as the woodland delivery partner, who will access confirmed DEFRA funding to fully support and 100% fund the capital costs of woodland creation in line with the agreed Woodland Creation Plan (which forms part of the council's lease agreement with FE).

46 The additional Land Purchase planned this year for the Northern Forest needs to be slipped into the next financial year following assessment by the Highways Agency as the car park in the aspirational masterplan does not provide a safe means of access / egress for all the vehicle movements. This necessitated an options appraisal of alternative parking solutions. Within the considered options, there is the potential requirement for additional land purchase to accommodate the proposed solutions. We are still working with stakeholders to identify the preferred solution. Once the likely cost of any additional land acquisition is known, remaining budget will be utilised based of the recommendations of the Heat Decarbonisation Plans and to provide match-funding contributions for external grants

Summary

47 As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 2

Gross Capital Programme	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Children's services	14.956	22.924	2.520	1.900	0.920	**43.220**
Adult Social Care	1.166	0.750	0.682	0.705	0.728	**4.031**
Housing Services	49.064	53.959	39.006	33.054	25.444	**200.527**
Transport, Highways & Environment	49.620	96.617	55.001	15.969	13.661	**230.868**
Property Services	6.185	43.872	1.225	0.250	0.250	**51.782**
Community Stadium	0.777	-	-	-	-	**0.777**
ICT	2.985	2.557	2.820	3.170	2.820	**14.352**
Customer & Corporate Services	1.489	0.727	0.200	0.200	0.200	**2.816**
Communities & Culture	1.101	5.981	0.726	-	-	**7.808**
Climate Change	0.050	1.484	0.250	0.250	-	**2.034**
Revised Programme	**127.393**	**228.871**	**102.430**	**55.498**	**44.023**	**558.215**

Table 2 Revised 5 Year Capital Programme
Funding the 2022/23 – 2026/27 Capital Programme

48 The revised 2022/23 capital programme of £558.215m is funded from £216.098m of external funding and £342.117m of internal funding. Table 3 shows the projected call on resources going forward.

	2022/23 £m	2023/24 £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m
Gross Capital Programme	**127.393**	**228.871**	**102.430**	**55.498**	**44.023**	**558.215**
Funded by:						
External Funding	58.436	91.391	44.969	12.575	8.727	**216.098**
Council Controlled Resources	68.957	137.480	57.461	42.923	35.296	**342.117**
Total Funding	**127.393**	**228.871**	**102.430**	**55.498**	**44.023**	**558.215**

Table 3 – 2022/23 –2026/27 Capital Programme Financing

49 The Council controlled figure is comprised of a number of resources that the Council has ultimate control over. These include Right to Buy receipts, revenue contributions, supported (government awarded) borrowing, prudential (Council funded) borrowing, reserves (including Venture Fund) and capital receipts

50 In financing the overall capital programme the Chief Finance Officer will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore an option for any new capital receipts would be to use these to replace assumed borrowing, thereby reducing the Councils' borrowing levels and associated revenue costs.

Council Plan

51 The information contained in this report demonstrates progress in achieving the priorities set out in the Council Plan.

Implications

52 This report has the following implications:

- **Financial -** are contained throughout the main body of the report
- **Human Resources (HR)** – There are no HR implications as a result of this report
- **One Planet Council/ Equalities** – The capital programme seeks to address key equalities issues that affect the Council and the public. Schemes that address equalities include the Disabilities Support Grant, the Schools Access Initiative, the Community Equipment Loans Store (CELS) and the Disabilities Discrimination Act (DDA) Access Improvements. All individual schemes will be subject to Equalities Impact Assessments
- **Legal Implications -** Whilst this report itself does not have any legal implications, the schemes within the capital programme will themselves will be in receipt of legal advice where necessary
- **Crime and Disorder -** There are no crime and disorder implications as a result of this report.
- **Information Technology –** The information technology implications are contained within the main body of the report,
- **Property -** The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from capital receipts.
- **Other –** There are no other implications

Risk Management

53 There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects.

Contact Details

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Specialist Implications:
Legal – Not Applicable
Property – Not Applicable
Information Technology – Not Applicable

Annexes

Annex A – Capital Programme 2022/23 to 2026/27

Annex A	2022/23	2023/24	2024/25	2025/26	2026/27	Total Capital Programme 2022/23-2026/27
	£000	£000	£000	£000	£000	£000
CHILDRENS SERVICES						
Basic Need	220	10,800	0	0	0	**11,020**
Fulford School Expansion 2020 Phase 1 and 2	3,434	2,000	0	0	0	**5,434**
DfE Maintenance	2,107	950	700	700	700	**5,157**
Schools Essential Mechanical & Electrical Work	921	1,100	0	0	0	**2,021**
Danesgate Extension 2022	1,995	150	0	0	0	**2,145**
SEND - Applefields Extension (Phase 3)	0	490	1,120	470	0	**2,080**
Millthorpe School	1,850	100	0	0	0	**1,950**
SEND - Huntington School ERP	0	820	480	510	0	**1,810**
Schools Essential Building Work	832	900	0	0	0	**1,732**
SEND - Haxby Road ERP Expansion (Lakeside site)	480	1,000	0	0	0	**1,480**
SEND - Specialist SEMH Expansion	0	1,430	0	0	0	**1,430**
Children in Care Residential Commissioning Plan	452	900	0	0	0	**1,352**
SEND - St Paul's Nursery ERP Expansion	0	1,200	0	0	0	**1,200**
NDS Devolved Capital	689	220	220	220	220	**1,569**
Manor School	1,050	50	0	0	0	**1,100**
Improving School Accessibility	224	390	0	0	0	**614**
Expansion and Improvement of Facilities for Pupils with SEND	143	324	0	0	0	**467**
Applefields Extension Work 2021 and 2022	290	0	0	0	0	**290**
Family Drug & Alcohol Assess/Recovery Facility	0	100	0	0	0	**100**
Healthy Pupils Capital Fund	93	0	0	0	0	**93**
Centre of Excellence for Disabled Children (Lincoln Court)	70	0	0	0	0	**70**
Southbank Expansion	56	0	0	0	0	**56**
Adaptions to Foster Carer Homes	50	0	0	0	0	**50**
ADULT SOCIAL CARE						
Telecare Equipment and Infrastructure	259	267	275	283	291	**1,375**
Disabled Support Grant	249	250	260	270	280	**1,309**
Major Items of Disability Equipment	155	143	147	152	157	**754**
Proof of Concept for robotics & AI within social care	110	90	0	0	0	**200**
OPA-Haxby Hall	170	0	0	0	0	**170**
OPA-Ashfield Estate Sports Pitches	116	0	0	0	0	**116**
OPA - the Centre@Burnholme including enabling works	73	0	0	0	0	**73**
OPA Residual Enabling Work	34	0	0	0	0	**34**
HOUSING & COMMUNITY SAFETY (HRA & GF)						
Local Authority Homes - New Build Project	0	18,343	20,000	18,829	12,400	**69,572**
Major Repairs & Modernisation of Local Authority Homes	9,190	8,462	8,769	8,720	9,270	**44,411**
LA Homes - Burnholme	4,534	16,687	3,170	0	0	**24,391**
Disabled Facilities Grant (Gfund)	1,963	2,236	2,375	2,375	2,565	**11,514**
Duncombe Barracks	7,005	3,111	832	0	0	**10,948**
Lowfield Housing	8,684	700	0	0	0	**9,384**
Home Upgrade Grant (G/fund)	5,305	0	0	0	0	**5,305**
Local Authority Homes - Project Team	680	830	1,000	1,370	389	**4,269**
Local Authority Homes - Phase 2	44	1,200	2,000	900	0	**4,144**
Assistance to Older & Disabled People	636	620	630	640	650	**3,176**
LA Homes - Hospital Fields/Ordnance Lane	3,158	0	0	0	0	**3,158**
LA Homes Energy Efficiency Programme	1,089	1,250	0	0	0	**2,339**
Shared Ownership Scheme	5,565	0	0	0	0	**5,565**
Housing Environmental Improvement Programme	473	170	170	170	170	**1,153**
Water Mains Upgrade	60	300	60	50	0	**470**
IT Infrastructure	143	0	0	0	0	**143**
Lincoln Court Independent Living Scheme	127	0	0	0	0	**127**
Tang Hall Library Site Enabling Works (G/fund)	110	0	0	0	0	**110**
Empty Homes (Gfund)	50	50	0	0	0	**100**
Chaloner Road Site Enabling Works	91	0	0	0	0	**91**
Extension to Glen Lodge	88	0	0	0	0	**88**
Extension to Marjorie Waite Court	57	0	0	0	0	**57**
James House	12	0	0	0	0	**12**
TRANSPORT, HIGHWAYS & ENVIRONMENT						
York Outer Ring Road - Dualling	4,300	24,205	29,084	3,640	0	**61,229**
Highway Schemes	9,199	8,551	7,280	7,280	5,530	**37,840**
WYTF - Station Frontage	5,385	12,420	4,310	0	0	**22,115**
Haxby Station	635	15,065	2,100	0	0	**17,800**
Replacement Vehicles & Plant	3,569	7,375	2,781	161	3,146	**17,032**
Local Transport Plan (LTP) *	4,874	1,964	1,570	1,570	1,570	**11,548**
Bus Service Improvement Plan	2,375	4,390	3,900	0	0	**10,665**
ZEBRA	3,401	5,000	0	0	0	**8,401**
Innovative Flood Resilience	160	830	1,290	1,490	1,937	**5,707**
Highways - Tadcaster Road	4,564	0	0	0	0	**4,564**
WYTF - Castle Gateway Development	50	3,527	908	50	0	**4,535**
Drainage Investigation & Renewal	844	950	700	900	900	**4,294**
Built Environment Fund - Hostile Vehicle Mitigation	920	2,521	0	0	0	**3,441**
Flood Allevition Schemes including Germany Beck	0	3,270	0	0	0	**3,270**
Replacement of Unsound Lighting Columns	772	644	578	578	578	**3,150**
York City Walls Restoration Programme	555	831	300	300	0	**1,986**
Fleet Acquisition	0	0	0	0	0	**0**
Highways & Transport - Ward Committees	1,771	0	0	0	0	**1,771**
Flood Scheme Contributions	0	1,500	0	0	0	**1,500**
Electric charging Infrastructure	1,355	0	0	0	0	**1,355**
TCF - Tadcaster Road Improvements	1,318	0	0	0	0	**1,318**
Essential Bridge Maintenance	0	1,100	0	0	0	**1,100**
Smarter Travel Evolution Programme	270	667	0	0	0	**937**
Castle Mills Lock	0	800	0	0	0	**800**

Waste Vehicle Replacement	745	0	0	0	0	**745**
Highways Drainage Works	247	200	200	0	0	**647**
Special Bridge Maintenance (Struct maint)	397	0	0	0	0	**397**
National Cycle Network 65 Targeted Repairs	30	348	0	0	0	**378**
EV Charging Asset Replacement	337	0	0	0	0	**337**
Fordlands Road Flood Defences	326	0	0	0	0	**326**
Hyper Hubs	300	0	0	0	0	**300**
Public Realm & Waste Equipment	186	0	0	0	0	**186**
Traffic control/ reduction and public realm improvements in Bishophill/ Mi	0	0	0	0	0	**0**
Flood Sign Renewal and Rainfall monitoring	20	180	0	0	0	**200**
Fleet & Workshop Compliance	197	0	0	0	0	**197**
Access Barrier Review	120	71	0	0	0	**191**
River Bank repairs	0	148	0	0	0	**148**
Better Play Areas	127	0	0	0	0	**127**
Scarborough Bridge	87	0	0	0	0	**87**
Knavesmire Culverts	21	60	0	0	0	**81**
Non Illuminated Structural asset renewal	57	0	0	0	0	**57**
Car Park Improvements	38	0	0	0	0	**38**
CCTV Asset Renewal	32	0	0	0	0	**32**
Clean Air Zone	20	0	0	0	0	**20**
Hazel Court conversion of storage area to operational hub	16	0	0	0	0	**16**
REGEN, ECONOMY & PROPERTY SERVICES						
York Central Infrastructure	1,900	38,476	0	0	0	**40,376**
Castle Gateway (Picadilly Regeneration)	1,500	3,925	0	0	0	**5,425**
Guildhall	1,660	0	0	0	0	**1,660**
Asset Maintenance + Critical H&S Repairs	325	250	250	250	250	**1,325**
Improvements to City Centre & High Streets (UKSPF)	64	161	375	0	0	**600**
Rural Prosperity Fund	0	100	300	0	0	**400**
Enterprise Infrastructure (UKSPF)	0	0	300	0	0	**300**
Holgate Park Land – York Central Land and Clearance	0	0	0	0	0	**0**
LCR Revolving Investment Fund	300	0	0	0	0	**300**
Removal of Asbestos	7	230	0	0	0	**237**
Commercial Property Acquisition incl Swinegate	5	190	0	0	0	**195**
Shambles Modernisation - Power	180	0	0	0	0	**180**
Community Asset Transfer	0	175	0	0	0	**175**
29 Castlegate	159	0	0	0	0	**159**
West Offices - Major repairs	0	100	0	0	0	**100**
Hazel Court welfare facilities	0	95	0	0	0	**95**
Photovoltaic Energy Programme	24	70	0	0	0	**94**
Air Quality Monitoring (Gfund)	46	23	0	0	0	**69**
Built Environment Fund - Shopping Area Improvements	15	0	0	0	0	**15**
Shambles Health & Safety	0	0	0	0	0	**0**
Fire Safety Regulations - Adaptations	0	77	0	0	0	**77**
STADIUM & MAJOR PROJECTS						
Community Stadium	777	0	0	0	0	**777**
ICT						
IT Development plan	2,985	2,437	2,820	3,170	2,820	**14,232**
IT Superconnected Cities	0	120	0	0	0	**120**
CUSTOMER & CORPORATE SERVICES						
Capital Contingency	976	0	0	0	0	**976**
Project Support Fund	393	500	200	200	200	**1,493**
Crematorium Waiting Room	6	227	0	0	0	**233**
Registry office Phase 2 Refurbishment	72	0	0	0	0	**72**
Mansion House Restoration	24	0	0	0	0	**24**
Replacement of 2 Cremators	18	0	0	0	0	**18**
COMMUNITIES & CULTURE						
Libraries as Centres of Learning and Opportunity for all: Acomb & Clifton	1,001	4,723	726	0	0	**6,450**
Future Libraries	0	1,000	0	0	0	**1,000**
Westfield Multi Use Games Area	0	200	0	0	0	**200**
Explore self issue machines	100	0	0	0	0	**100**
Energise Roof	0	58	0	0	0	**58**
CLIMATE CHANGE						
Climate Change schemes including Northern Forest	50	1,484	250	250	0	**2,034**
GROSS EXPENDITURE BY DEPARTMENT						
PEOPLE DIRECTORATE						
CHILDRENS SERVICES	**14,956**	**22,924**	**2,520**	**1,900**	**920**	**43,220**
ADULT SOCIAL CARE	**1,166**	**750**	**682**	**705**	**728**	**4,031**
PLACE DIRECTORATE						
HOUSING & COMMUNITY SAFETY (HRA & GF)	**49,064**	**53,959**	**39,006**	**33,054**	**25,444**	**200,527**
TRANSPORT, HIGHWAYS & ENVIRONMENT	**49,620**	**96,617**	**55,001**	**15,969**	**13,661**	**230,868**
PROPERTY SERVICES	**6,185**	**43,872**	**1,225**	**250**	**250**	**51,782**
CHIEF OPERATING OFFICER						
STADIUM & MAJOR PROJECTS	**777**	**0**	**0**	**0**	**0**	**777**
ICT	**2,985**	**2,557**	**2,820**	**3,170**	**2,820**	**14,352**
CUSTOMER & CORPORATE SERVICES	**1,489**	**727**	**200**	**200**	**200**	**2,816**
COMMUNITIES & CULTURE	**1,101**	**5,981**	**726**	**0**	**0**	**7,808**
CLIMATE CHANGE	**50**	**1,484**	**250**	**250**	**0**	**2,034**
TOTAL BY DEPARTMENT	**127,393**	**228,871**	**102,430**	**55,498**	**44,023**	**558,215**
TOTAL GROSS EXPENDITURE	**127,393**	**228,871**	**102,430**	**55,498**	**44,023**	**558,215**
TOTAL EXTERNAL FUNDING	**58,436**	**91,391**	**44,969**	**12,575**	**8,727**	**216,098**
TOTAL INTERNAL FUNDING	**68,957**	**137,480**	**57,461**	**42,923**	**35,296**	**342,117**

Executive **9 February 2023**

Report of the Chief Finance Officer (s151 Officer)
Portfolio of the Executive Member for Finance and Major Projects

Financial Strategy 2023/24 to 2027/28

Summary

1. This report presents the financial strategy 2023/24 to 2027/28, including detailed revenue budget proposals for 2023/24, and asks Members to recommend to Council approval of the proposals. Following on from consultation with residents and business groups, the financial strategy delivers a balanced budget for 2023/24 with savings proposals totalling £5.5m, equivalent to 4% of the net budget. There are separate reports on the agenda covering the capital budget, the capital and investment strategy and the treasury management strategy.

2. Overall £19m in additional revenue funding will be added to the Council's 2023/24 budget to meet continuing pressures on adult social care and children's services and maintain progress on the objectives outlined in the Council Plan. Specific examples of revenue investment include.

   - Good Health & Wellbeing – revenue investment in 2023/24 of £3m in health and adult social care in addition to the £1.6m support agreed last year, 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 2023/24 of over £2m, in addition to the £2.7m investment agreed last year to support children and young people across the city, including further funding for social care staff.

   - Creating homes and world class infrastructure – the capital programme continues the on-going work of the Housing Delivery Programme, York Central, improvements to schools, highways maintenance, Station Frontage and other crucial major projects.

3. In addition to the revenue investment made, one off financial investment totalling £1m will be made utilising funding from the Business Rates Pool and Venture Fund:

   - £250k to provide additional support to financially vulnerable residents facing the current Cost of Living Crisis
   - £250k to allow local wards to invest directly in improvements to local communities, from installing new benches to repairing local roads
   - £150k to improve community safety, tackling anti-social behaviour hotspots, including through funding of specialist Youth Support Workers
   - £100k to support recovery of residents facing substance misuse problems
   - £100k to support critical services that promote better mental health and wellbeing and provide support to those residents with autism
   - £100k to incentivise the use of public transport locally to ensure the local bus network can be maintained
   - £50k to continue existing winter maintenance of key cycle and pedestrian routes

4. A total of £5.5m will also be utilised to invest in initiatives to tackle climate change and support local businesses from the UK Shared Prosperity Fund, including:

   - £200k to support local business decarbonisation whilst growing the local economy
   - £500k to support local skills development, particularly green skills
   - £175k to support residents to reduce their energy bills through energy efficiency measures
   - £730k to support local businesses through training hubs, incubators, voucher schemes and support schemes in the micro business community
   - £100k to increase levels of digital inclusion, and support development of essential digital skills
   - £725k to support more residents to find employment

- £1.1m to deliver improvements to the city's secondary shopping areas in Acomb and Haxby, as well as deliver public space and accessibility improvements in the city centre

- £275k to support local volunteering and community organisations

5. The Council continues to face unprecedented financial challenges due to the impact of the cost of living crisis and continued increased demand for Council services. This has generated an in-year financial pressure totalling £8.5m for the Council (mitigated to £3.7m), as noted to Executive in the latest Financial and Performance Monitor, which is also on the agenda for this meeting.

6. As a consequence of the current economic uncertainty and increasing financial pressures on local government, the necessity for the Council to maintain a stable and resilient financial position is now as important as ever.

7. In October 2022 it was confirmed that inflation had reached 11.1%, its highest level for 40 years. Whilst largely driven by the impact of Russia's invasion of Ukraine on food and energy prices and a global supply crunch following the coronavirus pandemic, these pressures are being directly felt by people, businesses, and local authorities across England.

8. On the 3rd November 2022 the Bank of England raised interest rates by an historic 75 basis points, its largest increase in 33 years. The Bank of England stated that the UK faced its longest recession since records began and described the outlook for Britain's economy as "very challenging", noting that unemployment would likely double during the country's two year slump.

9. 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 and increased demand for services, particularly in adult social care.

10. Other key issues included in the budget proposals are as follows;

    - A proposed basic council tax increase of 2.99% in 2023/24. This follows Government rising the previous referendum cap as part of the Autumn Statement. Any increase above this amount would require a referendum.

    - In addition, an increase of 2% in line with the government's social care precept, equating to additional income of £2m, which provides support for social care

- Revenue savings of £5.5m in 2023/24
- Ensuring a financially prudent budget by addressing known budget pressures, including likely pay awards and inflationary pressures
- A net revenue budget of £141.624m, which will be funded by:
    i. Council tax income of £107.783m
    ii. Retained business rates of £33.841m

11. Due to the challenging financial situation, and the need to ensure the revenue impact of the capital programme is reduced, the Council has reviewed the level of capital investment needed and has been able to identify reductions in some areas of the existing capital budget along with a review of assets that could be used to generate further income to support investment in the city. This budget continues the Council's transformational £480 million Capital Programme, to drive regeneration, support communities and continue the city's economic recovery.

12. The Capital Budget report sets out full details of the proposed programme which continue the council's approach to prioritise investment in the economy, housing, transport, and to invest to save through, for example, energy efficiency measures. Some of the key capital projects include;

- £45m to improve the city's road network infrastructure and accelerate the delivery of flood defences, in conjunction with local and regional flood defence funding
- £102m to deliver more housing across the city, including affordable and low carbon housing
- £38m to progress the York Central scheme
- £17m to progress the Station Frontage Scheme
- £21m on the fleet replacement programme
- £8m to upgrade and improve schools to help better support the needs of children with SEND
- £57m to further develop the York Outer Ring Road, including cycling and walking improvements in the vicinity of the ring road
- £53m to modernise and make major repairs to Local Authority Homes

13. The following table shows the 2023/24 budget position after taking account of the expenditure and funding changes outlined throughout the report. Further detail is provided at annex 1.

Summary	2023/24 £'000
Total recurring investment (Table 2)	17,178
Total net funding changes (Table 3)	-4,305
Total changes in council tax (Table 4)	-5,740
Total changes in business rates income (Table 5)	-500
Total savings and income generation (Table 6)	-6,633
Budget gap	**0**

Table 1 – Budget position summary

Recommendations

14. Members are asked to consider the appropriate levels of council tax that they wish to see levied by the City of York Council for 2023/24. In doing so they should pay due regard to factors such as;

    - Expenditure pressures facing the council as set out in the report
    - Impacts of savings proposals set out in annex 2
    - Medium term financial factors facing the council as outlined in the report
    - Projected levels of reserves as set out in the report
    - Statutory advice from the Section 151 Officer

15. In light of the considerations outlined in the paragraph above, Members are asked to recommend to Council approval of the budget proposals as outlined in this report. In particular;

    - The net revenue expenditure requirement of £141.624m
    - A council tax requirement of £107.783m
    - The revenue growth proposals as outlined in the body of the report
    - The 2023/24 revenue savings proposals as outlined in annex 2
    - The fees and charges proposals as outlined in annex 3
    - The consultation feedback as set out in annex 4

- The Housing Revenue Account (HRA) savings proposals set out in annex 6 and the HRA 2023/24 budget set out in annex 7

- The dedicated schools grant proposals outlined from paragraph 186, including option 1 for allocating 3 & 4 year old early years funding to providers

- The use of £1m from reserves to fund one off investment, as outlined in paragraph 87

  Reason: To ensure a legally balanced budget is set

16. The effect of approving the income and expenditure proposals included in the recommendations would result in a 4.99% increase in the City of York element of the council tax, 2% of which would relate to the social care precept. It is intended that the total council tax increase including the parish, police and fire authority precepts, will be agreed at a meeting of Full Council on 23 February.

17. Members are asked to approve the 100% increase in council tax on second homes with effect from 1st April 2024 subject to the Levelling Up bill receive Royal Assent by 31st March 2023, as set out in paragraphs 1119 to 121.

18. Members are asked to approve the average rent increase, based on the national cap, of 7% to be applied to all rents for 2023/24, with the exception of shared ownership tenants, as described in paragraphs 171, 172 and 184.

    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.

Background

National context and funding issues

19. In October 2022 inflation reached 11.1%, its highest level for 40 years. Whilst largely driven by the impact of Russia's invasion of Ukraine on food and energy prices and a global supply crunch following the coronavirus pandemic, these pressures are hitting people, businesses and local authorities across England.

20. On the 3rd November 2022 the Bank of England raised interest rates by an historic 75 basis points, its largest increase in 33 years. The Bank of England stated that the UK faced its longest recession since records

began and described the outlook for Britain’s economy as “very challenging”, noting that unemployment would likely double during the country’s two year slump.

21. 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 and increased demand for services, particularly in adult social care.

22. Analysis from the Local Government Association (LGA) suggests that Councils in England are facing additional cost pressures of £2.4 billion in 2022/23 since budgets were set in Autumn last year. In 2023/24 the forecast budget gap is £3.4 billion, rising to £4.5 billion in 2024/25. The LGA were clear that without additional funding to cover these costs, councils would need to start making savings across all services even if council tax levels were raised to the new referendum cap level.

23. On the 17th November the Chancellor’s Autumn Statement announced the Government’s spending plans for 2023/24. Further information was published in the form of a policy statement on the 12th December before individual council allocations were published on the 19th December.

24. At the national level the headlines were:

- Council Tax can be increased by up to 2.99% in both years, and social care authorities can apply a further 2% Adult Social Care Precept making a total increase of 4.99%

- Local authorities will receive a one year settlement for 2023/24 with high level indicative figures for 2024/25.

- The Fair Funding Review and business rates baseline reset has been delayed until at least 2025/26.

- Re-purposed Adult Social Care charging reform funding (£1.265bn in 2023-24 and £1.877bn in 2024/25) will be distributed based on Adult Relative Needs Formula.

- Other Adult Social Care grants confirmed include: Better Care Fund (£600m in 2023/24 and £1bn in 2024/25, of which local government receives 50%); and a ringfenced adult social care grant to support capacity and discharge (£400m in 2023/24 and £683m in 2024/25).

25. It is expected that the final settlement will be announced in February, but it is unlikely to differ significantly from the provisional figures.

26. City of York Council is a low ‘core spending’ authority. This means that based on historical spending data York ranks as one of the lowest spending against other local authorities. Therefore, in simplistic terms, when funding allocations are distributed by central government York will receive less from central government when compared to a historical (and potentially out of date) high spending authority.

27. The F20 (lowest funded authorities) report set out that in 2021/22, core spending power in York sat at £706 per head, the second lowest in the country compared to councils such as Kensington and Chelsea who receive £1,305 per head. If York were to receive even the average amount of spend the city would benefit from an extra £16.5m each year The Fair Funding Review remit was set to tackle this inequity, so the further postponement increases the Council’s financial challenges in the medium term. York is one of 20 lowest funded authorities that are working together to continue to raise this issue with Government.

28. In relation to council tax, as City of York Council is a unitary authority with statutory social care responsibilities, the proposals in this report are predicated on a basic council tax increase in 2023/24 of 2.99 %, plus an additional increase of 2% in line with the government’s social care precept. Further information on council tax and the social care precept is included later in the report.

<u>Local issues and challenges</u>

29. As previously reported to Executive, the Council is facing unforeseen pressures and demand for our services, which is having an impact on our budgets both in the current year and in the next year.

30. The 2022/23 budget was set just as the country was emerging from the Covid-19 pandemic and the crisis in Ukraine was beginning. Since then, we have seen rising energy, fuel and food prices, inflationary increases in contracts, supplies and other expenses that are making it difficult for the council to balance its budget, resulting in an in year pressure of some £8m.

31. The Council has continued to identify areas of efficiency, including through the introduction of hybrid workstyles that allow staff to work from home and from the Council’s main administrative buildings, including both West Offices and Hazel Court. This has enabled the Council to consolidate working spaces in buildings which has in turn allowed further space in West Offices to be let out to partners and other organisations. This process will continue although there are no proposals to consider letting out office space at Hazel Court.

32. There are serious underlying budget pressures across both adult and children's social care. Both adult and children's social care is operating in an extremely challenging environment. Despite the allocation of growth each year, demand for and the cost of providing social care continues to increase. The gross financial pressures facing the council in 2022/23 are projected at £7.8m but after mitigation and further action it is considered that this can be brought down to a net position of £3.7m.

33. 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. At the time of writing, York Hospital is continuing to experience unprecedented demand, GPs are seeing a spike in appointments and we still await further detail and certainty regarding long-term funding for social care.

34. In addition, record high levels of inflation are 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.

Local issues and challenges – Adult social care

35. Locally demand for council services continues to increase, with an ageing population and increased complex needs in respect of 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.

36. The Financial and Performance monitor 3 report, elsewhere on this agenda, sets out in more detail the current financial pressures in relation to adult social care.

37. The budget proposals include £3m growth allocated in 2023/24 to support front line services, fund ongoing pressures resulting from Covid, and support the local provider market. Cumulative budget growth from 2019/20 to 2022/23 was £17.3m. This additional funding will support existing budget pressures as well as enabling a move to early intervention approaches, which will result in more people support to remain in their own home with the right level of care and support, including responsive therapy assessment and support.

38. Additional investment in community support will ensure people can access support closer to where they live. For example, the implementation of the Mental Health Hub has resulted in easier access for people to use this

service as well as enabling other local community providers to use the centre to provide additional advice and information. Further work is ongoing in regard to locality level service delivery with health and voluntary sector providers.

39. We have also recently opened an extension to the council run Independent Living Community at Marjorie Waite court. As the scheme matures, this service will provide customers with a real alternative to residential care whereby they can maintain their independence within their own tenancy and community. The service can cater for those living with dementia and has the facility to accept customers being discharged from hospital, again working with them to ensure they regain and maintain the skills and ability to live in their own homes without the need for formal care.

40. As part of the council's commitment to ensure people receive the right care at the right time a whole system redesign of reablement and intermediate care is underway. This review will help support additional early intervention and prevention services across localities as well as integration with some health services.

41. We are also working with external providers, to ensure safe services and consistency in care delivery and our care act responsibility through market management and oversight

42. Following the publication of the Dementia Strategy we have a clear action plan underpinning the strategy to support individuals and their carers.

43. Local authorities continue to face significant financial pressures due to the ongoing impact of the pandemic. The number of people seeking help from adult social care, the number who go on to receive support and the amount and cost of support they receive all continues to increase.

44. A national challenge in delivering care services is the paucity of staff working in the care industry; both in delivering personal care but also the resource needed to assess individual needs.

45. The Government originally proposed that reforms to adult social care charging would be implemented from October 2023. However, at the Autumn Statement 2022, delivered on 17 November 2022, the Chancellor announced that the reforms would be delayed for two years, with the planned funding allocated "to allow local authorities to provide more care packages." The decision to delay the reforms adds to the continued uncertainty in relation to financial planning in the medium term, as outlined elsewhere in the report.

46. The Council is committed to effective management of the budget in the knowledge that resources are finite and need to be used in the most effective way to support the wellbeing of some of our most vulnerable residents. Our approach combines rigorous systems and governance to control spending with a strategic approach to a more sustainable way of supporting residents' wellbeing.

47. These budget proposals include further significant investment in Social Care to ensure that essential statutory services are protected. Where savings are proposed, these are focused on improving services and making best use of alternative funding streams to ensure people receive the right care that meets their needs as early as possible.

48. The Council continues to work closely with colleagues in the NHS and we continue to focus on those with the most complex needs, reducing reliance on residential and nursing care to ensure more people are able to remain in their own homes for longer through short term intensive support, independent living communities and extra care housing.

Local issues and challenges – Children's social care

49. Nationally there is significant pressure on budgets in children's services. Demand is increasing and numbers of children in our care are also rising. In the recently published National Care Review, Josh MacAlister stated:

    "Change is now both morally urgent and financially unavoidable. We have a stark choice: keep pouring money into a faltering system or reform and invest to improve people's lives and make the system sustainable for the future." Josh MacAlister, author of the review report

    MacAlister recommends an injection of £2.6 billion in order to change the trajectory of future demand and spiralling costs,

50. In addition to the historic context of insufficient national investment, we are further challenged through the impact of the most profound economic shock that we have seen in modern history. This increased pressure on families presents a real and significant risk to demand on children services through the inevitable associated risks to children in areas such as mental health and parental conflict.

51. In this context further investment in Children Services in York demonstrates our unwavering commitment as a city to ensure children have the very best start in life.

52. As with other Local Authorities nationally there is work being done to ensure we have an effective multi-agency system wide response (early

help) to reduce the need for costly statutory intervention. Providing the right support, at the right time through people who have trusted relationships will reduce increasing demand on resource intensive services.

53. Where statutory intervention is required we are investing in these services to ensure they are effective, resilient and focus on keeping children safe amongst their family and networks, therefore reducing the increasing and unsustainable demand on out of home care.

54. When alternative care is required for children we are investing in services which provide support to them locally, including the development in house residential care which will be established using evidenced based approaches that are most effective. This approach has already secured the commitment of partner agencies to provide further investment to ensure these services are delivered through a multi-disciplinary approach.

55. Furthermore, we will invest in our fostering services to ensure children are looked after in the city, reducing our reliance on costly private sector arrangements that are far from home. This approach will increase the opportunities for reunification work with families and important networks ensuring children are in care for the shortest possible time.

56. As a system we will invest in world class training that supports our workforce to deliver better outcomes for children, helps us focus on family strengths and enables us to grow safe and supportive networks that enable children to remain with their family where it is safe to do so.

57. This modest Investment will be the key enabler to deliver a 3 year whole system strategy that will improve outcomes for our most vulnerable children and safely reverse the impact of spiralling spend as described in the national care review.

58. Whilst there are modest savings within our education and skills service, the ongoing protection of budgets in this area, alongside increased national safety valve investment will ensure we continue to maintain and improve our services for children with special educational needs and disabilities.

59. In addition, the capital programme includes investment of £23m in school infrastructure. A further part of the capital programme includes further investment to support foster carers by adapting home environments to allow children and young people to maintain their independence.

Council priorities

60. The Council Plan for 2019/2023 is based on our statutory responsibilities and the priorities of our administration. 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

61. 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.

62. The plan was formally approved by Council on 31 October 2019 following consultation with residents, businesses and staff.

63. The budget reflects the Council priorities, with significant revenue and capital investment in a number of critical areas, or protection to existing spending, as set out in both the capital budget and this report.

Principles that have shaped the budget process

64. The Council's Financial Strategy continues to invest in priority areas as outlined in the Council Plan, including adult social care and support for children, as well as communities facing the cost of living crisis.

65. The scale of the budget reductions required will inevitably affect all services and all residents to some extent. In considering what savings can be made we have taken long term approaches to the development of future services. This included an assessment of options, risks, and links with Council priorities. 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. This approach will help to protect the needs of the most vulnerable people in York.

66. 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.

67. Set out in the separate capital budget report are proposals for continued major investment in a variety of schemes. These continue the council's approach to prioritise investment in the economy, housing, transport, and tackling climate change. In addition, the council is continuing to make a significant investment in ICT, recognising that the need for high quality technology will be crucial to delivering services in the most effective manner in the future, particularly in relation to adult and children's services and customer services.

Consultation

68. The council has been working with residents and businesses to identify the services that matter most to them and to understand their priorities for spending the council budgets.

69. The budget consultation launched in December and closed on 9th January 2023.

70. This year there were 573 responses, an increase compared to 369 last year.

71. The consultation replicated a number of question sets from previous years on council tax and the social care precept, to allow us to track feedback.

72. The consultation was promoted to residents through various channels via Our City publication, social media, local media, forum groups, newsletters, published on the council's consultation page, and promoted in Council Buildings such as Libraries and Leisure Centres.

73. The survey was promoted;

- Within the business community via existing business network links and distribution groups including York Business Week, Make It York, The Business Improvement District, York Chamber of Commerce and the York Federation of Small Businesses. Promotion was through social media, website channels and email. These key stakeholders were asked to pass on details of the consultation to their members.

- To equalities groups via the equalities network.

- Our City was delivered to all households from 19 December.

74. Paper responses are sent back at no cost to residents via Freepost to West Offices.

75. A number of focus groups were consulted in December which allowed a more in-depth discussion with participants.

76. The key messages from the consultation were;

- To balance the budget, 53% of respondents were in favour of an increase in council tax, rather than an increase in charges (46%) or a reduction in service provision (20%)

- 78% supported some form of increase in basic council tax, and of those supporting an increase 49% favoured the maximum increase of 1.99%.

- 71% supported a maximum increase in the social care precept.

- Respondents were asked if they agreed with various areas for priority investment. The area most thought was a priority was the protection of frontline services, followed by providing financial support for those that need it most and also to maintain and upkeep schools.

77. These consultation results have been used to inform the budget, as evidenced below;

- The budget proposal increases the basic council tax by 2.99% and social care precept by the maximum allowable (2%) as favoured by the majority of respondents. This decision was taken to address the significant budget pressures which the council faces, particularly in children's and adult social care, as set out in the report.

- The use of the Business Rates Pool and Venture Fund to provide assistance to those most in need, as outlined in paragraph 3.

- The council is investing £5m across both Adult and Children's Social Care.

78. The consultation responses to questions are summarised in Annex 4. Feedback from the Budget Consultation Focus Group and all views and data gathered during the consultation will in due course be published on the York's open data platform www.yorkopendata.org

Executive Member decision session consultation

79. Following the consultation, a report was taken to the Executive Member for Finance & Major Projects Decision Session on 12th January 2023.

80. This meeting provided a further opportunity for the Executive Member to obtain feedback from stakeholders, and also gave stakeholders a view of the initial budgets proposals approximately a month in advance of the Executive meeting.

Budget analysis

81. The budget setting process has taken into account the following issues, (which are considered in more detail in following paragraphs);

  i. Consideration of the 2022/23 position.

  ii. Consideration of unavoidable cost increases, priority areas, how to create the capacity in priority areas and creating the capacity to allow for service improvement and innovation.

  iii. How to best deliver services effectively for local residents, businesses and communities

iv. Consideration of reductions in grant funding.

v. Ensuring that the budget is robust and prudent and is based upon the strategic financial advice of the s151 officer.

vi. 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.

2022/23 position

82. As part of the budget approved in February 2022, considerable investment was made in priority services to ensure sufficient resources to deliver statutory and priority services. The most notable example was additional funding for adult social care, with the inclusion of £4.5m growth. At a time of significant financial challenges, this was a major investment to ensure the council were able to provide sufficient funding for the cost of care, supporting social care staff and enabling residents to stay in their homes longer.

83. As outlined earlier in the report, and in a separate report elsewhere on this agenda, the latest finance and performance report identifies a range of budget pressures.

84. Some areas identified as pressures in 2022/23 will require additional funding in the future and these include investments relating children and adult social care, which is covered further in the report. In addition the Council will need to take some concerted actions to ensure cost pressures are minimised, with cost avoidance strategies.

Additional Investment

85. The following bullet points set out the areas where additional investment is being made;

- New Homes Bonus (NHB) funded revenue budgets **£1,107k** – As mentioned in previous budget reports, NHB funding has reduced and this is the remaining balance of ongoing revenue funded from NHB.

- Health and Adult social care - **£3,000k** to cover contractual price increases and demographic pressures, including the cost of adults as they transition from children's services within 2023/24.

- Children's Services - **£2,000k** to cover contractual price increases and demographic pressures, including looked after children costs within 2023/24.

- Contractual price increases **£6,000k** - to cover unavoidable contractual price increases in other service areas, mainly ICT, insurance, transport and waste.

- Pay and Pension costs - **£5,905k** is included for pay and pension costs in 2023/24. This will cover anticipated pay inflation.

86. As set out earlier, there remain potential pressures and risks within social care. The budget provides for a significant investment within both children's and adult care, however it is recognised there remain a number of risks in this area.

One off Investment

87. In addition to the ongoing expenditure pressures set out above one off growth totalling **£1,000k** is included.

    - £250k to provide additional support to financially vulnerable residents dealing with the current Cost of Living Crisis

    - £250k to allow local wards to invest directly in improvements to local communities, from installing new benches to repairing local roads

    - £150k to improve community safety, tackling anti-social behaviour hotspots, including through funding of specialist Youth Support Workers

    - £100k to support recovery of residents facing substance misuse problems

    - £100k to support critical services that promote better mental health and wellbeing and provide support to those residents with autism

    - £100k to incentivise the use of public transport locally to ensure the local bus network can be maintained

    - £50k to continue existing winter maintenance of key cycle and pedestrian routes

88. The one off growth items above are funded from £1,000k one off funding from the Venture Fund and Business Rates Pool.

Investment Summary

89. The investments described above are set out in the following table;

Investment	2023/24 £'000
Recurring investment	
- New Homes Bonus replacement funding	1,107
- Health and Adult social care prices and demographic	3,000
- Children's Services prices and demographic	2,000
- Other Prices contingency	6,000
- Pay and pension	5,071
	17,178
One off investment	
- Support to financially vulnerable	250
- Ward investment	250
- Community Safety	150
- Substance Misuse	100
- Mental Health	100
- Public transport incentives	100
- Winter maintenance	50
	1,000
Total Investment	**18,178**

Table 2 – Summary of investment

Specific Grant Funding Changes

90. Table 3 shows the net change in specific grants, totalling £4.305m. The council will receive additional grants of £5,139k in 2023/24 to fund adult social care pressures. This will be used to fund growth in adult social care and is covered in further detail elsewhere in the report.

91. As part of the 2023-24 Local Government Settlement, the government announced that all local authorities would be guaranteed to see an increase in Core Spending Power of at least 3%. Those that fell below that level would receive a Funding Guarantee Grant. As York does not fall below that threshold, no allocation has been necessary.

92. The Council received a new grant Services Grant of £1.83m in 2022/23. This was intended to be a one-off grant (£822m) distributed to every authority using the 2013-14 settlement funding assessment (SFA). The majority of the grant was intended to support the increase in National Insurance (NI) contributions from April 2022. The Government's decision to increase the rate of NI was later reversed and as a result the Services Grant has been reduced by £800k. The grant will continue in 2023/24 at a lower level until further consideration has been made by central government as part of the 2024/25 funding distributions.

Funding Changes	**2023/24 £'000**
- Increase in ASC specific grants	-5,139
- Decrease in Services Grant - specific grant	800
- Net reduction in other grants including RSG	34
Net Funding Changes	**-4,305**

Table 3 – Grant funding changes

Council Tax Funding Changes

93. Table 4 shows the net changes to council tax funding.

94. The first line in Table 4 shows the 4.99% increase in council tax which will generate additional income of £5.092m on the existing taxbase.

95. A further £0.648m council tax is generated due to an increase in taxbase as shown in the second line of Table 4. The taxbase is calculated by the s151 Officer each year and represents the total number of Band D equivalent properties in the city. In 2023/24, this has grown by approximately 413 properties. Taxbase can increase or decrease due to various factors including new homes and changing patterns in the number and types of discounts taxpayers are able to receive or apply for.

96. The third line is the reversal of the collection fund surplus from the prior year. There was no estimated surplus or deficit declared in 2021/22. The final outturn position was a residual deficit of £3.047m. York's share of this is £2.464m. This will need to be repaid in 2023/24 using the Collection Fund Reserve.

97. The council tax collection fund surplus or deficit for the year 2022/23 is estimated on 15 January 2023, based on current year actual figures. The surplus or deficit is a result of a change in taxbase, compared to estimates

made last year. The collection fund surplus is only available as one-off funding, but there is no surplus forecast for the year 2022/23.

98. In summary the Table 4 shows an estimated £5.740m additional income from council tax in 2023/24.

Council tax	**2023/24 £'000**
- Increase in charge	-5,092
- Increase in taxbase	-648
- Reversal of collection fund surplus 2021/22	0
- Collection fund surplus/deficit 2022/23	0
Net council tax changes	**-5,740**

Table 4 – Council Tax funding changes

Business rates income

99. Table 5 shows there is a net increase in the level of business rates. Further details on business rates income and assumptions are included later in the report.

100. In 2022/23 City of York Council were part of a 50% business rates pool with Leeds City Region and this is set to continue in 2023/24. This is covered in further detail later in the report.

Business rates	**2023/24 £'000**
- Business Rates increase/reduction	-500
Change in income	**-500**

Table 5 –Change in business rates Income

Savings proposals and Expenditure Reduction

101. Directorates have identified £5.5m to contribute towards the 2023/24 savings target. £0.7m of the 2023/24 savings are the full year effect of prior year savings previously agreed by Executive.

102. There is an additional full year impact of £2,720k in 2024/25 in relation to these savings proposals, as outlined in annex 2.

103. In addition to directorate savings proposals of £5.5m, there is an additional saving of £1.1m due to the reduction of the Covid-19 recovery fund. A one-off fund of £2.5m was established in 2021/22 and the removal of this fund generates a saving of £1.1m.

104. Table 6 summarises the 2023/24 savings to be delivered by each directorate, corporate services and reduction in the Covid-19 fund.

Savings	**2023/24 £'000**
- Adults	-2,624
- Children's	-178
- Place	-745
- Customers and Communities	-395
- Governance	-295
- Corporate	-1,296
Total savings changes	**-5,533**
Reduction to Covid contingency	-1,100
Total expenditure reductions	**-6,633**

Table 6 –2023/24 Expenditure Reduction

New homes bonus (NHB) grant

105. The new homes bonus was introduced to provide an incentive for local authorities to encourage housing growth in their areas. Authorities receive funding for growth above the national baseline set at 0.4%. When an authority has overall growth in excess of the baseline, it gets rewarded for the above-baseline growth, not its entire growth.

106. In the September 2019 settlement the government announced a reduction in legacy payments and a phasing out of the NHB funding by 2023/24. Although the government has continued to provide funding to local authorities for the NHB in 2023/24, York's allocation has reduced significantly due to the of new homes being built and the end of legacy payments in the allocation. As a result, growth of £1,107k has been provided for to phase out the ongoing revenue that was funded by the NHB.

107. The total NHB funding available in 2023/24 is £63k.

Net Budget Composition

108. Taking into account funding changes summarised in Tables 3, 4 and 5, Table 7 below summarises the funding available from council tax and business rates for 2023/24.

	2023/24 £'000
Council Tax	107,783
Business Rates	33,841
Total Net Budget	**141,624**

Table 7 – Net budget composition for 2023/24

Fees and charges

109. Whilst the Council recognise the challenges of the cost of living crisis for businesses and residents, it has been necessary to increase some fees and charges for 2023/24 to achieve a balanced budget.

110. Detailed proposals for any changes to fees and charges are attached at annex 3. The proposals have taken account of such factors as possible impact on customer numbers, knowledge of business and current market conditions and benchmarking exercises. Any increased income from this review of charges is included within the overall list of savings attached at annex.

111. The proposals include a general inflationary increase in parking charges of up to 30p per hour and an increase in the non Minster Badge evening rate from £3 to £4. There are also proposals to reduce the number of vehicles that attract a discounted permit price so the discount is limited to those that are electric powered / hybrid in line with DVLA changes.

Council Tax

112. The existing components of the current (2022/23) band D council tax for a City of York Council resident are shown in Table 8 below. It should be noted that these figures exclude parish precepts which are an additional charge in some areas.

	£
City of York Council - Basic	1,315.82
City of York Council – Social Care Precept	179.96
North Yorkshire Police	281.06
North Yorkshire Fire and Rescue	75.61

TOTAL	**1,852.45**

Table 8 - Make Up of 2022/23 Council Tax

113. The collection fund is the ring-fenced account where all council tax is credited. This account can either be in surplus or deficit at the year end, depending on whether the authority has managed to collect more or less than it originally anticipated and the growth in property numbers. This year, the City of York element of the council tax surplus is estimated to be nil and this is included in the budget assumptions.

Referendum Limits

114. The council tax referendum limit has increased to 3% (excluding social care precept) for 2023/24. The threshold is not guaranteed to continue beyond 2023/24. If a Council wishes to set a higher council tax it must hold a referendum. It must also provide ‘substitute calculations’ which need to be presented to setting out what the alternative budget would be. This means that that if any proposal is made for a council tax above the referendum limit it must be accompanied by ‘substitute calculations’ within the referendum limit, to be used in the event that the referendum would reject the increase. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a ‘no’ vote in the referendum. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

115. The costs of a referendum are not easy to estimate and depend to an extent on whether it can be done as part of another election. If there is no other election, provision should be made for £300k. If the referendum could be combined with another election this would reduce the cost by approximately 50%. There are local elections scheduled to take place in 2023/24. In addition, there are the costs of rebilling which is estimated at £60k.

Social care precept

116. Local authorities with responsibilities for adult social care have been given the flexibility to charge a further social care precept in addition to the 3% referendum threshold. The Council can charge up to a maximum of 2% on social care precept.

117. As referred to earlier in this report, the recommendation made in these papers is that from April 2023 the City of York element of the council tax

will increase by 4.99%, 2% of the increase relating to the social care precept.

118. A 2% social care precept increase generates additional income of approximately £2m for the council which will be used along with additional grant funding to fund adult social care increased costs, pay, pension and other pressures. The increase in the adult social care precept is in recognition of the significant budget pressures within this service area. Further details on the use of the adult social care precept are covered earlier in the report.

Second Homes Premium

119. The Government's May 2022 Levelling Up and Regeneration Bill proposes the ability for councils to charge a 100% additional council tax premium on second homes. This option would become available to billing authorities with effect from 1 April 2024 at the earliest subject to the Bill receiving Royal Assent before 31st March 2023.

120. Billing authorities that wish to adopt any changes arising from the Bill are required to make a Council decision confirming their requirements at least 12 months prior to the financial year in which the changes will come into effect; meaning that the Bill will need to obtain Royal Assent prior to 31st March 2023 in order to adopt the changes for the financial year commencing 1 April 2024.

121. The council currently has 386 live properties listed as 2nd Homes on the council tax base. As there is no additional premium currently charged there is no dispute around occupation, but this may change once additional liability can be applied. The 2022 net liability for these properties is £702,269. This paper will recommend that the council approves the increase from 1st April 2024 if the Bill receives Royal Assent by 31st March 2023 or the earliest possible financial year should the Bill be delayed.

Precepts

122. In addition to the council tax to be charged by the City of York, the overall charge must include the precepts from the North Yorkshire Police, North Yorkshire Fire and Rescue Authority and parish councils. Due to the timing of this report these precepts are not yet available but will be included in the report which is considered by full Council on 23 February.

123. Table 9 demonstrates both the cash and percentage increase in 2022/23 for these which resulted in a total band D council tax for a York property of £1,852.45.

	2021/22 Charge (£)	2022/23 Increase (£)	Increase (%)	Council Tax (£)
CYC	1,452.36	43.42	2.99%	1,495.78
Police	271.06	10.00	3.69%	281.06
Fire	74.14	1.47	1.99%	75.61
Total	1,797.56	54.89	3.05%	1,852.45

Table 9 – 2022/23 Council Tax Figures for City of York Area

124. There are 31 parish councils within the City of York Council area. It should be noted that the council will provide each parish with a support grant to ensure that they do not experience any loss on their equivalent funding as a result of changes due to the localisation of council tax support.

Business Rates (National Non Domestic rates - NNDR)

125. The business rate multiplier will continue to be frozen in 2023/24 and will remain at 49.9p.

126. In November 2022, the Government announced that a Business Rates Revaluation would take effect from 1st April 2023. The Council has subsequently been issued with an updated list of rateable value of all business and other non-domestic property.

127. The impact of the 2023 Revaluation for York is a decrease in the Rateable Value by 3.4%, compared to the last revaluation in 2017.

128. As part of the Local Government Settlement 2023/24, it was announced that the business rates multiplier would continue to be frozen, however the impact of under-indexation for local authorities would be fully funded. York will therefore receive a compensation grant (Section 31 grant) and an uplift to its Baseline Funding level.

129. The council is projecting retained business rates/RSG income in 2023/24 of £33.841m, which is an increase of £0.5m compared 2022/23 following the impact of the Business Rates revaluation, covered later in the report.

130. A prudent approach continues to be taken in respect of Business Rates growth and there are no growth assumptions in relation to business rates

income for 2023/24. If business rates perform better than budgeted this will enable the Council to build up a reserve in light of the significant risks the Council may face after a business rates reset.

Business Rates Pooling

131. City of York Council is currently a member of the Leeds City Region (LCR) Business Rates Pool, and this will continue in 2023/24.

132. The Council is classed as a 'tariff' paying authority as its NNDR receipts are greater than its funding needs. As the impact of the 2023 Revaluation on York is a reduction in the Gross Rateable Value of all ratepayers, there will be a corresponding reduction in the tariff payable to the pool in 2023/24.

Reserves and Contingency

General reserves and contingency

133. Table 10 shows the position on the general fund reserve which, it is anticipated, will be £7.441m by the end of 2022/23. However, as noted earlier in the report and on a separate report on this agenda, several known pressures are forecast for 2022/23. The Council will continue to make every effort to reduce this forecast position but may be the case that Council general reserves will need to be called on.

134. The projected reserves at the end of 2023/24 are based on the assumption that Members agree no usage of reserves in 2023/24 as part of the final recommendations to Council.

135. In line with best practice, the council has undertaken a review of risks and known commitments in order to determine its minimum general reserve level. In considering this, it has been determined by the s151 Officer that £6.8m remains an appropriate figure. However in light of the risks facing the council, in relation to major capital programme schemes such as York Central and Castle Gateway and the budget pressures within children's and adult social care as covered earlier in the report, along with the pressures caused by the current high rate of inflation, it is considered that the Council should make every effort to maintain some headroom above the minimum level. Should the general reserve be required in 2022/23, further consideration of reserves will be made during the early part of 2023/24 and any increase needed will be considered as part of a future budget process. Reserves are covered in further detail within the s151 statutory statement at the end of the report.

	2022/23 Projected Out-turn £'000	2023/24 Budget £'000
General reserve at start of year	7,441	7,441
Increase to General Reserve (one off growth)	0	0
In Year use of reserves	0	0
General reserve at end of year	7,441	7,441
Prudent minimum reserves	6,800	6,800
Headroom (+)/Shortfall (-) in reserves	641	641

Table 10 – Projected general reserves

136. In addition to general fund reserves, the budget includes a £500k general contingency. In recent years this has always been required.

137. As mentioned earlier in the report, it is appropriate to provide an adequate contingency on an ongoing basis. This is critical in terms of the setting of a prudent budget.

Venture fund

138. The balance on the venture fund reserve is anticipated to be £4.3m at the end of 2022/23.

139. As covered in previous budget reports Executive have already agreed commitments in future years to major projects including £300k to the Community Stadium, £3m to York Central, £131k to Mental Health and £200k to Burnholme Community Centre. After taking into account these commitments, the forecast year end balances on the venture fund is included below in Table 11.

	Forecast Year end Venture Fund Balance
	£'000
2023/24	745
2024/25	964
2025/26	1,183
2026/27	1,404
2027/28	1,626

Table 11 –Venture Fund Balance

140. In light of the current financial pressures and the need to maintain services to residents, it is considered appropriate to use £650k from the Venture Fund to support one off investment, as outlined earlier in the report.

Medium term planning

Medium Term Outlook

141. The Government published the provisional settlement on 19 December 2022. It is a one year settlement with high level indications for 2024/25.

142. Local Government received increases in funding, much of it directed towards social care. Resources for adult social care increased by £2.8bn in 2023/24 and by £4.7bn in 2024/25, through a combination of the Adult Social Care precept (2%) and new grant funding in both 2023/24 and 2024/25.

143. The Services Grant introduced in 2022/23 to fund the expected increase in National Insurance Contributions has been reduced accordingly, given the planned increase will no longer go ahead.

144. It was disappointing that the settlement again only announced detailed funding allocations for 2023/24 although the settlement did give some direction on 2024/25, stating that it would "continue in a similar manner for 2024/25. The major grants will continue as set out for 2023/24". However, at the time of writing we are still awaiting allocations for several grants, including Public Health.

145. The settlement was also clear that any significant reform of the local government funding system will not be undertaken within this Comprehensive Spending Review period, meaning 2025/26 at the very earliest. Therefore, considerable uncertainty about the future method of allocating funding remains.

Business Rates and Funding Reform

146. As highlighted in previous Financial Strategy reports, the government will phase out Revenue Support Grant (RSG), to be replaced by a system which allows local government to retain business rates growth.

147. Whilst devolution of business rates presents opportunities for the council, there are also associated risks with business rates appeals and the business rates reset.

148. There has been an expectation for the last 3 years that business rates and funding reform would be implemented in the following year. This has already been postponed due to the government's focus on Brexit, and the

Covid-19 pandemic. The Chancellors Autumn Statement and subsequent funding settlement announced that this has been delayed until at least April 2025.

149. The business rates review will consider an increase in the retention rate for councils from 50% although seems increasingly less likely, the process for business rates revaluations and the business rates reset. It might also lead to more fundamental change in the way that businesses are taxed. It is expected that this may finally come into effect in 2025/26.

150. The Government has indicated that they are minded to have a full business rates baseline reset. This could have significant implications for a high growth authority such as York, as any growth built up since 2013/14 may be taken and redistributed to authorities with higher 'needs', according to the revised funding formula under consideration in the Fair Funding Review (FFR).

151. The Fair Funding Review focuses on the cost drivers for individual authorities. As part of the funding reform, additional responsibilities will transfer to local government, potentially the administration of housing benefits for pensioners and funding of public health.

152. As a prudent measure, there are no growth assumptions in relation to business rates income for 2023/24, to enable the Council to build up a reserve in the event that the FFR and business rates reset is not favourable for York.

<u>Medium term strategy and approach to savings</u>

153. Recognising some of the risks set out in preceding paragraphs, in particular the state of the UK economy, and the distribution of local government funding, the table below, Table 12, sets out the headline figures for the Council's medium term financial forecast to 2026/27.

154. It is difficult to predict beyond this timescale.

	2024/25	**2025/26**	**2026/27**
	£'000	**£'000**	**£'000**
GROWTH			
Pay and price inflation	10,000	9,000	8,000

Demographic (mainly social care) and overspend pressures	6,000	6,000	6,000
Capital Programme	1,600	1,600	1,600
Total growth	**17,600**	**16,600**	**15,600**
RESOURCES			
Council Tax at 3.99%	4,000	4,800	5,600
Business Rates Growth	0	0	0
Total resources	**4,000**	**4,800**	**5,600**
FUNDING GAP	**13,600**	**11,800**	**10,000**

Table 12 – Medium Term Forecast to 2026/27

155. These figures are based on the assumption that funding for adult social care continues in a similar manner, that inflationary pressures start to reduce year on year and the pay award will be approximately 3%. Clearly there are several factors that could change these figures, and uncertainty will remain until the announcement of future settlements, but they provide the broad basis on which the Council will need to consider decisions over coming years.

156. The funding gap figure in Table 12 represents the amount of savings that are required each year to balance the budget.

157. Whilst settlements for local government have been better in recent years, this is not guaranteed to continue in future years in light of the factors outlined earlier in the ‘medium term outlook’ section of the report.

158. There are three very major pressures facing the Council. These relate to inflation, social care, and the impact of the capital programme.

159. The impact of the capital programme will have an effect on the revenue budget in terms of cost of borrowing. Whilst this is spread over a number of years, the broad requirement in future years is for an increase in the treasury budget of around £1.6m every year.

160. The current pressures on the social care budget are expected to continue in the medium term and are reflected in the figures in Table 12.

161. To achieve the savings, and ensure budget pressures are contained, it is essential that the Council further develops the delivery of digital services, its use of assets, ensures efficient cost control, develops new sources of income, secures grant funding and reviews the method of delivery of a number of service areas.

162. Based on the current assumptions above, based on a 3.99% increase in future year's Council tax, there remains a funding gap of between £10m and £14m each year, over the next 3 years. The Council will need to consider the relevant balance of savings, variation in council tax, and potential changes in funding and income from business rates.

163. Specific details of future year's savings proposals will be covered in future budget reports. Looking beyond 2023/24 is difficult given a wide range of uncertainties already described. The scale of savings is to a large extent dictated by the overall level of council tax increase that will be set.

Housing Revenue Account (HRA) Budget

Housing Revenue Account

164. Local Authorities with housing stock are required, by legislation, to keep a HRA. The Local Government and Housing Act 1989 stated that items of income and expenditure only relating to council housing must be contained within the account. Authorities have a duty to ensure that the HRA balances, to keep the budget under review and to take all reasonable steps to avoid a deficit.

165. The HRA has been impacted by a number of external factors since setting the budget for 2022/23. The rent increase of 4.1% applied in 2022/23 which raised c£1.3m has not covered the additional expenditure pressures that have arisen due to the cost of repairs, staff pay rises and utility bills. The latest budget monitoring position for Housing this financial year shows the HRA overspending by £2m and expenditure being greater than income. The account continues to be impacted by high inflationary increases which are expected to continue into 2023/24.

166. It is important for the HRA to be financially robust so that it can service its outstanding debt (the Council took on £121.5m of debt in 2012 as part of the self-financing settlement which removed the requirement to pass on a proportion of the HRA surplus to Government) and continue to provide an operationally effective service to its tenants within the resources available from rents.

167. As part of the budget setting and business plan forecasts for 2023/24 the Housing Revenue Account was forecasting an in year surplus of £2.1m prior to debt repayment. The table below (Table 13) shows the changes to those assumptions since that time:

	£'000	£'000
Budgeted surplus		-2,112

Inflationary Pressures • Repairs • Utilities • Pay Award • Depreciation • Other	 900 1,230 680 820 200	 3,830
Revised Budgeted Deficit		1,718

Table 13 – HRA Forecasts 2023/24

168. The above shows a significant turnaround from the assumed business plan position (based on 3% rent increase) to the latest projection. The position is unsustainable in the long term and therefore needs to be addressed over the coming years.

169. Government announced in October 2017 that rents would be able to increase by CPI +1% from 2020/21 for a period of at least 5 years. The CPI rate at September 2022 was 10.1% meaning that rents could be increased by up to 11.1%. This would have raised up to £2,670k. This level would have brought the HRA annual balance above £1m but would have had significant impact on tenants particularly those who are not supported through benefits.

170. As part of the Autumn Statement the Chancellor announced that rents will be capped by a maximum 7% for financial year 2023/24. Whilst this is a significant increase for tenants to pay, it is lower than the CPI +1% formula that would otherwise be the maximum rent increase. The additional rent that a 7% rate would raise is £1,300k.

171. Given the need to balance the impact on individual tenants with the impact on the ability of the HRA to fund repairs, maintenance and tenant support, the 7% rate is recommended. The impact of balancing the budget through reducing services such as repairs and tenant support is considered too severe.

172. In order to support tenants in the greatest financial difficulty, it is recommended that a one-off hardship fund of £100k is created. 68% of people living in York's council properties are on Housing Benefit or Universal Credit Housing Support, which means that any rent increase will be covered by benefits. Officers will continue to work with tenants who are struggling to help manage their rental payments, maximise benefit entitlement and draw on the Hardship Fund for additional support where needed.

173. Even with a 7% rate increase which is recommended there is a need to make further efficiencies and also to mitigate some of the additional £1.2 utility costs identified above by increasing service charges particularly where heating in individual rooms is provided and paid for by the council.

174. There are savings proposed totalling £310k which are shown in Annex 6.

175. It is also necessary to ensure that the increases in utility costs are fairly split between the tenants and the HRA whilst also recognising the current cost of living pressures. The £1.2m increase cannot be solely absorbed by all tenants across the HRA. It is proposed that service charges at hostels and Independent Living Schemes are reviewed in order that only a quarter of the additional costs are passed direct to the tenants who are most in receipt of the service. These tenants are currently paying service charges that are based on prices significantly lower than actual. They are also in receipt of government energy support schemes.

176. It is also proposed to recognise a number of corporate savings that would impact the level of charges to the HRA and cash limit the increase providing a £120k saving as well an adjustment in appropriation assumptions, reducing charges to the HRA by £42k.

177. The impact of these changes are shown in Table 14 below:

	£'000	£'000
Budgeted Deficit		1,718
Rent Increase	-1,300	
Less Tenant Support Fund	+100	
Service Charges	-300	
Other Income (eg Leasehold charges)	-70	
Cash Limit Support Services	-120	
Debt adjustment	-42	
Savings	-310	-2,042
Budgeted Surplus		-324

Table 14 – HRA Budget Summary Position

178. This level of budgeted surplus is significantly lower than before and reduces much of the flexibility of the HRA to deal with ongoing pressures and to increase investment in new and improved stock. It is the view of the Chief Finance Officer that the budgeted surplus should not reduce any further below this level.

179. The HRA budget, taking into account the pay award, inflation and savings for 2022/23 are detailed at Annex 7.

180. The impact of the recommendations within the financial strategy have been modelled and the 30 year business plan is shown as Annex 8. The impact of the reduced level of budgeted surplus have significantly impacted the overall standing of the HRA

- Maximum debt will increase from £146m to £152m as the Housing Delivery Programme develops sites
- The HRA self-financing debt (£121.55m) will broadly be maintained over the life of the plan
- The minimum HRA year end balance can be maintained at over £15m

181. It should be noted that the HRA is currently only paying interest on the £121.5m self-financing debt and now has little flexibility to repay the debt and will be limited with respect to further borrowing above what is already assumed. The assumptions around inflation, interest rates, rent levels and efficiencies will need to be reviewed in the medium term and it is likely that further efficiencies will need to be considered in future budget rounds.

182. The impact of inflation particularly around utilities has significantly impacted the 30 year projections across the HRA. There is much uncertainty over the medium impact of such large price increases and should these costs start to fall the impact on the account will be strongly positive.

Rent Changes 2023/24

183. The expected effect on rent levels over the next years is shown in the table below:

Year	Estimated Average Rent Per week	Estimated Average Increase per week
2022/23	£84.02	
2023/24	£89.89	£5.87

Table 15 – Rent Changes 2023/24

184. It is also proposed that rents that do not fall within the definition of “social housing rents” for the purposes of the Welfare Reform and Work Bill 2015 will similarly be capped at the 7% level set out in the report. This includes shared ownership, Gypsy Roma and Traveller accommodation as well as any specialist supported housing that is exempt from the rent reduction legislation.

185. Housing Officers will work with all residents to minimise impacts as far as possible, maximising household incomes and supporting as outlined above.

Dedicated Schools Grant (DSG) and the Schools Budget

186. The DSG is ring-fenced for funding the provision of education or childcare for 3 to 16 year olds in all settings and high needs pupils up to age 25. As such it covers funding delegated to individual local authority (LA) maintained schools, academies and private, voluntary and independent (PVI) providers through the Local Management of Schools (LMS) & Early Years Single Funding (EYSF) formulae, plus funding for other pupil provision which is retained centrally by the LA to support such things as Special Educational Needs and some specific central education services.

187. The overall DSG is allocated to LAs via four sub blocks; schools, high needs, early years and central school services. The funding that LAs receive in each block is now determined by specific national funding formulae (NFF). These arrangements are continued for 2023/24 but with some changes to the schools NFF, and a continuing reduction in the funding allocated to the LA for centrally retained budgets.

188. The total DSG allocation for 2023/24 is estimated at £160.958m, an increase of £4.427m (2.9%) from 2022/23 and broken down as follows:

DSG Funding Block	Adjusted 2022/23 £m	2023/24 £m	Increase	
			£m	%
Schools Block	118.175	119.614	1.439	1.2%
Early Years Block	10.892	11.477	0.585	5.4%
High Needs Block	25.088	27.794	2.706	10.8%
Central School Services Block	2.375	2.074	(0.301)	(12.7%)
Total DSG	**156.531**	**160.958**	**4.427**	**2.9%**

Table 16 – DSG Allocation

Schools Block

189. The vast majority of the Schools Block DSG (£119.280m) is used to fund the local funding formula for mainstream schools (maintained and academies). Following a detailed consultation with all schools and the Schools Forum prior to setting the 2018/19 budget, the LA agreed to introduce the DfE's new national funding formula (NFF) at school level

from April 2018. For 2023/24 the LA is again proposing to follow the NFF for schools.

190. The funding factors used in the 2023/24 NFF remain the same, however the factor values will increase by the following amounts:

- 2.4% to the basic entitlement, free school meals (FSM), lower prior attainment (LPA), English as an additional language (EAL), sparsity and the lump sum
- 4.3% to free school meals at any time in the last 6 years (FSM6) and income deprivation affecting children index (IDACI)
- 0% on the premises factors, except for PFI which has increased by RPIX

191. On top of these uplifts, the DfE have increased the basic entitlement, the FSM6 and the lump sum factors to reflect the rolling in of the schools supplementary grant into the NFF. The schools supplementary grant was introduced to support schools to meet the costs of the Health and Social Care Levy and wider costs in 2022/23. The grant funding in respect of pupils from reception to year 11 (inclusive) is being rolled into the schools NFF from 2023/24.

192. The minimum per pupil levels in 2023/24 will be set at £4,405 per pupil for primary schools and £5,715 per pupil for secondary schools. This includes £119, £155 and £173 per primary, KS3 and KS4 pupil respectively for the rolling in of the schools supplementary grant, plus a further 0.5% increase.

193. The 2023/24 NFF funding floor has been set at 0.5%. This means that every school will attract an increase in their pupil-led funding of at least 0.5% per pupil, compared to their 2022/23 baseline. Funding floor baselines have also been increased to take account of the rolling in of the schools supplementary grant.

194. The aim of the DfE's approach for rolling the grant into the schools NFF is to ensure that the additional funding schools attract through the NFF is as close as possible to the funding they would have received if the funding was continuing as a separate grant in 2023/24, without adding significant additional complexity to the formula.

195. At a national level, school funding through the NFF is increasing by 1.9% overall in 2023/24 and by 1.9% per pupil. However, the average increase for York schools is estimated at 1.2% as a significant number of schools are either already receiving protection through the funding floor or the minimum per pupil amounts which only increase by 0.5% in 2023/24.

196. Local authorities will continue to determine the final allocations for all local mainstream schools in 2023/24, but the DfE are in the process of consulting on how to complete their reforms to the schools NFF in the longer term.

197. The remaining £0.342m of the Schools Block DSG is allocated to the growth fund, although this amount will be confirmed once the autumn census numbers are known. The growth fund can only be used to support increases in pre-16 pupil numbers to meet basic need, additional classes needed to meet the infant class size legislation or meet the costs of pupils in new schools commissioned to meet basic need. The growth fund may not be used to support schools in financial difficulty or general growth due to popularity; which is managed through lagged funding.

198. The amount of growth funding allocated to the LA by the DfE continues to fall, from £0.800m in 2018/19 down to £0.334m in 2023/24. The level of funding required to be allocated to schools under the current local growth criteria and formulae is difficult to predict with any certainty each year. In each of the last three years the fund has been overspent and this is likely to continue as the DSG allocation from government reduces. Therefore, for all allocations made since the 2020/21 academic year onwards, the LA has implemented a cash limit on this budget. This means that if the total of all allocations to schools in a particular year, calculated via the relevant formulae, exceeds the budget available then all allocations will be reduced pro-rata.

<u>Early Years Block</u>

199. Following a review of the Early Years National Funding Formula (EYNFF), the DfE has decided that the Teachers' Pay and Pensions Grants (TPPG) for school based nurseries and maintained nursery schools, which are currently separately allocated, should be rolled into the EYNFF base rates for 2023/24. In addition, increased support for Maintained Nursery Schools (MNS) has been announced through the MNS supplementary factor.

200. The hourly rates currently received by York for 2022/23 are at the minimum funding floor for both the 2 year olds and 3/4 year olds allocation. Revised 2023/24 hourly rates for York following the DfE's review are set out in the table below:

	2022/23 £/hr	**2022/23 TPPG £/hr**	**2022/23 TOTAL £/hr**	**New 2023/24 £/hr**	**Increase £/hr %**
3 & 4 Year Olds	4.61	0.06	4.67	4.87	**0.20 4.3%**

2 Year Olds	5.57	n/a	5.57	5.77	**0.20 3.6%**
MNS Supplement	2.39	0.54	2.93	3.80	**0.87 29.7%**

Table 17 – Early Years National Funding Formula Rates

201. Based on the above, York remains at the minimum funding floor for 3/4 year olds, but moves above the floor for 2 year olds and will be funded at the median value for all 151 LAs. More significantly, there is a material increase in supplementary funding for York's only MNS (St Pauls Nursery), from the current £100,421 (inc. TPPG) to £126,776 in 2023/24.

202. For allocating this funding to providers, the York early years formula currently passes on all 2 year old and MNS supplementary funding directly to providers at the same rates that they are received from the DfE.

203. For 3 & 4 year old funding York operates a local Early Years Funding Formula (EYSFF). 5% of the funding received from the DfE is retained to help fund the central EY team. The remainder is allocated to providers at a basic rate of £4.29 per hour, plus a deprivation rate of £0.42 per relevant hour. This formula applies in the same way to both PVI and maintained providers.

204. For 2023/24 we now need to include the, previously separate, funding for TPPG within the local formula. It is estimated that 6p of York's DfE hourly rate for 3 & 4 year olds in 2023/24 relates to the former TPPG. However, in 2022/23 this grant was only received by maintained school nurseries – none of the grant was allocated to PVI providers.

205. The DfE's Early Years Operational Guide for 2023/24 encourages LAs to introduce an additional quality supplement within their formulae for 2023/24 to continue to support some of the costs for which the original grants were introduced; i.e. teachers' pay and pensions costs in maintained settings. There are therefore two options to consider for the 2023/24 local early years formula:

206. **Option 1 – Retain one basic hourly rate for all providers:** This is the preferred option of officers from both finance and early years, as it would maintain the simplicity of our current formula established through a comprehensive consultation undertaken prior to its introduction. It would also address the difference in DfE funding to PVI and maintained school nurseries, particularly given rising staff costs. This follows the approach being taken by many other Local Authorities. In addition it would limit the amount of extra administration required in establishing and maintaining an additional quality supplement. Under this option it would be relatively straight forward to calculate the base rate each year.

207. Whilst there would be a relatively small difference between the allocations to maintained school nurseries and PVI providers compared to their respective 2022/23 funding allocations including the TPPG, this option would provide the opportunity to address the issue of lack of equivalent DfE funding to PVI providers who have experienced significant staffing cost increases.

208. **Option 2 – Introduce a new supplement to channel funding to settings employing qualified teachers:** This option would more closely reflect the current allocation of funding through the TPPG and would follow the preference set out by the DfE in their operational guide. However, it would introduce additional complexity to the formula and require more administration in establishing and maintaining the new quality supplement. It would also create a financial divide between the two sectors when the original principles of the funding formula were about creating a level playing field.

209. In addition, we do have at least one school that doesn't employ a QTS at foundation stage, so would not trigger funding under the quality factor even though they will be receiving TPPG in 2022/23. As it may not be easy to predict which settings would trigger the quality supplement, under this option it may be more difficult (and less accurate) to calculate the right balance between base hourly rate and supplementary hourly rate each year. It may also not be possible to calculate and notify initial budgets to providers by 31 March.

210. The impact on 3 & 4 year old funding rates for PVI and maintained providers are estimated as follows:

	Option 1		**Option 2**	
	Maintained £/hour	**PVI £/hour**	**Maintained £/hour**	**PVI £/hour**
<u>2022/23</u>				
Base Rate	4.29	4.29	4.29	4.29
TPPG	0.18	-	0.18	-
Total	**4.47**	**4.29**	**4.47**	**4.29**
<u>2023/24</u>				
Removal of TPPG	(0.18)	-	(0.18)	-
Annual Uplift	0.19	0.19	0.19	0.19
Roll TPPG into base rate	0.06	0.06	N/A	N/A
Introduce new quality supplement	N/A	N/A	0.18	-
Total	**4.53**	**4.53**	**4.65**	**4.47**

Increase	£/hour	0.06	0.24	0.18	0.18
	%	+1.3%	+5.6%	+4.0%	+4.2%

Note: This is the general impact by sector – the impact on individual providers may vary

Table 18 – Comparison of options for the 2023/24 local EYSFF

211. The Schools Forum will be discussing this on 8 February, with officers seeking support for their preferred option 1. Any relevant comments from the forum will be reported verbally by the Executive Member for Children & Young People. If agreed, option 1 would result in early years funding rates for all York providers in 2023/24 as follows:

	Base Rate £/hour	**Deprivation Rate £/hour**	**Nursery School Lump Sum £**
3 & 4 Year Olds	4.53	0.45	126,776
2 Year Olds	5.77	Nil	Nil

Table 19 – EYSFF Funding Rates

High Needs Block

212. The high needs block DSG increases by £2.706m (10.8%) in 2023/24. As has been previously reported, the high needs budget is already under significant pressure due to rising demand from increased numbers of SEND pupils. For 2022/23 net in year expenditure within the high needs block is projected to be £1.748m higher than the core DSG funding allocated by government.

213. However, as part of the safety valve agreement that the LA has made with the DfE, additional grant of £2.5m is due to be received by the end of the financial year. The effect of this additional grant produces a net in year high needs block surplus of £0.752m and reduces the projected high needs deficit carry forward to 2023/24 to £5.090m

214. It should be noted that the plan agreed with the DfE, if implemented in full, would result in a balanced high needs budget by the end of 2025/26. The plan includes a commitment from the DfE to allocate additional funding to York of £9.5m on top of the £7.6m allocated in 2021/22, subject to certain conditions.

Central School Services Block

215. This funding block was created in 2018/19 from elements of the previous schools block and the former Education Services Grant (ESG). As part of the DfE's strategy to remove funding within this block that directly supports exceptional expenditure previously agreed between LAs and their Schools Forums (historic commitments), there is a significant net reduction of £0.301m (12.7%) in 2023/24. This follows similar reductions in the previous two financial years. This net reduction is made up of a £0.014m (1.8%) increase in the allocation for the on-going responsibilities that the LA continues to have for all schools, and a £0.315m (20%) reduction in the allocation for historic commitments.

216. For 2023/24 this means allocations of £0.813m for LA on-going responsibilities and £1.261m for historic commitments. As historic commitments currently total £1.576m in 2022/23 the LA will need to identify budget reductions totalling £0.315m for 2023/24. The LA will be consulting with the Schools Forum at its meeting on 8 February on how best to manage this reduction.

<u>Mainstream Schools Additional Grant 2023/24</u>

217. The 2022 Autumn Statement announced that the core schools budget will increase by £2 billion in 2023/24, over and above totals announced at the Spending Review 2021. In the 2023/24 financial year, mainstream schools will be allocated their portion of this additional funding through the mainstream schools additional grant (MSAG) 2023/24. For all of York's mainstream schools this equates to £4.003m (3.4%) in addition to schools' allocations through the schools national funding formula described at paragraphs 189 to 195 above.

218. In more detail; the original announcement for 2023/24 was for a £1.439m (1.2%) funding increase for York's mainstream schools. Now, with the additional funding included, this means an increase of £5.442m (4.6%) over 2022/23 funding levels. As there is expected to be a reduction in overall pupil numbers in York, this equates to a per pupil increase of 5.2%. In comparison, the average national increase is 5.8% per pupil and for the Yorkshire & Humber region it is 5.6% per pupil.

219. The DfE have said that they will not be issuing school level allocations until May 2023. However, they have published the rates at which the funding will be allocated to schools:

- a lump sum of £4,510 per school
- a basic per pupil rate of £119 for primary pupils, including pupils in reception
- a basic per pupil rate of £168 for key stage 3 pupils

- a basic per pupil rate of £190 for key stage 4 pupils
- an FSM6 (eligible for free school meals in any of the last 6 years) per pupil rate of £104 per eligible primary pupil
- an FSM6 per pupil rate of £152 per eligible secondary pupil

220. It has also been announced that York will receive an additional £1.066m of high needs (SEND) funding in 2023/24 from the Additional Grant.

Scrutiny

221. In accordance with constitutional practice Customer & Corporate Services Scrutiny Management Committee considered at its meeting on 9 January 2023 what level of budget is appropriate in the coming year to support scrutiny reviews. The committee take into account existing levels of spend in 2022/23 and the councils overall financial position. In the light of those considerations the committee has decided to maintain the current funding level of £5k.

Equalities

222. The Public Sector Equality Duty is a duty which requires all public authorities to consider the impact of proposed decisions on various recognised groups with protected characteristics as part of the organisations formal decision making process. The protected characteristics as defined by the Equality Act 2010 are:

- Age;
- Disability;
- Gender reassignment;
- Marriage and civil partnership;
- Pregnancy and maternity;
- Race;
- Religion or belief
- Sex; and sexual orientation.

223. For City of York the decision makers are the Leader of the Council and the Executive who make reasoned well founded decisions based on the professional advice from appropriately skilled and qualified officers. In respect of the budget, Full Council, is asked to approve the budget as recommended to it by the Executive. In respect of Officers a number hold statutory responsibilities, for example Head of Paid Service, s151 and Monitoring Officer, and as such there is a greater onus on statutory officers to ensure that the advice and recommendations given also take

into account a number of factors including the Public Sector Equality Duty as part of their role.

224. In all aspects of the budget setting for the Council it is essential that the Public Sector Equality Duty is at the forefront of all decisions made. To ensure this occurs an Equality Impact Assessment is prepared at the outset of the budget preparations and a detailed EIA has been completed on the overall impact of the budget proposals.

225. It is accepted that the EIA accompanying the budget report will not address the impacts of every detailed aspect of the budget and therefore individual elements of the budget will, following Council approval, attract their own EIA to support delivery of that proposal and ensure that negative aspects of the protected characteristics are acknowledged and where possible mitigated.

226. 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.

227. 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.

228. This negative 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

229. This report has the following implications;

Financial

230. 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 £1.1m 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)

231. The savings proposals contained within the overall budget will require the reduction of some posts in 2023/24.

232. 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 2023/24 is likely to be a mixture of post reductions and working for redesigned services. Should there be sufficient reductions to posts and proposed redundancies, the necessary notification will be made to Redundancy Payments Service and a HR1 will be submitted.

233. 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.

234. Equality Impact Assessments will also be undertaken to assess the impact of each agreed budget proposal and emphasis on any interdependent impacts on the workforce and services will also be assessed.

235. 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

236. The council is required to set a council tax for 2023/24 before 11 March 2023. It may not be set before all major precepts (i.e. precepts from the Police and Fire Authorities) have been issued or before 1st March 2023, whichever is the earlier. The decision to set the level of council tax is reserved to Council and cannot be taken by Executive or delegated to officers, although Executive has to recommend a budget to Council. These comments are intended to apply to both the Executive meeting and the subsequent Council meeting.

237. Before determining the level of the tax, the Council must estimate its proposed revenue expenditure, taking into account amounts required by way of contingency, any need to raise reserves and any other amounts which the Council is legally required to transfer between funds. It must also estimate its anticipated income, any relevant transfer between funds and any proposed use of reserves. It must then calculate the difference between the two which is the council tax requirement.

238. The Council's Chief Financial Officer (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer has a statutory duty under section 114 of the Local Government Finance Act 1988 to issue a written report if he considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.

239. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage. Members should also be conscious that, whilst Council is responsible for setting the budget envelope for the relevant financial year, Executive is responsible for individual spending decisions within that budget envelope.

240. Members must also act prudently. Members must also bear in mind their other statutory duties to have regard to certain matters when making

decisions. The report identifies proposals which, if approved, may potentially have an impact on children, older adults and persons with disabilities all of which groups are statutorily protected equality strands under the Equalities Act 2010. In making their decision, Members must have due regard to their public sector equality duties and the need to eliminate discrimination, to mitigate against negative impacts where these are known and to promote equality when making decisions. Members must also take into consideration the need to consider any crime and disorder implications of the decision. A failure to follow these principles could open the Council to judicial review.

241. Members have a fiduciary duty to the council tax payers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.

242. Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.

243. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the s151 Officer and the Monitoring Officer. Members are obliged under the Code of Conduct to have regard to the advice of the s151 Officer and Monitoring Officer. The Council may take decisions which are at variance with their advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities. In addition, if Members wish to re-instate savings recommended by the Chief Finance Officer in order to balance the budget, they must find equivalent savings elsewhere.

244. The Chief Finance Officer is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2011 (as amended) to ensure that the council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. This is in addition subject to the requirements set out above.

245. Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and

capital expenditure and the requirement to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable.

246. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

247. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. It must also provide "substitute calculations" which need to be presented to Council setting out what the alternative budget would be. This means that that if a party proposes a council tax above the referendum limit they must also produce "substitute calculations" within the referendum limit, to be used in the event that the referendum would reject the increase. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

Council Priorities

248. This report, alongside the capital budget, sets out a range of investments and savings which reflect the Council's priorities. These are covered in detail in the main body of the report.

Statutory Advice from the s151 Officer

Introduction

249. The Local Government Act 2003 places responsibilities upon the council's Chief Finance Officer to advise the council on the adequacy of its reserves and the robustness of the budget proposals including the estimates contained in this document. This section also addresses the key risks facing the council in relation to current and future budget provision. The following paragraphs outline my assessment of the budget proposals outlined in this report, including reserves and general robustness of the

process. Section 25 (2) of the 2003 Act requires the council to have regard to this assessment in approving the annual budget and setting the council tax.

Robustness of proposals and process

250. The preparation of a budget relies on estimates, which are made at a point in time, and clearly there are a number of factors that can influence actual expenditure throughout the year. However, there are processes in place to ensure that assurance can be given that this budget has been constructed using the best available information and assumptions at the time of preparation. These include:

- regular budget monitoring to ensure known pressures are reflected
- involvement of directorate management teams in development of the proposals
- regular scrutiny of the proposals by Executive members, including separate budget Executive Member Decision Sessions held during December

251. Considerable reliance is also placed on budget managers having proper arrangements in place to identify issues early, project the likely demand for services, and consider value for money and efficiency.

252. In order to provide assurances that the budget estimates are robust the following factors have been considered:

- overall funding available including specific grants and other funding available from central government, along with locally raised income from council tax and business rates,
- progress made in delivering 2022/23 savings
- whether the budget decisions outlined in this report are achievable
- the current and anticipated budget pressures arising from services such as social care
- the forecast impact of inflation and pay awards
- the financial sustainability of the council and the effectiveness of the financial management arrangements in place
- the affordability and sustainability of the capital investment plans outlined in the capital programme report elsewhere on this agenda and the revenue impact of this expenditure

253. In addition, the council has a demonstrable track record of delivering budget savings and has sound financial management procedures in place. This has been recognised by favourable audit reports in respect of

financial management and processes and overall the financial planning process is sound and effective.

254. A range of pressures have been identified and built into the budget presented in this report, including a contingency sum of £500k as in previous years. There are also significant savings, reflecting the scale of the challenge facing the council. There should be no understatement of the scale of this challenge that continues to face the council, given the general upward cost profile of adult care and children's services and the significant inflationary pressures being experienced across all areas of expenditure.

Risks

255. The report outlines the key risks to the 2023/24 budget, and these are considered further in the following paragraphs.

256. Rising inflation, especially in relation to energy costs, is an area of concern with rates reaching 11% in October, falling slightly to 10.7% in November 2022. This is having an impact on all our residents. In addition, given the Councils significant capital programme, rising costs are to be expected and may result in some schemes being delayed or costing more than estimated. The Council is also experiencing difficulties in recruiting to some front line services given the high number of vacancies across the economy. This may again result in difficulties in achieving some Council Plan priorities.

257. Within the HRA the level of inflation particularly in repairs and utilities has significantly impacted the long term financial position of the HRA. The government continue to limit the level of rent increases which have resulted in expenditure increasing faster than income. The change this has had on the 30 year business plan (with large levels of debt across the whole period) leaves the account more exposed to external economic shocks such as higher inflation, interest rate increases and levels of voids and arrears. This will need to be closely monitored in the short to medium term.

258. A key risk facing the council is the number of complex capital schemes it is currently undertaking, and which are still at relatively early stages of development. Should schemes not progress to full completion there remains a risk that costs currently assumed to be capable of being capitalised must be written off to revenue. There are also increased borrowing levels resulting in increased revenue costs of debt in coming years. This is highlighted in the medium term plan figures.

259. A further key risk in relation to the capital programme is that some major capital projects may have short/medium term cash flow impacts. For example York Central, and Castle Gateway will be major schemes, which will result in additional business rates, income or capital receipts, but that may require short term borrowing prior to income being received to cover the costs. As identified in previous budget reports, the Venture Fund will be used to support early years cash flow deficits on major strategic capital projects but given the current economic outlook and rising interest rates, this borrowing will be more expensive than previously expected.

260. The current pressures being experienced within both adults and children's services remain of concern and the ongoing action being taken will need to continue and be given a high priority. Specific attention is drawn to the national picture regarding these services, which are recognised as being under increased pressure. Whilst this council has invested in these services in recent years, the risks remain, and it is essential the council continues to make adequate budgetary growth provision to deal with the significant cost pressures these services are experiencing, along with savings programmes to mitigate pressures. The budget proposals properly recognise these pressures.

261. Clearly, there are risks in the achievement of some of the proposed savings and, in assessing this risk, I cannot guarantee that every single proposal will be achieved. I do however consider the overall package to be prudent. As outlined earlier, processes are in place to ensure the robustness of the proposed savings. A risk assessment of the individual savings proposals has been conducted and discussed with senior management. Where savings are not delivered, services are fully aware of the need to find compensating savings.

262. The Government announced in "Building Back Better" that it would be introducing new social care reforms funded by a Health and Social Care Levy which was subsequently abolished. There remain many questions about the future funding for social care. In the meantime, the Local Government Settlement allocated additional grant funding for social care in the short term (2 years) but there remains continued uncertainty around both the cost of any future reforms and how the funding will be determined and distributed. As a result, there remains a very significant financial risk to local authorities with social care responsibilities.

263. Finally, there remains again the potential for significant changes to the system of local government finance in coming years. The Government published the provisional settlement on 21 December 2022. It is a one

year settlement with indicative figures for 2024/25. With the Fair Funding Review now postponed until 2025, the more fundamental changes needed in local government finances are again unlikely to take place for a number of years.

264. These changes in funding could be significant and will make forecasting for 2024/25 and beyond very difficult. The government originally launched the Fair Funding Review in 2016 and the review has been postponed numerous times. This policy is likely to change the needs assessments of local authorities and therefore the distribution of funding between different councils, adding to the uncertainty in the years ahead.

Reserves

265. CIPFA guidance states that, in order to assess the adequacy of reserves when setting the budget, chief finance officers should take account of the strategic, operational and financial risks facing the authority and that the many factors involved when considering appropriate levels of reserves can only be assessed properly at a local level.

266. Determining the appropriate levels of balances is therefore a professional judgement based on local circumstances including the overall budget size, risks, robustness of budgets, major initiatives being undertaken, budget assumptions and other earmarked reserves and provisions. Based on the range of factors and risks outlined in this report it is my view that the general reserve should be a figure of £6.8m.

267. Furthermore, part of the risk management process involves taking appropriate action to mitigate or remove risks, where this is possible. This in turn may lead to a lower level of reserves being required, and it would be appropriate to consider reducing the level of balances held where appropriate action to mitigate or remove risks has been successfully undertaken. As part of the year end process, a review is undertaken and any balances that are no longer required, or that can be reduced due to action taken to reduce or mitigate the relevant risks, will be reported to Executive as part of the year end outturn report.

268. The proposed 2023/24 budget does not use the general reserve to balance and therefore reserves remain sufficient to deal with any further risks.

Summary

269. The uncertainty over recent years, created by Covid-19 and now continued with the cost of living crisis and inflationary pressures, along with increasing demand for our services, means financial planning needs to be robust.

270. For future budget planning, further action will be needed to continue to focus resources on the highest priority services to reduce demand, as well as creating capacity to make investment in key front line services and essential capital investment. Therefore, the major financial challenge facing the council in coming years remains the need to secure further savings and for cost pressures, particularly those resulting from the pandemic, to be managed effectively. Given the current financial pressures referred to in previous paragraphs there will need to be continued careful monitoring of the achievement of the savings outlined in this report.

271. I have given careful consideration to the proposals outlined in all the budget reports on this agenda and particularly the risks associated with the proposals. Prudent and realistic assumptions have been made and the financial implications of known pressures have been included. Therefore, I am satisfied that they represent a robust budget on which the council can rely in setting council tax.

Risk Management

272. 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.

273. 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

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Specialist Implications Officer(s)
Legal – Bryn Roberts
HR – Helen Whiting

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

For further information please contact the authors of the report

Background Papers:

Executive Member for Finance & Major Projects Decision Session report 12th January 2023

Budget Consultation available at www.yorkopendata.org

Annexes:
1 – 2023/24 Budget Summary
2 – 2023/24 Savings Proposals
3 – Fees & Charges
4 – Summary Consultation Results
5 – Impact Assessment
6 – HRA 2023/24 Savings Proposals

7 – HRA 2023/24 Budget
8 – HRA 2023/24 30 Year Business Plan
9 – Risk Analysis

Abbreviations used in this report:
CIPFA – Chartered Institute of Public Finance & Accountancy
CPI – Consumer Price Index
CYC – City of York Council
DFE – Department for Education
DSG – Dedicated Schools Grant
DVLA – Driver & Vehicle Licensing Agency
EAL – English as an Additional Language
EIA – Equalities Impact Assessment
EYNFF – Early Years National Funding Formula
EYSFF – Early Years Single Funding Formula
FFR – Fair Funding Review
FSM – Free School Meals
HRA - Housing Revenue Account
ICT – Information & Communications Technology
IDACI - Income Deprivation Affecting Children Index
LA – Local Authority
LGA – Local Government Association
LCR – Leeds City Region
LMS – Local Management of Schools
LPA – Lower Prior Attainment
NFF – National Funding Formula
NI – National Insurance
NHB – New Homes Bonus
NNDR – National Non Domestic Rates
MNS – Maintained Nursery Schools
PVI - Private, Voluntary and Independent
RSG – Revenue Support Grant
SFA – Settlement Funding Assessment
TPPG - Teachers’ Pay and Pensions Grant

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Annex 1 Summary of 2023/24 Budget

	2023/24 £000's
Expenditure	
Net Expenditure Brought Forward	**135,384**
Expenditure Pressures	
Additional Recurring Investment:	
- New Homes Bonus Replacement Funding	1,107
- Adults: Prices and Demographic	3,000
- Childrens: Prices and Demographic	2,000
- Other: Pay and Prices	11,071
	17,178
One-off Investment	
- Discretionary one-off growth	1,000
	1,000
Total Expenditure Pressures	**18,178**
Expenditure Reductions:	
- Adults	(2,624)
- Childrens	(178)
- Place	(745)
- Customers and Communities	(395)
- Governance	(295)
- Corporate Savings	(1,296)
	(5,533)
- Reduce Covid Recovery Reserve	(1,100)
Total Expenditure Reductions	**(6,633)**
Changes in Income	
- Net increases in social care grants	(5,139)
- Net decrease in specific grants	834
Total Changes in Income	**(4,305)**
One off Income (funding one off investment)	
- Use of Venture Fund	(650)
- Business Rates Pool	(350)
	(1,000)
Revised Projected Budget Requirement	**141,624**
Funding	
Funding Streams:	
- Council Tax	(107,783)
- Business rates	(33,841)
Total Funding	**(141,624)**
Overall Funding Gap	**0**

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Annex 2 2023/24 Savings Proposals

Previously Agreed Savings (Full year effect)

Ref	Proposal Description	2023/24 Impact £000	2024/25 Impact £000	Total Saving Impact £000
CORP01	This is the full year effect of the 22/23 savings previously agreed	676	61	737

Adults

Ref	Proposal Description	2023/24 Impact £000	2024/25 Impact £000	Total Saving Impact £000
ADS01	**Day Support and Short Stays** Implement an in house model of community support for individuals and carers needing short breaks.	296		296
ADS02	**Advocacy Support** Increase Health contribution to this service.	10		10
ADS03	**Community Wellbeing Contracts** Fund elements of community wellbeing contracts from the UK Shared Prosperity Fund rather than base budget, thus creating a saving.	350		350
ADS04	**Property Repairs** Responsibility for repairs of buildings now transferred to York Housing.	26		26
ADS05	**Learning Disability budgets** Explore opportunities to commission care and support for those with a Learning Disability differently to bring the cost in line with our statistical and regional neighbours.	584	584	1,168
ADS06	**Intermediate, short term care** Implement new model of support for those discharged from hospital or requiring short term interventions to reduce or negate the need for ongoing social care, particularly home care.	200	200	400
ADS07	**Efficiency review** Consider all areas of the budget to determine whether there are any services which could be reduced or stopped without materially affecting customers needing support.	247	247	494
ADS08	**Residential & Nursing Care** Explore opportunities to commission residential and nursing care differently to bring the cost in line with our statistical neighbours.	102	85	187
ADS09	**Expand Home First Approach** Support people in their homes and communities as the preferred option and only place in residential care when all other options are exhausted.	307	255	562
ADS10	**Health funding for packages** Increase income from our health colleagues to be more in line with regional and statistical neighbours and ensure individuals receive the system wide financial support they are entitled to.	125	125	250
ADS11	**Review social work processes** Review systems, processes and the use of IT to minimise the time spent by social workers on "admin" tasks and increase time spent on supporting individuals to maximise their strengths and independence.	130		130
ADS12	**Review Transport Policy** Work with Children's Services to review how we get people to services with the aim of reducing reliance on taxis and increase independent travel.	23		23
ADS13	**Increased use of Telecare/Digital solutions to care** Technological, Digital or Equipment options to be considered for all new and reviewed packages before any formal care is considered. Includes investment in 23/24 to support customers to gain familiarity with digital solutions.	38	121	159
ADS14	**Review arrangements with NHS around funding without prejudice** Review current process between Health and the Council where the Council funds all packages where responsibility for the package isn't immediately clear until responsibility is agreed.	50		50
ADS15	**Embed Pathway to Recovery model** Continue to support individuals with mental health issues outside of residential settings and support them in their own communities and tenancies.	62	62	124
ADS16	**Develop commissioning template for care placements** Develop a template to support social workers and commissioners to evaluate and articulate what the price quoted by providers is comprised of.	74		74

Ref	Proposal Description	2023/24 Impact £000	2024/25 Impact £000	Total Saving Impact £000
Childrens				
CHS01	**School Catering Service** Stop providing the traded advice and monitoring service to schools that currently operates at an annual loss of £24k. Schools and academies have a range of service options available to them to gain appropriate advice and support.	24		24
CHS02	**School Improvement Service** Due to academisation, removal of a 0.5fte School Improvement Advisor post following the retirement of the post holder.	20	15	35
CHS03	**Integrated SEND Service** A review of the management structure of the service in order to deliver an efficiency saving.	30		30
CHS04	**Virtual School for Looked After Children** Virtula heads are responsible for managing the pupil premium and its allocation to maximise the educational achievement of children in care. This applies to supporting individual children's needs and ensuring the overall cohort of needs are met within an effective system. The virtual school draws on funding to support the latter, which has also received further funding in its new extended duty to all children open to a social worker. It is therefore appropriate that a further small proportion of this funding is used to deliver its system development activitiesreducing reliance on core local authority budgets.	50		50
CHS05	**Children's Social Care Safeguarding & Interventions Team** Existing vacant case post addressed through continued improvements in staff supervision generating an efficiency saving.	54		54
Customers & Communities				
C&C01	**Bereavement & Registrars Services** Additional income anticipated from inflationary fee increase.	260		260
C&C02	**York Learning** Removal of remaining CYC subsidy by a range of income generating measures.	65		65
C&C03	**Ward Committees Capital** Top-slice Ward Highways capital to fund the project management support for those schemes currently funded from revenue.	40		40
C&C04	**Mansion House** Strengthening of the management of the Civic Office, support to the Lord Mayor and Mansion House by integrating Civic and Mansion House Services within the Customer & Communities Directorate. This will provide a stronger link to the cultural and museums sector in York and Make It York in order to deliver greater opportunity through effective support, marketing and events management to deliver improved income generation and raise the profile of the Lord Mayoralty to support cultural, tourism and inward investment.	30		30
Governance				
GOV01	**Advertising Income** Review advertising revenue opportunities that makes better use of available technologies, negotiating a more favourable contract to replace the current 15 year contract due to expire in December 2023.	125	375	500
GOV02	**Committee Meetings** It is proposed to reduce the number of committee meetings which the Council holds.	20		20
GOV03	**Communications & Business Intelligence** Review to consider more efficient delivery.	150	100	250

Ref	Proposal Description	2023/24 Impact £000	2024/25 Impact £000	Total Saving Impact £000
Place				
PLA01	**Parking Income** Additional income anticipated from inflationary fee increase. General hourly prices increase by 30p per hour at most locations. Evening charge for Non-Residents to increase by £1.	300		300
PLA02	**Respark and Season Tickets** Review to target low emission discount at the least polluting vehicles. This will lead to fewer vehicle owners being eligible for the discounted rate.	50		50
PLA03	**Highway Regulation** Additional income arising from Inflationary increases in fees and charges across Highway and Transport Services.	40		40
PLA04	**Bulky Waste** Increase Bulky Waste charge by inflation.	5		5
PLA05	**Waste Services** Additional income arising from inflationary increases in fees and charges across waste services.	10		10
PLA06	**Housing Hostels** Additional income arising from 7% rent increase in general fund hostels. The majority of hostel residents are in receipt of benefit support.	9		9
PLA07	**Floodlighting Buildings** Targeting the use of floodlighting buildings e.g. City Walls, monuments.	10	10	20
PLA08	**Design, Conservation & Sustainable Development** Reduction of capacity across the team which will lead to a reduction in post numbers.	30	10	40
PLA09	**Economic Development** Savings to be delivered by undertaking a service restructure and utilising external funding streams	158	30	188
PLA10	**Building Cleaning** Reduction in post numbers and volume of cleaning across council buildings.	37	11	48
PLA11	**Facilities Management** Savings to be delivered by undertaking a service restructure which will lead to a reduction in post numbers	66	34	100
PLA12	**Public Protection** Deletion of vacant post within Environmental Health and Trading Standards. This can be achieved following improved targeting of resources and digitisation of service.	30	15	45
Corporate				
CORP02	**Management** A review of senior management across the Council, reducing the overall number of Chief Officers.	120	80	200
CORP03	**Interims and Agency** Stopping the use of interims and agency for senior roles and significantly reducing the use of interims across the Council.	500	300	800
	TOTAL SAVINGS	**5,533**	**2,720**	**8,253**

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Annex 3a

STANDARD CHARGES FOR SHORT BREAKS CARE HOMES

With the completion of the Beehive in 2020 any charges to other
LA's for placements will be agreed at the specific based on the support required

Annex 3b

FOSTER CARE ALLOWANCES
From 1st April 2023

Weekly Child Allowance (including Delegated Authority)

Age	National Weekly Allowance 2022/23 £	Delegated Authority 2022/23 £	Total Weekly Allowance 2022/23 £	National Weekly Allowance 2023/24 £	Delegated Authority 2023/24 £	Total Weekly Allowance 2023/24 £	Weekly Increase £
0-4	£140.84		**£140.84**	£141.05		**£141.05**	**£0.21**
5-10	£155.12	£14.42	**£169.54**	£156.05	£14.42	**£170.47**	**£0.93**
11-15	£176.54	£16.35	**£192.89**	£177.03	£16.35	**£193.38**	**£0.49**
16-17	£206.08	£17.31	**£223.39**	£207.06	£17.31	**£224.37**	**£0.98**

2023/24 Includes the proposed uplift on the national weekly allowance payment, we will pay the national weekly minimum amount when these are set by central government
The Delegated authority fee may vary

Foster Carer Fees and Capacity Payments

Grade	Fee	Capacity - Total payments 2	3+	Weekly Increase
	£	£	£	£
Level 1	65.08	32.54	65.08	**£0.00**
		50%	100%	
Level 2	173.55	43.39	86.78	**£0.00**
		25%	50%	
Level 3	496.61	99.32	198.64	**£0.00**
		20%	40%	

The foster carer grade fee may vary following a review
Capacity payments are based on the grade fee payments

Annex 3c

ADDITIONAL FOSTER CARERS ALLOWANCES
PAYABLE FROM 1st APRIL 2023

See Annex 3c supplement

Annex 3d

Adoption, SGO & CAO Allowances PAYABLE FROM 1st APRIL 2023

Age	Weekly Allowance 2021/22 £	Weekly Allowance 2022/23 £	Weekly Increase £
0-4	£140.84	£141.05	**£0.21**
5-10	£155.12	£156.05	**£0.93**
11-15	£176.54	£177.03	**£0.49**
16-17	£206.08	£207.06	**£0.98**

Note: An amount equivalent to the Child Benefit entitlement will be deducted from this allowance.

2023/24 Includes the proposed uplift on the national weekly allowance payme weekly minimum amount when these are set by central government

Annex 3e

SHORT BREAKS ALLOWANCES

PAYABLE FROM 1st APRIL 2023

Time Band	Standard Sharing Care Current Weekly Allowance 2022/23 £	Standard Sharing Care Updated Weekly Allowance 2023/24 £	Allowance paid to carer of child with additional health needs (i.e.std allow. + 70% enhancement) Proposed Weekly Allowance 2023/24 £	Allowance paid to carer of child with more complex care needs (i.e.std allow. + 60% enhancement) Proposed Weekly Allowance 2023/24 £	**Weekly Increase £**
0-4 hours	18.13	18.13	30.81 (i.e. 18.13 + 12.68)	29.00 (i.e. 18.13 + 10.87)	**£0.00**
4-8 hours	27.13	27.13	46.12 (i.e. 27.13 + 18.99)	43.41 (i.e. 27.13 + 16.28)	**£0.00**
8-12 hours	36.19	36.19	61.52 (i.e. 36.19 + 25.33)	57.90 (i.e. 36.19 + 21.71)	**£0.00**
12-24 hours	54.24	54.24	92.21 (i.e. 54.24 + 37.97)	86.79 (i.e. 54.24 + 32.55)	**£0.00**

Contract Care Scheme

	Weekly Allowance 2022/23 £	Weekly Allowance 2023/24 £	**Weekly Increase £**
Contract Carers	368.28	368.28	**£0.00**

These charges may change following a review

ENVIRONMENTAL HEALTH	2022/23	2023/24	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
HEALTH & SAFETY			
SKIN PIERCERS			
High/Medium risk activities (cosmetic piercing & tattooing)	196.00	232.00	36.00
Low risk activities (Acupuncture/ Semi-permanent skin colouring/Ear piercing/Electrolysis/ Micro-blading)	124.00	144.00	20.00
Adding a high/medium risk activity to registration	196.00	232.00	36.00
Adding a low risk activity to registration	124.00	144.00	20.00
Change of name on registration	40.00	43.00	3.00
FOOD & SAFETY UNIT			
Export Certificate - Paper Certificate	72.12	79.00	6.88
Export Certificate - Electronic Certificate	51.00	56.00	5.00
ANIMAL HEALTH			
Animal Boarding / Dog Breeding / Pet Shop:			
- grant (yearly)	330.00	342.00	12.00
- renewal (2 year licence)	520.00	548.00	28.00
- renewal (3 year licence)	567.00	593.00	26.00
- request for re-inspection for re-rating purposes	105.00	113.00	8.00
Additional Activity (1 year)	164.00	168.00	4.00
Additional Activity (2 years)	273.00	275.00	2.00
Additional Activity (3 years)	273.00	275.00	2.00
Home Boarding / Day Creche:			
- grant (yearly)	216.00	222.00	6.00
- renewal (2 year licence)	348.00	358.00	10.00
- renewal (3 year licence)	395.00	403.00	8.00
- request for re-inspection for re-rating purposes	74.00	79.00	5.00
Additional Activity (1 year)	58.00	58.00	0.00
Additional Activity (2 years)	115.00	115.00	0.00
Additional Activity (3 years)	115.00	115.00	0.00
Home Boarding Franchises:			
- grant (yearly)	122.00	126.00	4.00
- renewal (2 year licence)	176.00	176.00	0.00
- renewal (3 year licence)	229.00	229.00	0.00
Riding Establishments ~ 1-10 horses (excluding vet fees):			
- grant (yearly) - with inspection	330.00	342.00	12.00
- grant (yearly) - without inspection	187.00	191.00	4.00
- renewal (2 year licence) - with inspection	512.00	540.00	28.00
- renewal (2 year licence) - without inspection	371.00	389.00	18.00
- renewal (3 year licence) - with inspection	567.00	585.00	18.00
- renewal (3 year licence) - without inspection	424.00	434.00	10.00
- request for re-inspection for re-rating purposes	105.00	113.00	8.00
Riding Establishments ~ 11-20 horses (excluding vet fees):			
- grant (yearly) - with inspection	416.00	427.00	11.00
- grant (yearly) - without inspection	216.00	222.00	6.00
- renewal (2 year licence) - with inspection	640.00	685.00	45.00
- renewal (2 year licence) - without inspection	445.00	479.00	34.00
- renewal (3 year licence) - with inspection	709.00	730.00	21.00

Annex 3f

ENVIRONMENTAL HEALTH	2022/23	2023/24	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
- renewal (3 year licence) - without inspection	509.00	524.00	15.00
- request for re-inspection for re-rating purposes	130.00	141.00	11.00
Riding Establishments ~ 21 or more horses (excluding vet fees):			
- grant (yearly) - with inspection	502.00	502.00	0.00
- grant (yearly) - without inspection	245.00	245.00	0.00
- renewal (2 year licence) - with inspection	749.00	799.00	50.00
- renewal (2 year licence) - without inspection	505.00	539.00	34.00
- renewal (3 year licence) - with inspection	852.00	852.00	0.00
- renewal (3 year licence) - without inspection	595.00	595.00	0.00
- request for re-inspection for re-rating purposes	163.00	175.00	12.00
Performing /Exhibition of Animals:			
- Grant and renewal (3 yr licence)	355.00	365.00	10.00
- Request for re-inspection for re-rating purposes	73.00	79.00	6.00
Dangerous Wild Animals - valid for 2 years (excluding vet fees)	278.00	292.00	14.00
Zoos Licence Grant (4 year licence)	317.00	343.00	26.00
Zoos Licence Renewal (6 year licence)	423.00	456.00	33.00

Annex 3g

PUBLIC PROTECTION (Excluding Licensing)	2022/23	2023/24	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
FEES FOR THE TESTING AND VERIFICATION OF WEIGHING AND MEASURING INSTRUMENTS			
Standard Hourly Charge	72.12	79.00	6.88
Consultancy and Court Cases (per hour)			
Officer (Grade 8)	59.38	66.00	6.62
Officer (Grade 9)	65.22	72.00	6.78
Officer (Grade 10)	72.12	79.00	6.88
Officer (Grade 11)	80.97	88.00	7.03
Officer (Grade 12)	89.57	97.00	7.43
Officer (Grade 13)	100.58	108.00	7.42

REGULATORY SERVICES (Licensing)	2022/23 Charge (Before VAT)	2023/24 Charge (Before VAT)	2023/24 Increase (Before VAT)
	£	£	£
GAMBLING ACT			
a) Bingo			
Grant	2,800.00	2,800.00	0.00
Variation	1,400.00	1,400.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	2,800.00	2,800.00	0.00
Annual Charge	840.00	840.00	0.00
b) Family Entertainment Centre			
Grant	1,600.00	1,600.00	0.00
Variation	800.00	800.00	0.00
Transfer	760.00	760.00	0.00
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.00
Provisional Statement	1,600.00	1,600.00	0.00
Annual Charge	635.00	635.00	0.00
c) Adult Gaming Centre			
Grant	1,600.00	1,600.00	0.00
Variation	800.00	800.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	1,600.00	1,600.00	0.00
Annual Charge	840.00	840.00	0.00
d) Betting (Track)			
Grant	2,000.00	2,000.00	0.00
Variation	1,000.00	1,000.00	0.00
Transfer	760.00	760.00	0.00
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.00
Provisional Statement	2,000.00	2,000.00	0.00
Annual Charge	840.00	840.00	0.00
e) Betting Premises (Bookmakers)			
Grant	2,400.00	2,400.00	0.00
Variation	1,200.00	1,200.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	2,400.00	2,400.00	0.00
Annual Charge	515.00	515.00	0.00
STREET TRADING CONSENTS			
INSIDE CITY WALLS			
Ice Cream - various locations	Fees assessed by individual location, to rise by 4% to 6% depending on site location		
Food - various locations			
Non Food - various locations			
Artists	2,200.00	2,300.00	100.00
Buskers 1 day	21.00	21.50	0.50
Buskers 5 days	62.00	63.00	1.00
Buskers 10 days	105.00	106.00	1.00
Buskers 1 month	205.00	206.00	1.00
OUTSIDE CITY WALLS			
Ice Cream	1,750.00	1,825.00	75.00
Food	1,640.00	1,700.00	60.00
Non Food	780.00	820.00	40.00
OCCASIONAL			
Food	58.00	60.00	2.00
Non Food	42.00	44.00	2.00
Charities	15.00	15.00	0.00
CAR BOOT SALES (commercial)			
Less than 15 traders	76.00	79.00	3.00
15 - 50 traders	150.00	155.00	5.00
50 - 100 traders	305.00	312.00	7.00
More than 100 traders	420.00	435.00	15.00
*if the operator is paying rent for using private land the fees are reduced by half			
Charities	15.00	15.00	0.00

Annex 3h

REGULATORY SERVICES (Licensing)	2022/23	2023/24	
	Charge (Before VAT)	Charge (Before VAT)	Increase (Before VAT)
	£	£	£
SEX ESTABLISHMENTS *			
Grant sex shop/cinema - application fee	900.00	942.00	42.00
Grant sex shop/cinema licence fee - grant	479.00	511.00	32.00
Grant sexual entertainment venue - application fee	1,303.00	1,364.00	61.00
Grant sex entertainment venue licence fee - grant	602.00	641.00	39.00
Renewal sex shop/cinema *	790.00	827.00	37.00
Renewal sexual entertainment venue *	1,227.00	1,292.00	65.00
Trans/Vary sex shop/cinema	900.00	942.00	42.00
Trans/Vary sexual entertainment venue	1,303.00	1,364.00	61.00
Scrap Metal Dealers - renewable 3 yearly			
Grant / renewal site licence	480.00	496.00	16.00
Grant / renewal site licence (2 sites)	662.00	689.00	27.00
Grant / renewal site licence (3 sites)	769.00	819.00	50.00
Grant / renewal collectors licence	342.00	365.00	23.00
Variation	153.00	163.00	10.00
Variation change of name / address	88.00	94.00	6.00
Miscellaneous			
Hypnotism Licence	75.00	80.00	5.00
Film Classification	93.00	100.00	7.00
Replacement Charitable Collection Permit	12.00	12.50	0.50
Consultancy and Court Cases (per hour) - Licensing			
Officer (Grade 5)	48.20	51.87	3.67
Officer (Grade 6)	51.48	55.22	3.74
Officer (Grade 7)	54.45	58.20	3.75
Officer (Grade 8)	58.46	62.34	3.88
Officer (Grade 9)	64.31	68.33	4.02
Officer (Grade 10)	71.20	75.40	4.20
Officer (Grade 11)	80.06	84.44	4.38

Annex 3i

TAXI LICENSING	2022/23	2023/24	
	Charge	Charge	Increase or Decrease
	£	£	£
PRIVATE HIRE LICENCE FEES			
Driver's licence - new application (3 Year Licence) application fee	161.00	181.00	20.00
Driver's licence - new application (3 Year Licence) grant fee	161.00	181.00	20.00
Driver's licence - renewal (3 Year Licence) and (applications over 3 months late charged at new app fee)	239.00	256.00	17.00
Vehicle licence - new application	216.00	260.00	44.00
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	189.00	199.00	10.00
Vehicle licence - new plate renewal (change every 3 years)			
Vehicle inspection (including admin fee)	70.50	82.50	12.00
Vehicle re-test (including admin fee)	35.25	41.25	6.00
Change of vehicle fee	43.00	52.00	9.00
Drivers badge - replacement charge	16.00	19.00	3.00
Internal vehicle plate - replacement charge	10.50	10.50	0.00
Vehicle plates - cost to new apps (includes internal plate)	49.00	49.00	0.00
Vehicle plates - replacement charge (set of 2)	41.00	43.00	2.00
Operator's licence - 1 - 10 vehicles (5 Year Licence)	173.00	232.00	59.00
11 - 50 vehicles (5 year licence)	315.00	394.00	79.00
51 - 90 vehicles (5 year licence)	458.00	559.00	101.00
90+ vehicles (5 Year Licence)	530.00	636.00	106.00
change of company name	27.00	29.00	2.00
Vehicle licence transfer fee	32.00	40.00	8.00
Plates and signage exemption	53.00	65.00	12.00
Duplicate licence fee	17.00	18.00	1.00
Change of name or address	18.00	18.00	0.00
Administration charge DBS check (not part of grant or renewal)	n/a	22.00	n/a
Administration charge for various activities including bounced cheques	31.00	31.00	0.00
HACKNEY CARRIAGE LICENCE FEES			
Driver's licence - new application (3 Year Licence) - application fee	161.00	181.00	20.00
Driver's licence - new application (3 Year Licence) - grant fee	161.00	181.00	20.00
Driver's licence - renewal (3 Year Licence)	239.00	256.00	17.00
Vehicle licence - new application	232.00	276.00	44.00
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	195.00	230.00	35.00
Vehicle inspection (including admin fee)	70.50	82.50	12.00
Vehicle re-test (including admin fee)	35.25	41.25	6.00
Change of vehicle fee	43.00	52.00	9.00
Driver's badge - replacement charge	16.00	19.00	3.00
Internal vehicle plate - replacement charge	10.50	10.50	0.00
Vehicle plate - replacement charge	33.00	35.00	2.00
Vehicle Crest	17.00	18.00	1.00
Vehicle licence transfer fee	32.00	40.00	8.00
Duplicate licence fee	17.00	18.00	1.00
Change of name or address	18.00	18.00	0.00
Administration charge DBS check (not part of grant or renewal)	n/a	22.00	n/a

Annex 3j

Housing & Community Safety Fees & Charges 2023-24

HOUSING - HRA		2022/23 Charge £		2023/24 Charge £	Proposed Increase £
Garages					
Normal	Council tenant	8.21		9.44	1.23
	Private **	9.86		14.79	4.93
High Demand	Council tenant	9.88		11.36	1.48
	Private (local connection) **	23.08		34.62	11.54
	Private (no local connection) **	29.02		43.53	14.51
Low Demand	All tenures	4.14		4.76	0.62
** Charges include VAT					

HOUSING - GENERAL FUND		2022/23 Charge £		2023/24 Charge £	Proposed Increase £
Houses in Multiple Occupation Fees & Charges					
New Licence Applications*					
	Band A	1,195		1,316	121.00
	Band B	1,395		1,536	141.00
	Band C	1,525		1,679	154.00
	Band D	1,715		1,888	173.00
Licence Renewals					
	Band A	870		958	88.00
	Band B	930		1,024	94.00
	Band C	965		1,062	97.00
	Band D	1,065		1,173	108.00
Other HMO Charges					
	Penalty fee**	250		275	25.00
	Letters of Advice	115		127	12.00
	Immigration Inspection	170		187	17.00
	Copy of Register	550		606	56.00
Notes					
*Discount of £75 for HMO licence holders with a relevant HMO qualification					
**Penalty fee where the Council identifies that a HMO should be licensed					
Mobile Homes Licensing (Mobile Homes Act 2013)					
	New Licence Application	810		851	41.00
	Transfer of Licence (no variations)	277		291	14.00
	Variation to Licence	590		620	30.00
	Annual Inspection - 50 units or more	590		620	30.00
	Annual Inspection - 49 units or fewer	462		485	23.00
	Fit and Proper Person test mobile homes	440		462	22.00
Landlord Training Fees					
	1 x 3 hour Landlord Training course per person (Not related to HMO qualification)	110		116	6.00
	2 x 3 hour Landlord Training course per person (Not related to HMO qualification)	135		142	7.00
	New online training course (Not related to HMO qualification)	75		79	4.00

HOUSING - GENERAL FUND		2022/23 Charge £		2023/24 Charge £	Proposed Increase £
Charging for Notices					
Housing Notices	Officer's hourly rate up to maximum of £300				
Works in default	Officer's Hourly rate				
Hourly Rates	Grade 8	59.38		66.00	6.62
	Grade 9	65.22		72.00	6.78
	Grade 10	72.12		79.00	6.88
	Grade 11	80.97		88.00	7.03
	Grade 12	89.57		97.00	7.43
	Grade 13	100.58		108.00	7.42

Administration of Private Sector grants/loans				
Home Safety Loan (Includes VAT)	200		200	0.00
Home Appreciation Loan (as % of eligible works)	12%		12%	0.00
Energy Repayment Loan (as % of eligible works)	12%		12%	0.00
Empty Property Loans (as % of eligible works)	12%		12%	0.00
Yorkshire Handyperson Service				
Hourly rate (includes VAT)	24.00		25.00	1.00

COMMUNITY SAFETY	2022/23 Charge		2023/24 Charge	Proposed Increase
	£		£	£
Fixed Penalty Notices				
Littering Fine	100		110	10.00
Littering Fine early payment	75		80	5.00
Reclaim Fee (Statutory fee)	60		70	10.00
Kennels Fees - Statute only allows the local authority to recover the	10		12	2.00
Failure to comply with a Community Protection Notice	100		100	0.00
Failure to comply with a Community Protection Notice (early payment)	75		75	0.00
Breach of Public Space Protection Order	100		100	0.00
Breach of Public Space Protection Order (early payment)	75		75	0.00
Advertising 2 or more vehicles for sale on the highway	100		100	0.00
Advertising 2 or more vehicles for sale on the highway (early payment)	75		75	0.00
Repairing a motor vehicle on the highway for commercial gain	100		100	0.00
Repairing a motor vehicle on the highway for commercial gain (early payment)	75		75	0.00
Failure to produce evidence of authority to transport commercial waste	300		300	0.00
Failure to produce evidence of authority to transport commercial waste	180		180	0.00
Dog Fouling (no early payment discount)	75		75	0.00
Small-scale fly-tipping (less than a small van load)	400		400	0.00
Small-scale fly-tipping (less than a small van load) - early payment	240		240	0.00
Failure to provide an authorised officer with written waste information	400		400	0.00
Failure to provide an authorised officer with written waste information (early payment)	240		240	0.00
Failure to comply with the requirement to provide adequate waste receptacles (no early payment discount)	100		100	0.00
Inappropriate presentation of domestic waste	60		60	0.00
Failure to comply with domestic waste duty of care requirement	250		275	25.00
Failure to comply with domestic waste duty of care requirement (early	150		175	25.00

* Early payment requires penalty notice to be paid within 10 days

Annex 3k

TRANSPORT	2022/23 Charge (exc VAT) £	2023/24 Proposed Charge (exc VAT) £	Increase £
Bus Stop			
Installation & removal of temporary bus stop	99.00	108.00	9.00
Removal of permanent bus stop during work	184.00	202.00	18.00
Damage to bus stop or unauthorised removal	184.00	202.00	18.00
Road Safety*			
Local Authority School Children: (cost per child)			
Pre Basic Cycle Training Level 1	4.20	4.50	0.30
Basic Cycle Training Level 2	18.00	19.00	1.00
Cycle Training Level 1 and 2 combined	21.00	22.00	1.00
Advanced Cycle Training Level 3	9.00	10.00	1.00
Adults (cost per person):			
1:1 adult training (first hour)	33.50	35.00	1.50
1:1 adult training (90 minutes)	50.00	53.00	3.00
Pedestrian Training:			
School training by class (2 x 1.5hr class)	100.00	105.00	5.00
*Road Safety training charges only levied if costs cannot be covered by grant funding			
Replacement charge for YOzone card & ENCTS cards	10.00	10.00	0.00
Monks Cross parking charge	5.00	6.00	1.00
Highways Section 278 and Section 38 - Design checking and site supervision fees (minimum fee £2,500)	10% of scheme costs+£500*	10% of scheme costs+£500*	n/a
White Bar Markings			
Application and Initial Placement	135.00	149.00	14.00
Refreshment (to new and existing)	88.00	97.00	9.00
Scaffold & Hoarding licences			
Initial consent and 1 month permission	155.00	171.00	16.00
Each additional month or part thereof	78.00	86.00	8.00
Late notification fee (less than 5 working days)	47.00	52.00	5.00
Failure to comply with terms of licence	94.00	103.00	9.00
Retrospective Application /Additional fee for dealing with unlicensed scaffold/hoarding	310.00	341.00	31.00
Skip/ Container/ Building Materials licence for 14 days	57.00	63.00	6.00
Late notification fee (less than 3 working days)	42.00	46.00	4.00
Failure to comply with terms of licence (for example defective	57.00	63.00	6.00
Additional fee for dealing with unlicensed skips/ scaffolding	210.00	231.00	21.00
Cherry picker licence - up to 1 day	83.00	91.00	8.00
Cherry picker licence - more than 1 day	156.00	172.00	16.00
Crane - up to 1 week	156.00	172.00	16.00
Crane - per additional week	156.00	172.00	16.00
Retrospective Application /Additional fee for dealing with unlicensed cherry picker/crane	315.00	347.00	32.00
Officer time spent dealing with commercial events on the highway - charge per hour	n/a	40.00	NEW
*excludes costs associated with specialist areas e.g. highway structures, street lighting, traffic signals (full cost recovery);			
Vehicle Crossing Fees (Assessment & Inspection Fee)	185.00	204.00	19.00
Refused Application Admin Charge	50.00	50.00	0.00
Shared crossings - Assessment & Inspection Fee (charged once)	185.00	204.00	19.00
Shared crossings - Admin charge for other dwelling(s) (charged pe	50.00	55.00	5.00
Installing a new access from the highway (outside S278 agreement) & vehicle crossing for non-residential properties	800.00	1,000.00	200.00
Change to Permanent Traffic Regulation Order - removal from Res Park zone	3,000.00	3,000.00	0.00
Change to Permanent Traffic Regulation Order - other changes	6,000.00	6,000.00	0.00

Annex 3k

TRANSPORT	2022/23 Charge (exc VAT) £	2023/24 Proposed Charge (exc VAT) £	Increase £
Road Closures, dependant on scale (exc VAT and advertising costs) (Non-Commercial/ Charitable Events may be exempt or reduced,	2,000.00	2,000.00	0.00
Temporary Waiting Restrictions (exc cost of work, coning & advertising)	208.00	229.00	21.00
Authority to contravene Moving Traffic Order	52.00	57.00	5.00
Annual Parking Waiver	94.00	103.00	9.00
Waiver to contravene a Parking Order			
1 day	26.00	29.00	3.00
2 - 7 days	61.00	67.00	6.00
8 - 14 days	122.00	134.00	12.00
Brown Sign Applications			
1 sign	328.00	361.00	33.00
2 signs	547.00	602.00	55.00
Charge per sign for each additional sign over 2 signs	109.00	120.00	11.00
Additional charge for signs on the trunk road network	820.00	902.00	82.00
Any additional works costs per sign	per application	per application	
Noticeboard/structure (in highway)	273.00	300.00	27.00
Licence to plant	273.00	300.00	27.00
Approval consent for House Builder signs			
4 signs or less	385.00	424.00	39.00
5 to 8 signs	450.00	495.00	45.00
9 signs or more	514.00	565.00	51.00
Retrospective Application /Additional fee for dealing with unlicensed House Builder signs			
4 signs or less	772.00	849.00	77.00
5 to 8 signs	900.00	990.00	90.00
9 signs or more	1,027.00	1,130.00	103.00
Pavement Cafe Licences*	686.00	686.00	0.00
*These charges do not apply at present due to temporary legislation - max charge is £100 per 3 month period.			
General Solicitor Highway and PRoW Simple	94.00	103.00	9.00
Complex (including legal documents)	240.00	264.00	24.00
PRoW - Public Path Orders (diversions, creations and extinguishments - indicative charge as cost depends on complexity, excluding advertising costs)	2,600.00	2,860.00	260.00
PRoW - Highways Act 1980 s31(6) declarations	220.00	242.00	22.00
PRoW dilapidation surveys - charge per hour	n/a	35.00	NEW
NRSWA (Set Nationally)			
Section 50 Licence Fee (Including Site Meeting - applicable for up to 200m)	381.00	419.00	38.00
- Additonal S50 licence fee for larger site (per additional 200m)	150.00	165.00	15.00
- Inspection Fees	142.50	157.00	14.50
- Variation fee (i.e. change of dates for TM)	48.00	53.00	5.00
Section 171 Excavation of the Highway (incl Permit Application)	309.00	340.00	31.00
- Joint Site Meeting (Priority Routes)	68.00	75.00	7.00
- Variation fee (i.e. change of dates for TM)	48.00	53.00	5.00
To raise a permit for private street works and road works in public highway	48.00	53.00	5.00
Variation fee (i.e. change of dates for TM)	48.00	53.00	5.00
Traffic lights & lane closure additonal permit fee	150.00	165.00	15.00

TRANSPORT	2022/23 Charge (exc VAT) £	2023/24 Proposed Charge (exc VAT) £	Increase £
Inspection fees			
- Category A, B, C Defect Inspection	47.50	47.50	0.00
- Investigatory inspection / Third Party	68.00	68.00	0.00
- Sample inspection	50.00	50.00	0.00
Administration Fees (incl letters/searches/re-issuing of licences)	48.00	53.00	5.00
Working in the public highway without HA authorisation	500.00	500.00	0.00
Reduced Charge for Early Payment of FPN Working Without a Permit	300.00	300.00	0.00
Breach of a permit condition (FPN)	120.00	120.00	0.00
Reduced Charge for Early Payment of FPN Breach of Permit condition	80.00	80.00	0.00
Permit charges - as per CYC Permit Scheme	Per permit scheme	Per permit scheme	
Charges for Casualty Accident Data			
Statistic Only Requests - Up to 10 years Statistics			
Single Junction and/or up to 200m	46.00	51.00	5.00
Single Junction and/or up to 600m	80.00	88.00	8.00
Roundabouts up to 6 arms and 200m	111.00	122.00	11.00
Roundabouts up to 6 arms and 1.6km	144.00	158.00	14.00
Up to 16km e.g. A1237	223.00	245.00	22.00
Up to 32km e.g. A64	290.00	319.00	29.00
Whole of York	368.00	405.00	37.00
Extra Plan by vehicle type or pedestrian	46.00	51.00	5.00
Standard Collision Requests			
Accident Request - up to 5 years			
Single Junction and/or up to 200m	93.00	102.00	9.00
Single Junction and/or up to 600m	126.00	139.00	13.00
Roundabouts up to 6 arms and 200m	170.00	187.00	17.00
Roundabouts up to 6 arms and 1.6km	223.00	245.00	22.00
Up to 16km e.g. A1237	290.00	319.00	29.00
Up to 32km e.g. A64	367.00	404.00	37.00
Whole of York	435.00	478.00	43.00
Extra Plan by vehicle type or pedestrian	80.00	88.00	8.00
Accident Request - up to 10 years			
Single Junction and/or up to 200m	144.00	158.00	14.00
Single Junction and/or up to 600m	223.00	245.00	22.00
Roundabouts up to 6 arms and 200m	290.00	319.00	29.00
Roundabouts up to 6 arms and 1.6km	367.00	404.00	37.00
Up to 16km e.g. A1237	435.00	478.00	43.00
Up to 32km e.g. A64	510.00	561.00	51.00
Whole of York	575.00	632.00	57.00
Extra Plan by vehicle type or pedestrian	144.00	158.00	14.00
Traffic Survey Data			
Automatic traffic count data (ATC): per site for 1 years	118.00	130.00	12.00
Classified count data	50% of the survey cost	50% of the survey cost	0.00

WASTE SERVICES	2022/23	2023/24	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Proposed Increase
	£	£	£
Charges for Replacement Bins/Containers			
180L	46.00	50.00	4.00
240L	51.00	56.00	5.00
360L	58.00	64.00	6.00
Recycling box	0.00	0.00	0.00
Garden Waste* (additional bin collection charge)	41.00	43.00	2.00
*Proposed Charge applies for 2023 season commencing 6th March 2023			
Bulky Household Collections			
10 items	24.00	27.00	3.00
White Goods - Fridges/Freezers only (domestic collections)	15.00	17.00	2.00
Bonded Asbestos Collections for quantities up to 200 kg, including assessment visit (incs VAT)	111.00	122.00	11.00
Bonded Asbestos Collections greater than 200 kg, price quoted on application (excluding VAT)	n/a	n/a	n/a
Hazel Court - Household Waste Recycling Centre			
Material Charges:			
Brick/rubble per bag	3.00	3.50	0.50
Bonded Asbestos per sheet (less than 1.8m by 0.6m)	7.50	8.50	1.00
Bonded Asbestos per sheet (more than 1.8m by 0.6m)	15.50	17.00	1.50
Bonded Asbestos per bag (able to be lifted by one person)	7.50	8.50	1.00
Plasterboard per bag	7.50	8.50	1.00
Gas bottles up to 10Kg	9.50	10.50	1.00
Gas bottles up to 20Kg	15.50	17.00	1.50
Gas bottles large (over 20kg) or specialised	43.00	47.00	4.00
Trade Waste Charges			
Waste to be charged per tonne or part thereof :-			
Residual Waste to Landfill per tonne	170.00	187.00	17.00
Minimum Charge	88.00	96.00	8.00
Recycling or Waste for Composting per tonne	88.00	96.00	8.00
Minimum Charge	45.00	50.00	5.00
Minimum percentage of waste be recycable to qualify for charge for recycling or waste for composting rate = 85%			
Commercial Waste			
Commercial Collection	Set by the Head of Environmental Services in consultation with the Chief Finance Officer subject to service required/customer requirements		

Annex 3m

DEVELOPMENT MANAGEMENT

Section A - Advice as to whether permission / consent is required

Category	Current Fee (excluding VAT) 2022/23 £	Proposed (excluding VAT) 2023/24 £	Increase (excluding VAT) 2023/24 £
Householder Enquiry (ie house extensions, garages/sheds, etc)	75.00	82.50	7.50
Other Commercial Development (to establish if "development" or whether "permitted development" or not	75.00	82.50	7.50

Note 1 - All fees above are subject to VAT

Section B - Advice in relation to the prospects of permission / consent being granted

Category - Minor Development

Proposed Development Type	Current Fee (excluding VAT) 2022/23 £	Proposed (excluding VAT) 2023/24 £	Increase (excluding VAT) 2023/24 £
Householder (see note 4)	75.00	82.50	7.50
Advertisements (see note 4)	75.00	82.50	7.50
Commercial - where no new floorspace (see note 4)	110.00	121.00	11.00
Change of Use - with no building works (see note 4)	110.00	121.00	11.00
Telecommunications (see note 4)	152.00	167.00	15.00
Other (See note 3 & 4)	152.00	167.00	15.00
Small Scale Commercial Development			
(Incl shops offices, other commercial uses)			
* Upto 500m2	384.00	422.00	38.00
* 500-999m2	768.00	845.00	77.00
Small Scale Residential			
* less than 4 Dwellings - fee per dwelling	152.00	167.00	15.00
* 4-9 Dwellings	768.00	845.00	77.00

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

Note 3 - Includes all other minor development proposals not falling within any of the categories such as variation or

Note 4 - Additional £100 fee + vat when the site is a listed building or in the curtilage of a listed building, and building construction works or engineering operations are proposed

Annex 3m

DEVELOPMENT MANAGEMENT

Category - Major Developments

Proposed Development Type	Current Fee (excluding VAT) 2022/23 £	Proposed (excluding VAT) 2023/24 £	Increase (excluding VAT) 2023/24 £
Major new residential Student accommodation developments (10 or more students) * 10-25 Dwellings * 26-199 Dwellings - additional fee per dwelling	 1,340.00 53.00	 1,474.00 58.00	 134.00 5.00
Small Scale Commercial Development (inc shops, offices, other commercial uses) * 1,000 m^2 to 3,000m^2	 2,314.00	 2,545.00	 231.00

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

Annex 3m

DEVELOPMENT MANAGEMENT

Category - Very Large Scale Developments

Proposed Development Type	Current Fee (excluding VAT) 2022/23 £	Proposed (excluding VAT) 2023/24 £	Increase (excluding VAT) 2023/24 £
* Development of over 200 dwellings (A further bespoke charge may be required depending on complexity of the development & the range of issues that need	Minimum fee of £53.00 per dwelling	Minimum fee of £58.00 per dwelling	5.00
* Single use or mixed use developments involving sites of 1.5 ha or above * Development of over 3,000m2 of commercial floorspace * Planning briefs / Masterplans	Fee to be negotiated with a minimum fee of £4,160	Fee to be negotiated with a minimum fee of £4,576	416.00

Note 1 - All fees above are subject to VAT
Note 2 - With multiple meetings including a lead officer together with Development Management case officer and
Note 3 - The fee for pre-application advise expected to be not less than 20% of anticipated planning fee for a full

Exemptions
Advice sought in the following categories is free
* Where the enquiry is made by a Parish Council or Town Council
* Where the development is for a specific accommodation/facilities for a registered disabled
* Advice on how to submit a planning application
* Enquiries relating to Planning Enforcement

Section C - Section 106

Category	Current Fee (excluding VAT) 2022/23 £	Proposed (excluding VAT) 2023/24 £	Increase (excluding VAT) 2023/24 £
Section 106 Confirmation Letter (Simple) (ie does not require site visit or document retrieval)	29.17	32.00	2.83
Section 106 Confirmation Letter (Complex) (ie requires site visit and/or document retrieval)	96.67	107.00	10.33
Decision Notices for applications decided brfore January 2006	17.50	20.00	2.50
Copies of S106 Agreements	50.00	55.00	5.00

Note 1 - All fees above are subject to VAT

Category	Current Fee (excluding VAT) 2022/23 £	Proposed (excluding VAT) 2023/24 £	Increase (excluding VAT) 2023/24 £
Section 106 Monitoring Fees:			
Set by the Head of Planning and Development Services in consultation with the Chief Finance Officer subject to individual Section 106 agreement requirements			

Section D - Building Control

Annex 3m

DEVELOPMENT MANAGEMENT

Category	Current Fee (excluding VAT) 2022/23 £	Proposed (excluding VAT) 2023/24 £	Increase (excluding VAT) 2023/24 £
Letter of confirmation } Completion Certificates } Approvals } Note 1 - All fees above are subject to VAT	43.75	48.00	4.25
Schedule of Building Control Charges - Plans/Inspection/Notices/Regularisation/Misc Set by the Head of Planning and Development Services in consultation with the Chief Finance Officer subject to client requirements.			

Annex 3m

DEVELOPMENT MANAGEMENT

Section E - Land Charges

Category	Current Fee (excluding VAT) 2022/23 £	Proposed (excluding VAT) 2023/24 £	Increase (excluding VAT) 2023/24 £
Basic search - over the counter	107.00	112.00	5.00
Basic search - electronic	107.00	112.00	5.00
Business search	209.00	219.00	10.00
Optional enquiries	59.00	62.00	3.00
Additional enquiries	33.00	35.00	2.00

Section F - Naming & Numbering

Category	Current Fee 2022/23 £	Proposed 2023/24 £	Increase 2023/24 £
Renaming of property	52.00	57.00	5.00
Naming of new property	104.00	114.00	10.00
New developments up to 10 units	260.00	286.00	26.00
New developments over 10 units (per additional unit)	52.00	57.00	5.00
Confirmation of address	52.00	57.00	5.00

Section G - Commons Registration

Category	Current Fee 2022/23 £	Proposed 2023/24 £	Increase 2023/24 £
Processing & Registration under section 15A(1) of the Commons Act 2006	385.00	423.50	38.50
Processing & Registration of the Highway Statement & Highway Declaration under section 31(6) of the Highways Act 1980	342.00	376.00	34.00
(Other fees are available on request)			
Tree Preservation Orders	49.00	54.00	5.00

Placement Review: Fees and Allowances 2023/24

Contents:

1: Child Allowance

This allowance will be reviewed annually and updated based on Government guidance.

The Foster Carer weekly child allowance is allocated to cover the average costs of looking after a child as part of the Foster Carer's family. The amounts are below.

Age	Proposed Allowance Weekly 2023/24	Annual Delegated Authority Allowance (paid weekly)
0-4	£141.05	On request
5-10	£156.05	£750 per child per year
11-15	£177.03	£850 per child per year
16-17	£207.06	£900 per child per year

It is recommended that the child's weekly allowance covers the following costs:

- General care costs including food, accommodation and contribution towards utility related household costs
- Normal replacement of clothing
- Pocket Money and child savings
- Normal transport associated with any child living within a family including to and from local school and out of school activities
- The basic costs associated with contact e.g. telephone costs and the child's drinks and food
- Attendance at child care review meetings
- Participation in clubs and activities
- Keeping record of events and memories about the child for the child
- Repayment scheme for a computer / I pad required for school

The Fostering Network recommended breakdown of the child allowance is below.

Age	Food	Clothing	Transport	Personal	Household	Total
0-4	34%	22%	8%	6%	30%	100%
5-10	32%	26%	7%	8%	27%	100%
11-15	32%	26%	11%	10%	21%	100%
16+	30%	26%	9%	17%	18%	100%

2: Delegated Authority allowance (see rates on page 1)

In additional to child allowance, holiday, birthday and Christmas allowance, an annual Delegated Authority amount will be paid to Foster Carers (for each child). This is to be combined with the weekly child allowance, and to be spent on the child or young person at the carer's discretion, thereby working towards the principle of normalising decision making for the child.

(Some of these decisions may be taking in conjunction with the Fostering Social Worker and child's Social Worker, taking the views of the child / young person into consideration)

It is anticipated that the Delegated Authority allowance will be used to pay for:

- Additional leisure activities
- Hobbies
- Music lessons
- Out of school clubs
- Holiday clubs
- Clothing for a special event
- Duke of Edinburgh, Scout and Guides expenses

Receipts will not need to be submitted for Delegated Authority expenditure. However Foster Carers must retain their receipts and these may be reviewed during visits made by the Fostering Social Worker. At annual review, the Foster Carer will be requested to evidence how the Delegated Authority allowance was spent on the child or young person.

The additional payment will be made weekly along with the usual child allowance. If a child moves placement the additional payment will move with the child.

The weekly Delegated Authority payment can be saved up by Foster Carer or in the child / young person's bank account in order to pay for a more expensive item or activity.

3: Birthday and Christmas / Festival allowances

It is accepted that there are important events which incur additional costs for Foster Carers. Accordingly, a payment equivalent to one week's fostering allowance is automatically paid prior to the child's birthday and Christmas period.

A Foster Carer can request that the allowance is paid to cover another major religious festival instead of Christmas. Any new placement will receive these allowances if children are placed shortly before these occasions.

For any placement ending before the child/young person's birthday, this money will normally be recovered from the carers unless the carers provide the gifts they have purchased to the child.

Christmas payments are made approximately four weeks before Christmas falls. For any placement ending three weeks before Christmas Day, the allowance will normally be recovered.

Age	Proposed Birthday Allowance 2023/24	Proposed Festival Christmas/ Allowance 2023/24
0-4	£141.05	£141.05
5-10	£156.05	£156.05
11-15	£177.03	£177.03
16-17	£207.06	£207.06

4: Holiday allowances

Each Foster Carer household is entitled to 3 weeks holiday allowance; this is equivalent to 3 week's child allowance per year for each child living with them. The payment relates to each financial year (1st April to 31st March) and the amount to be paid is in accordance with the age of the child.

The holiday allowance is paid to support a carer to take a child on holiday or to be used for holiday activities such as day trips or outings. Foster Carers are advised to retain receipts for this expenditure. The holiday allowance is to be paid proportionately to the length of time the child is in placement subject to the discretion of the Fostering Service Manager.

Foster Carers should claim the holiday allowance at the time it is needed. It can be claimed in units of one weeks allowance up to the maximum of three weeks. The payment is not generated automatically. Foster Carers need to ensure that holiday allowances are spent on holidays or appropriate activities as agreed with their Fostering Social Worker.

Where a child changes placement during the financial year and the holiday allowance has already been claimed, the payment of additional holiday allowance to the new carers is at the discretion of the Fostering Service Manager and will only be paid in exceptional circumstances.

A 'Stay Over Foster Carer may request holiday allowance for a specific child over and above the three weeks allowance If the 'Stay Over' Foster Carer is taking the child away on holiday. This is at the discretion of the Fostering Service manager.

Age	Holiday allowance week 1 2023/24	Holiday allowance week 2 2023/24	Holiday allowance week 3 2023/24
0-4	£141.05	£141.05	£141.05
5-10	£156.05	£156.05	£156.05
11-15	£177.03	£177.03	£177.03
16-17	£207.06	£207.06	£207.06

5: Holiday supplement allowance

A Foster Carer, in common with other parents and carers, must ensure that all children in care attend school during the school term. In recognition of the increased cost of holidays in the school holidays a supplement is available for each child up to a maximum of £300 per year.

The holiday supplement allowance is only payable if agreed in advance with the Fostering Service Manager prior to booking the holiday.

A request for payment of the holiday supplement will need to include evidence that the cost of the holiday for each child is greater than the 3 weeks holiday allowance.

The Local Authority will pay for any costs incurred in purchasing a passport for a child and any Visa which may be required for holiday travel. **6: Clothing Allowance**

- Start up

Children and young people may come into care needing additional clothing. A Foster Carer can claim a clothing allowance at the beginning of a placement up to a maximum of 3x the child’s weekly allowance. School uniform

Foster Carers may request a school uniform grant for a child or young person who needs to change school. For planned changes in school uniform, for example in moving from lower to upper school, it is expected that Foster Carers will budget accordingly.

- Work clothing and equipment

On an ongoing basis the weekly allowance should enable Foster Carers to maintain and increase the level of clothing over time.

A Foster Carer may request a one off grant towards the cost of work clothing that a young person requires at the beginning of training or employment

Where a child is changing placement, it is expected that they will move with a reasonable amount of clothing that fits and is in good condition and appropriate for seasonal conditions.

Children should also be provided with a suitcase or bag for transporting clothes. Children may want to keep clothes they have grown out of as they have come from their family. Foster carers need to ensure they check with the child and social worker before disposing of clothing.

7: Tuition

Private tuition will not be funded and should be discussed in the child/ young persons Personal Education Plan.

8: School trips

The Delegated Authority payment can be used to fund school trips.

Requests for exceptional residential school trips e.g. skiing need to be made in advance to the Service Manager of the child and will be considered on a case by case basis.

9: Nursery fees

Foster carers can apply for age related free nursery hours.

Requests for a financial contribution towards additional hours can be made via the Service Manager of the child to the Fostering Service Manager. This will be considered on a case by case basis, if the nursery provision is felt to be in the best interest of the child.

10: Pocket Money

There are two basic principles, which apply to pocket money:

- There needs to be some measure of equality between children within the foster household. Therefore, carers need to take into account the pocket money paid to other children in the household.

- The pocket money should be realistic depending on the age of the child. Children can be encouraged to 'save' their pocket money to buy special items as well as for treats such as sweets, CD's, or games.

Pocket money should be given to children and young people for their own use and not to pay for regular entertainment, clothes or personal toiletries as this should come out of the fostering allowance. Any deviations from this need to be discussed with the child's social worker.

The amount of pocket money must be clarified at the start of a placement and discussed and recorded at the placement agreement meeting. The amount arrived at must be compatible with the foster carers' birth children still living in the home and other foster children.

Where there are concerns that it may be risky for a child or young person to have their pocket money directly, this should be agreed with the supervising social worker and the child's social worker and clearly recorded.
If a child or young person has to spend time in a respite care there is an expectation that the respite carer will pay the child or young person's pocket money.

It is not expected that pocket money is paid to children under the age of five. They can have occasional treats instead of pocket money.

It is recommended that an increase in pocket money is linked to the child or young person's birthday to mark their increasing age and maturity

11: Health care expenses

Health care expenses for children are generally exempt from charges under the NHS. Children / young people with diagnosed conditions may be eligible to claim Disability Living Allowance. In exceptional circumstances, Foster Carers may request the reimbursement of unavoidable costs for items which may not have been exempt from NHS charges or payable through DLA payment. E.g.: glasses, immunisations for holidays.

12: Household related costs

- Furniture and equipment

At the point of Foster Carers initial assessment, the basic equipment needed will be discussed, at this point certain items may be provided at the discretion of the Fostering Service Manager. From that point it is the expectation that Foster Carers are responsible for the overall condition and furnishing of the foster home to an acceptable standard, including the security and maintenance of any garden or outside area. It is an expectation that carers take out household insurance.

It is expected that the need for additional furniture, equipment and the replacement of any equipment, furniture or furnishings, will be assessed during supervision visits and if any replacement is required ,agreement will need to be sought from the Fostering Service Manager prior to any purchase. Receipts must be retained and passed to the Supervising Social Worker for payment.

Replacements items must be purchased by CYC from agreed suppliers, i.e. Beds, mattresses

Any specialist equipment or adaptations needed will be subject to a needs assessment based on the young person's requirement.

On commencement of a placement basic equipment should include a bed, storage space for children's clothing and personal items, 2 sets of bedding, pillows, mattress protector or cover as required . For babies and younger children basic equipment will include a cot, buggy, car sear, high chair, changing equipment, sterilising/bottle equipment, 3 sets of cot bedding. It is expected that replacement bedding for longer term placements will be funded out of the child's weekly allowance.

In addition, specific items might be identified i.e.: stair gates, cooker guards, smoke alarms, pond covers, gate and window locks etc, for which loan of equipment or assistance with purchase may be negotiated with the Fostering Service Manager on a case by case basis.

In some circumstances, in order for a placement to proceed, more specific equipment may need to be provided i.e. bunk beds, a double buggy or car seat. These items would be classed as equipment provided for a carer and would not belong to specific children. However, any specifically modified equipment for the child/young person could move with them.

Equipment purchased by the fostering service remains the property of City of York Council. As a result should equipment be in a good condition but not required by the original Foster Carer, then it may be provided to others who need that equipment. Foster carers should not sell unwanted equipment purchased by CYC unless this is agreed and they are using the proceeds towards other equipment.

13: Transport

There is an expectation that children and young people will undertake most journeys in their day-today lives, by walking, cycling, and using public transport or in the foster family's car.

The child weekly allowance includes an element / percentage to cover the travelling expenses for a child. For example;

- Local trips for medical / health appointments
- Transport to and from local school
- Taking and collecting from local leisure and social activities
- Transport to contact, where contact is local to the foster home
- Attendance at reviews, case conferences, and child protection meetings

Local travel costs are covered within the child's weekly allowance, therefore it is expected that the first 200 miles driven by carers each month will not be claimed for.

Any mileage over 200 miles per month can be claimed. Mileage claims should be submitted to the Supervising Social Worker, when they are processed the first 200 miles will be discounted. Claims must be submitted within 3 months of the journey.

14: Public transport and bus passes

Young people over the aged 12 will be encouraged to make use of public transport where necessary for school and leisure activities. All young people are now eligible for an all-day bus pass for First York within the City of York area.

For young people placed outside the York area, corresponding arrangements will be made to cover bus pass provision/reimbursement.

 Bicycles

Young people are eligible to reclaim the purchase of a bicycle with safety equipment, if this will enable them to cycle safely to school and for they request it for their leisure time. Any proposed bicycle purchase should be fully considered and costs agreed by the Fostering Service Manager prior to any Foster Carer committing to a purchase. Provision of a bicycle should be considered in the context of the child's travel/transport plan.

A bicycle and safety equipment can be purchased up to the £350 .Additional amounts can be contributed from the Delegated Authority payment.

 Driving and moped lessons

The purchase of provisional car / moped licence and starter pack of up to 10 driving lessons may be considered on an individual basis by both the Fostering and Child's Service Manager as part of a wider plan of supporting a young person's independence.

15: Foster Carer Fees

Foster carer fees will be paid in line with agreed skill levels

- Level one
- Level two
- Level three

Grade	Weekly Skill Fee	Capacity fee Second placement	Capacity fee Third placement
Level 1	£65.08	£32.54	£65.08
Level 2	£173.55	£43.39	£86.78
Level 3	£496.61	£99.32	£198.64

Each Foster Carer will be assessed and reviewed to determine their level within the fee structure.

All Foster Carers on Level one to three will be paid a skill fee when they have a child or young person in placement.

Payments of the fee may continue if a Foster Carer is without children in the following circumstances

i) When a Foster Carer does not have a child in placement -up to 14 days in total

ii) A foster carer who has a named placement may request to take a holiday break without the foster children - up to 14 days in total. Foster carers are expected to give a minimum of 1 months notice to allow an alternative placement to be arranged.

iii) When a Foster Carer is sick, up to 14 days in total iv) A maximum of 28 days in total in any year will be covered by these payments.

The Fostering Service Manager's may use discretion to continue to pay a fee to Foster Carers who are undergoing an investigation or who are being re assessed. This will be time limited and subject to review.

16: Long Service Awards

In acknowledgement of long service of Foster Carers. The following will be paid

- 5 years' service £250
- 10 years' service £500
- 15 years' service £750
- 20 years' service £1000

A Foster Carer's length of service will be identified by the Supervising Social Worker and noted in the foster carer annual review. Appropriate payment will be authorised by the Fostering Service Manager.

17: Multiple placements payment

For Level 2 and 3 carers this will be increased from 12.5% to 20% for a second child and from 25% to 40% for a third child.

Level 1carers will continue to be paid 25% for second child and 50% for third.

18: Emergency payment

Foster Carers may be asked to take a placement in an emergency situation, they will be offered an additional payment, and this is in recognition of the disruption caused to the household. The usual fees and allowance for the child will also be paid.

Emergency placements are defined as a same day placement that needs to takes place without any pre planning. The additional payment will be £50 a day for up to 6 days to allow the Local Authority to plan for the child.

Exceptions

All exceptions to the Fees and Allowances Policy will need to be agreed in writing by the Fostering Service Manager.

City of York Council

Budget Consultation for 2023/24

January 2023

The online Budget Consultation 2023/24 opened on 08/12/2022 and closed on 09/01/2023. Additionally, a paper version of the survey was sent to households inside the CYC Our City publication, also with a closing date of 09/01/2023.

The consultation gave residents and businesses of York the opportunity to put forward their views to help the council make decisions and deliver the budget for 2023/24.

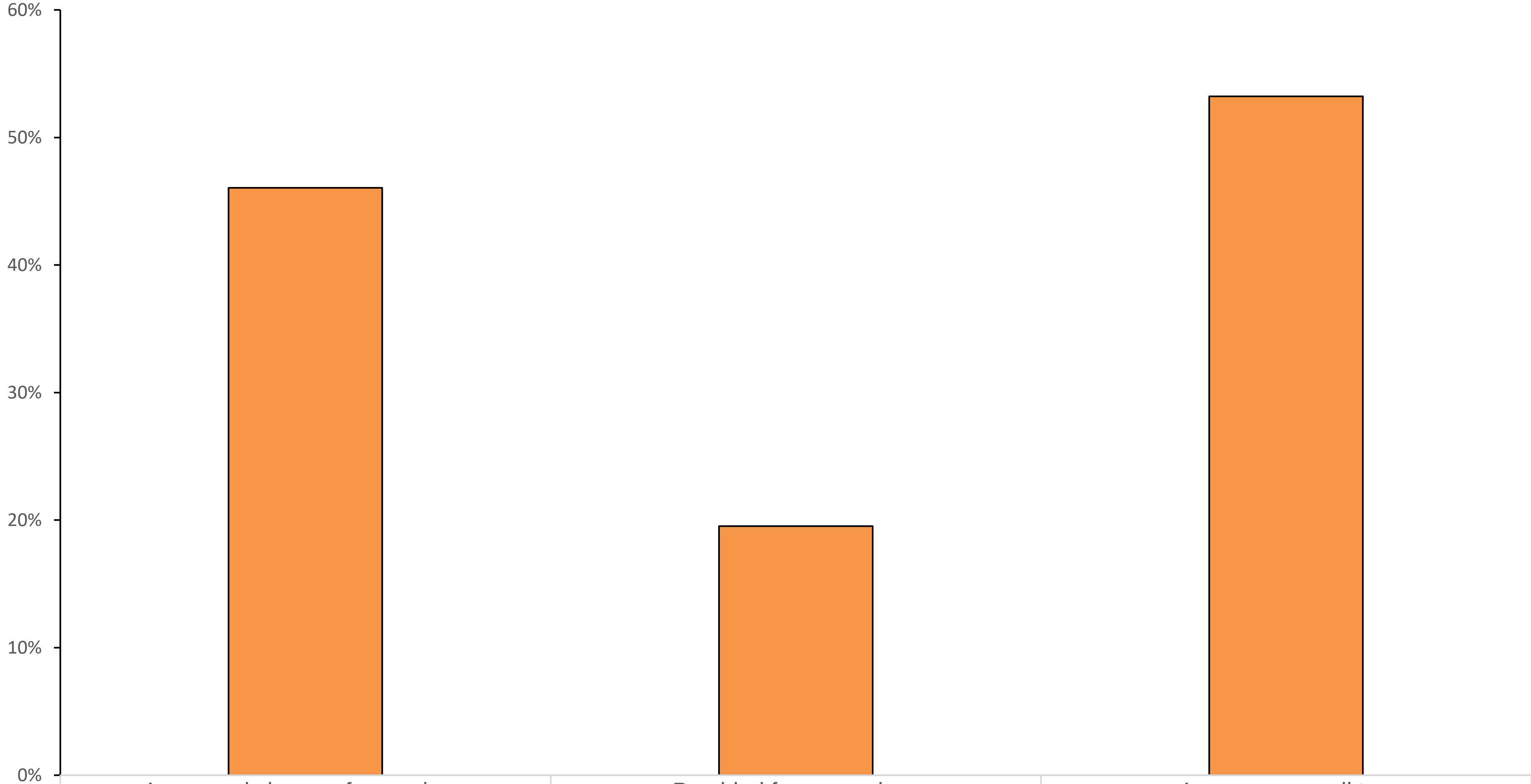
A total of 573 residents and businesses participated in the consultation. The online survey had 482 responses and there were 90 returned paper surveys.

In March, the consultation results and the raw data will be made available on the council open data platform www.yorkopendata.org.

Produced by the Business Intelligence Hub

Council Tax

To stabilise the budget and protect key services for residents, would you rather we; Please select all that apply

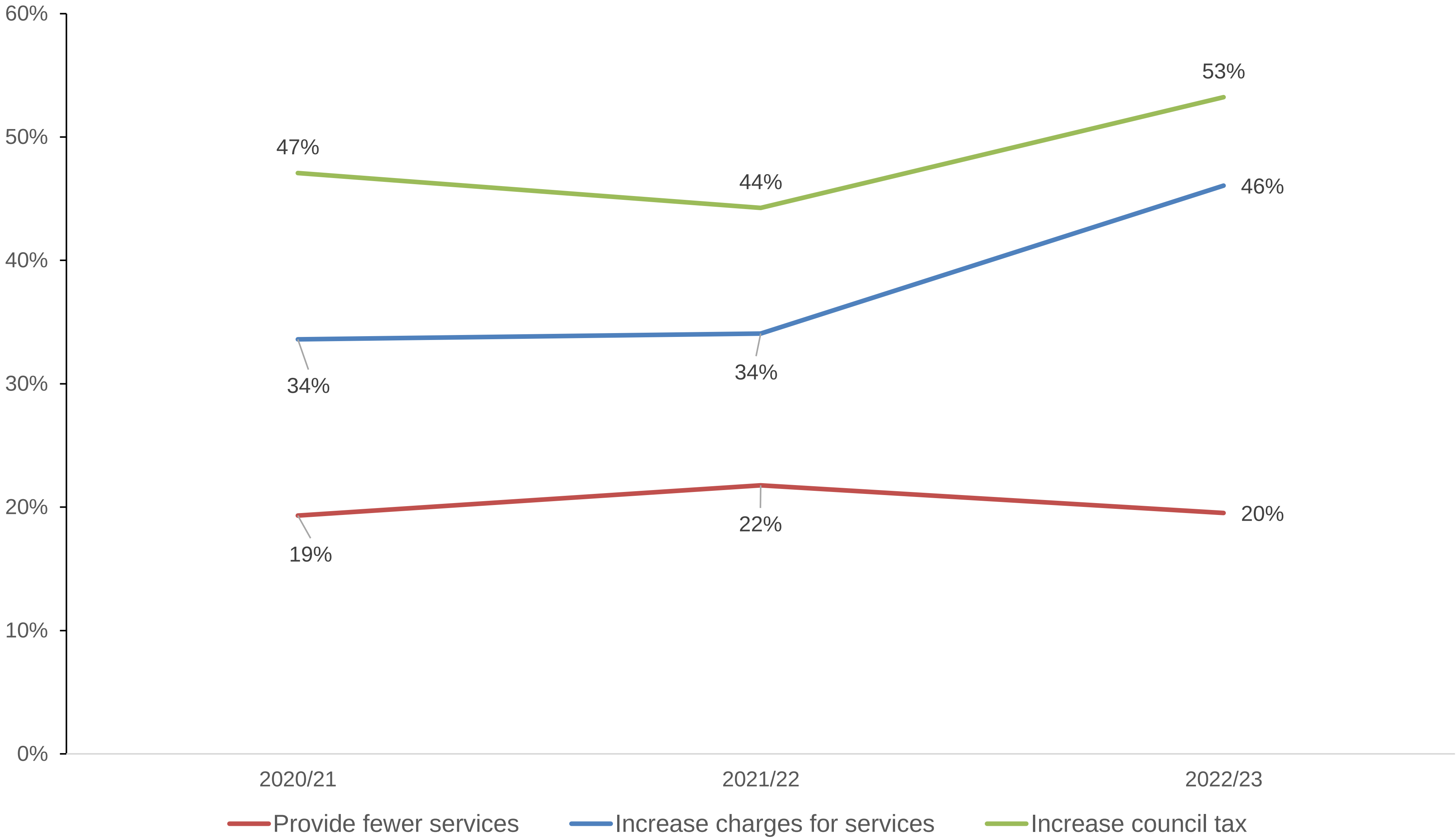


	Increased charges for services	Provided fewer services	Increase council tax
Respondents	257	109	297
%	46%	20%	53%

(n=558)

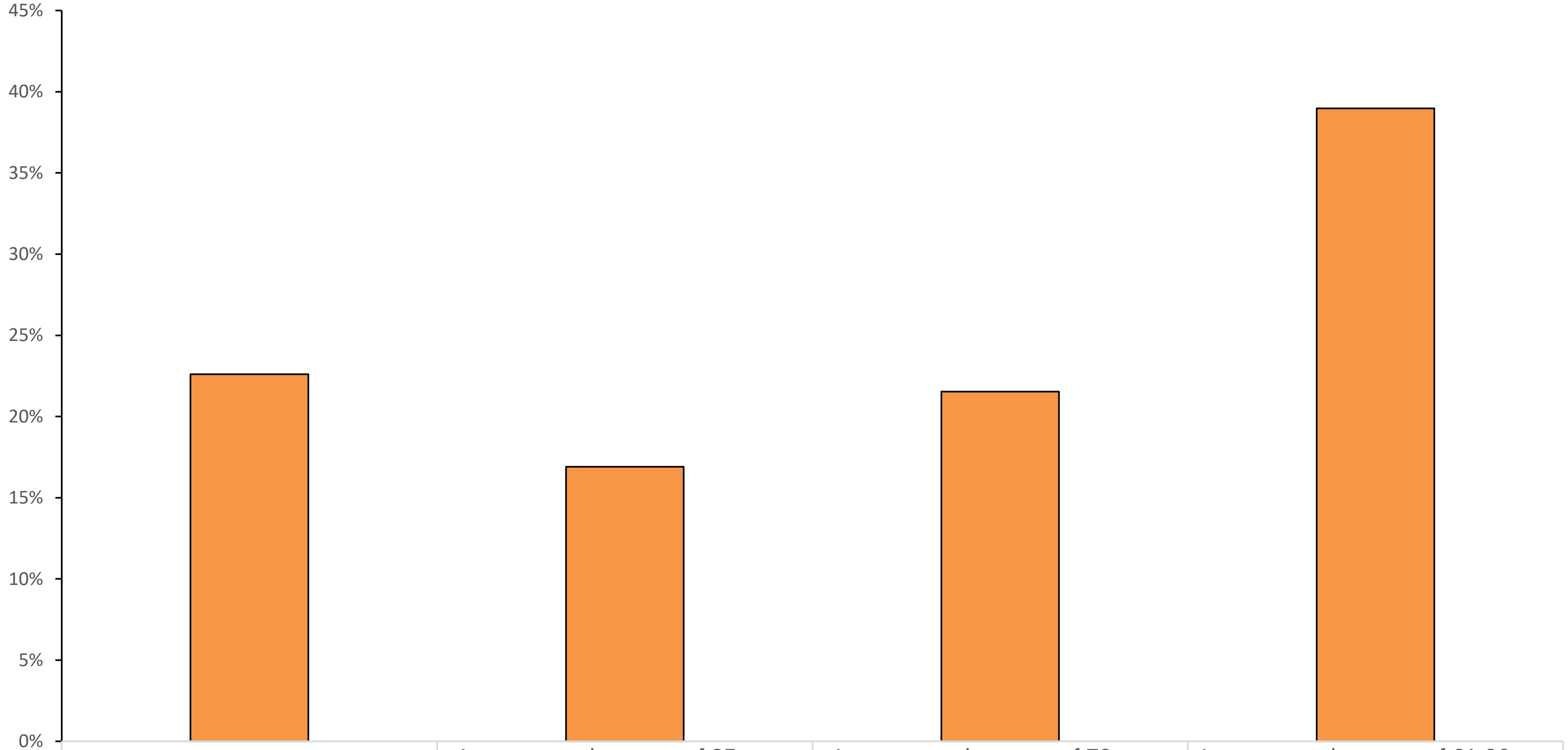
Council Tax - Three year trend (Year represents the year the budget consulation took place in)

To stabilise the budget and protect key services for residents, would you rather we; Please select all that apply



Council Tax

Following the Chancellor's Autumn Statement, councils can increase council tax up to 3% to support crucial service delivery. Do you support an increase in council tax to balance the budget and if so, by how much?

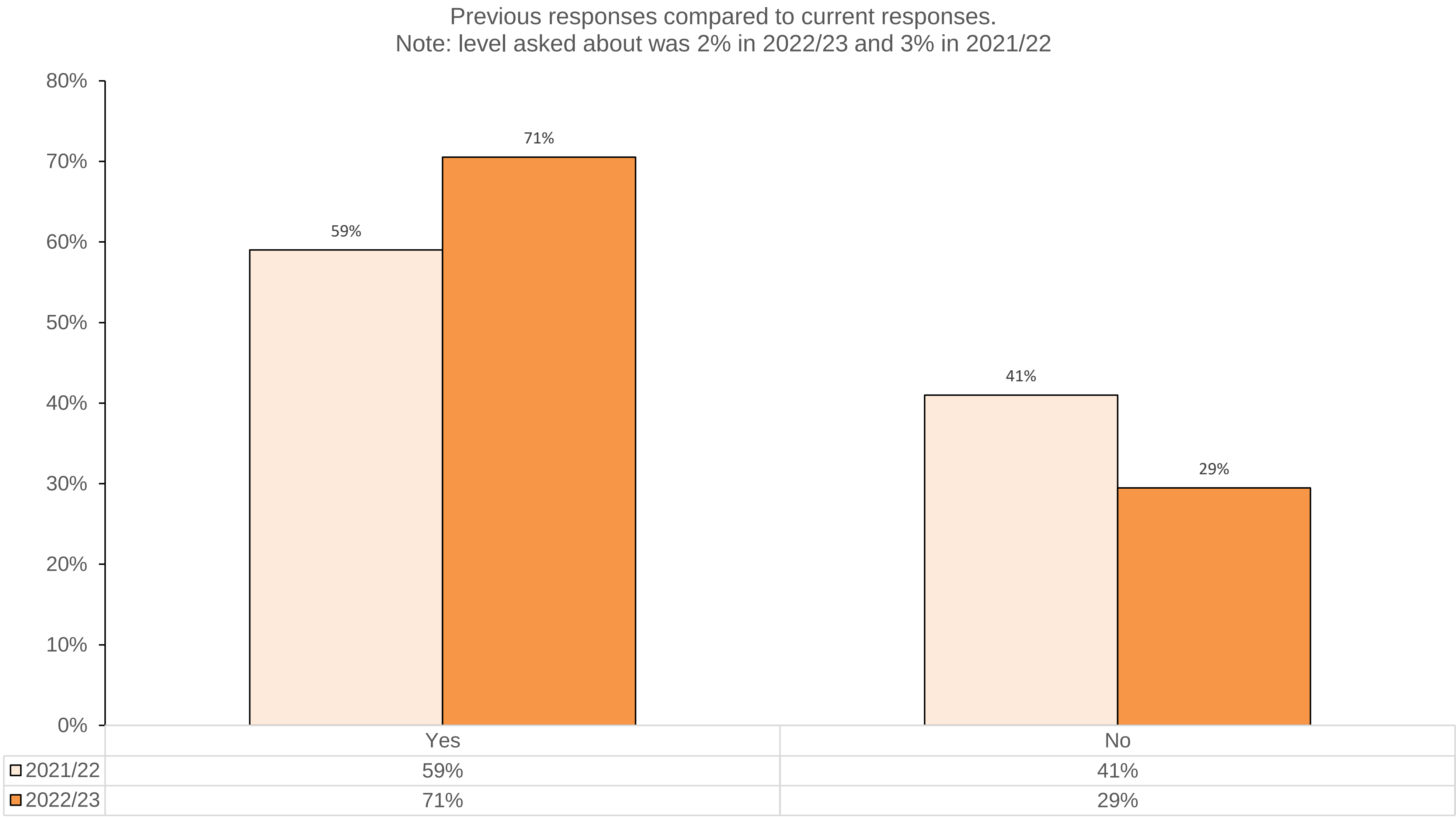


	I do not support an increase	I support an increase of 35p per week / £18.52 per year (based on Band D property)	I support an increase of 70p per week / £36.86 per year (based on Band D property)	I support an increase of £1.06 per week / £55.39 per year (based on Band D property)
Respondents	127	95	121	219
%	23%	17%	22%	39%

(n=562)

Social Care Precept

Do you support taking the full social care precept of 2%?



(n=563)

Budget Priorities

Do you agree or disagree that we should prioritise:

	Disagree	Disagree (%)	Agree	Agree (%)
Providing targeted support for those who need it the most	72	13%	480	87%
Supporting local businesses and regeneration projects to accelerate sustainable economic growth	181	34%	358	66%
Supporting local communities through the Cost of Living crisis	162	30%	379	70%
Maintaining and developing highways and infrastructure assets, including cycling/walking	113	21%	430	79%
Maintaining and improving parks, play areas, libraries and leisure facilities	137	25%	407	75%
Maintaining and upkeep schools	73	13%	480	87%
Protecting frontline services, such as waste collection and street cleaning	48	9%	507	91%
Tackling climate change and carbon emissions to make the city cleaner and greener	206	38%	340	62%

(n=565)

Budget Priorities

Areas respondents agree should be prioritised

Overall response to survey by ward (please note that ward data was only collected from online responses)

Ward	Responses	Responses (%)
Acomb Ward	13	2%
Bishopthorpe Ward	21	4%
Clifton Ward	21	4%
Copmanthorpe Ward	11	2%
Dringhouses & Woodthorpe Ward	49	9%
Fishergate Ward	23	4%
Fulford & Heslington Ward	8	1%
Guildhall Ward	22	4%
Haxby & Wigginton Ward	24	4%
Heworth Ward	18	3%
Heworth Without Ward	17	3%
Holgate Ward	29	5%
Hull Road Ward	10	2%
Huntington & New Earswick Ward	35	6%
Micklegate Ward	45	8%
Osbaldwick & Derwent Ward	31	6%
Rawcliffe & Clifton Without Ward	25	5%
Rural West York Ward	31	6%
Strensall Ward	23	4%
Westfield Ward	35	6%
Wheldrake Ward	10	2%
Unknown	54	10%
Total	**555**	

Results can be split by ward but due to low numbers may not be statistically significant

Demographics

Age

Answer choices	Responses	Percentage of total response
Prefer not to say	25	4%
Under 16	<5	-
16-24	17	3%
25-39	95	17%
40-55	135	24%
56-59	36	6%
60-64	61	11%
65+	193	34%
Total	563	

Gender

Answer choices	Responses	Percentage of total response
Male	289	51%
Female	265	47%
Other	7	1%
Total	561	

Do you identify as transgender/trans?

Answer choices	Responses	Percentage of total response
Yes	9	1.75%
No	504	98.25%
Total	513	

Do you have any physical or mental health conditions or illnesses lasting or expected to last 12 months or more?

Answer choices	Responses	Percentage of total response
Prefer not to say	23	4%
Yes	130	24%
No	400	72%
Total	553	

Do any of your conditions or illnesses reduce your ability to carry out day-to-day activities?

Answer choices	Responses	Percentage of total response
A lot	27	17%
A little	89	56%
Not at all	42	27%
Total	158	

***Please note that demographic questions were only included on the online form**

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City of York Council
Equalities Impact Assessment

Who is submitting the proposal?

Directorate:	Corporate		
Service Area:	Finance Department		
Name of the proposal:	Financial Strategy 2023/2024 to 2027/28		
Lead officer:	Debbie Mitchell		
Date assessment completed:	16th December 2022		
Names of those who contributed to the assessment:			
Name	**Job title**	**Organisation**	**Area of expertise**
Debbie Mitchell	**Chief Finance Officer**	**CYC**	**S151 Officer**
Helen Malam	**Principal Accountant, Corporate Finance**	**CYC**	
Bryn Roberts	**Director of Governance**	**CYC**	**Monitoring Officer**
Pauline Stuchfield	**Director of Customers and Communities**	**CYC**	

Step 1 – Aims and intended outcomes

1.1	**What is the purpose of the proposal?** Please explain your proposal in Plain English avoiding acronyms and jargon.
	This has been prepared to support the Council's Financial Strategy 2023/24 to 2027/28 which will be presented to the Council's Executive on 9th February 2023. This is an initial Equality Impact Assessment developed alongside the strategy to assist Councillors in their decision making, and covers the Equality Impact of the overall Council financial strategy rather than individual proposals. It is intended that further detailed assessments will be completed where necessary in respect of the individual budget savings identified

1.2	**Are there any external considerations?** (Legislation/government directive/codes of practice etc.)
	The Financial Strategy report highlights the national and local context and sets out the financial and legislative framework for the strategy. Following approval of the strategy, future Equality Impact Assessments will need to take into account the specific areas which are directly related to that budget saving.

1.3	**Who are the stakeholders and what are their interests?**
	This is a council wide strategy and potentially impacts residents, partners, and Council. Greater details as to the precise identity of stakeholders and their interests will be addressed in future savings specific equality impact assessments.

1.4	**What results/outcomes do we want to achieve and for whom?** This section should explain what outcomes you want to achieve for service users, staff and/or the wider community. Demonstrate how the proposal links to the Council Plan (2019- 2023) and other corporate strategies and plans.
	1. It is noted that the EIA accompanying the budget report is not intended to address the impacts of every detailed aspect of the budget, and therefore individual elements of the budget will, following Council approval, attract their own EIA to support delivery of that proposal and ensure that any negative impact on protected characteristics is acknowledged and, where possible, mitigated. 2. This impact assessment, therefore, only considers risks associated with the financial strategy as a whole, considering whether that overall financial strategy will cause any negative impact for a particular group, sector or community exists, and how any such impact is eliminated or counterbalanced. 3. 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.

Step 2 – Gathering the information and feedback

2.1	**What sources of data, evidence and consultation feedback do we have to help us understand the impact of the proposal on equality rights and human rights?** Please consider a range of sources, including: consultation exercises, surveys, feedback from staff, stakeholders, participants, research reports, the views of equality groups, as well your own experience of working in this area etc.
Source of data/supporting evidence	**Reason for using**

A budget consultation exercise commenced in December 2022 and closed on 9th January 2023	There is a statutory requirement for the council to consult local businesses on its budget proposals
Executive Member Decision Session took place in January 2023	This was an additional consultation exercise undertaken to allow members of the public to directly share their views, comments observations and objections with Executive Member for Finance & Major Projects
A number of focus groups were consulted in December	This allowed a more in-depth discussion with participants

Step 3 – Gaps in data and knowledge

3.1	**What are the main gaps in information and understanding of the impact of your proposal? Please indicate how any gaps will be dealt with.**
Gaps in data or knowledge	**Action to deal with this**
4. It is accepted that the EIA accompanying the budget report will not address the impacts of every detailed aspect of the budget and therefore individual elements of the budget will, following Council approval, attract their own EIA to support delivery of that proposal and ensure that negative aspects of the protected characteristics are acknowledged and where possible mitigated.	Ensure the EIA is kept under review; and development of individual EIA’s to support individual budget savings once Council has approved the proposals

Step 4 – Analysing the impacts or effects.

4.1	**Please consider what the evidence tells you about the likely impact (positive or negative) on people sharing a protected characteristic, i.e. how significant could the impacts be if we did not make any adjustments?** Remember the duty is also positive – so please identify where the proposal offers opportunities to promote equality and/or foster good relations**.**		
Equality Groups and Human Rights.	**Key Findings/Impacts**	**Positive (+) Negative (-) Neutral (0)**	**High (H) Medium (M) Low (L)**
Age	Older People: Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support are expected to have a positive impact on older people. Any increase in fees and charges could adversely impact on older people, their families and their standard of living. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute what they can afford. As these projects progress assessments will continue to take place. There will be further detailed impact assessments by the respective service areas, and it is expected that these will give further clarity based on evidence available as to likely impacts.	Positive and negative	high
Disability	Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support are expected	Positive and negative	high

	to have a positive impact on disabled people. Any increase in fees and charges could adversely impact on disabled people, their families and their standard of living. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute an amount they can afford.		
Gender	Customer data shows that a higher proportion of females use social care services, and that a higher proportion of carers are also female. Some of these carers will be council staff. Therefore, proposed investment is expected to have a positive impact. However, this also means that females will be more adversely affected by any savings in these areas. The impacts identified under 'older people' will apply.	Positive and negative	high
Gender Reassignment	It is not expected that there will be any impact	neutral	
Marriage and civil partnership	An increase in fees and charges could impact on whether a decision is made to marry/have a civil partnership ceremony for couples with a lower income. The lowest price weddings will remain at fee levels.	Negative	low
Pregnancy and maternity	It is not expected that there will be any impact	neutral	
Race	It is not expected that there will be any impact	neutral	
Religion and belief	It is not expected that there will be any impact	neutral	

Sexual orientation	It is not expected that there will be any impact	neutral	
Other Socio-economic groups including :	**Could other socio-economic groups be affected e.g. carers, ex-offenders, low incomes?**		
Carer	Continued investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support should have a positive impact on disabled people. Any increase in fees and charges could adversely impact on disabled people, their families and their standard of living. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute an amount they can afford.	Positive and negative	high
Low income groups	Although there are increases in council fees and charges, the Financial Strategy includes a provision for a York living wage to council staff and additional investment in the York Financial Assistance Scheme and other financial inclusion projects (eg digital inclusion)	Positive and negative	medium
Veterans, Armed Forces Community	It is not expected that there will be any impact	neutral	
Other			
Impact on human rights:			

List any human rights impacted.	It is not expected that there will be any impact	neutral	

Use the following guidance to inform your responses:
Indicate:
- Where you think that the proposal could have a POSITIVE impact on any of the equality groups like promoting equality and equal opportunities or improving relations within equality groups
- Where you think that the proposal could have a NEGATIVE impact on any of the equality groups, i.e. it could disadvantage them
- Where you think that this proposal has a NEUTRAL effect on any of the equality groups listed below i.e. it has no effect currently on equality groups.

It is important to remember that a proposal may be highly relevant to one aspect of equality and not relevant to another.

High impact (The proposal or process is very equality relevant)	There is significant potential for or evidence of adverse impact The proposal is institution wide or public facing The proposal has consequences for or affects significant numbers of people The proposal has the potential to make a significant contribution to promoting equality and the exercise of human rights.
Medium impact (The proposal or process is somewhat equality relevant)	There is some evidence to suggest potential for or evidence of adverse impact The proposal is institution wide or cross-Unit, but mainly internal The proposal has consequences for or affects some people The proposal has the potential to make a contribution to promoting equality and the exercise of human rights
Low impact (The proposal or process might be equality relevant)	There is little evidence to suggest that the proposal could result in adverse impact The proposal operates in a limited way The proposal has consequences for or affects few people The proposal may have the potential to contribute to promoting equality and the exercise of human rights

Step 5 - Mitigating adverse impacts and maximising positive impacts

5.1	**Based on your findings, explain ways you plan to mitigate any unlawful prohibited conduct or unwanted adverse impact. Where positive impacts have been identified, what is been done to optimise opportunities to advance equality or foster good relations?**

The negative impacts can be mitigated by investment targeted to the identified groups and communities. The key approaches to achieving savings whilst avoiding impacts on communities of identity include:

- Ensuring that, wherever reasonable, 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; and
- Focussing growth where it is expected to have a positive effect on older or disabled people and their carers

Funding for carers will continue as the council aims to provide a more comprehensive set of support, reflecting the significant role of carers in allowing people to remain in their own homes and live independently as far as possible.

The continued investment in adult social care will see work continuing to reduce people's dependency on social care support through the provision of information and advice and earlier intervention to support, maintain or regain independence for those who are able. This will improve outcomes for customers, including those with one or

more protected characteristic (particularly Age and Disability). For those who require ongoing support, the offer will be made more flexible and tailored to their needs.

Step 6 – Recommendations and conclusions of the assessment

6.1	**Having considered the potential or actual impacts you should be in a position to make an informed judgement on what should be done. In all cases, document your reasoning that justifies your decision. There are four main options you can take:**
- **No major change to the proposal** – the EIA demonstrates the proposal is robust. There is no potential for unlawful discrimination or adverse impact and you have taken all opportunities to advance equality and foster good relations, subject to continuing monitor and review. - **Adjust the proposal –** the EIA identifies potential problems or missed opportunities. This involves taking steps to remove any barriers, to better advance quality or to foster good relations.	
- **Continue with the proposal** (despite the potential for adverse impact) – you should clearly set out the justifications for doing this and how you believe the decision is compatible with our obligations under the duty - **Stop and remove the proposal –** if there are adverse effects that are not justified and cannot be mitigated, you should consider stopping the proposal altogether. If a proposal leads to unlawful discrimination it should be removed or changed. **Important:** If there are any adverse impacts you cannot mitigate, please provide a compelling reason in the justification column.	
Option selected	**Conclusions/justification**

Continue with the proposal	This is an initial assessment prepared to support the Council's Financial Strategy 2023/24 to 2027/28 and will be further informed via the development and monitoring of Equalities Impact Assessments for the respective budget savings once Council has approved them

Step 7 – Summary of agreed actions resulting from the assessment

7.1	**What action, by whom, will be undertaken as a result of the impact assessment.**		
Impact/issue	**Action to be taken**	**Person responsible**	**Timescale**
Delivery of the identified budget savings	The Chief Operating Officer and Corporate Directors will develop detailed Equality Impact Assessments in relation to individual proposals. Consultation will take place with relevant stakeholders as identified and or required and decisions will be made following receipt of legal, financial, HR advice.	Chief Operating Officer and Corporate Directors	To be determined and will depend on complexity of the identified budget saving and service proposal in question.

Step 8 - Monitor, review and improve

8. 1	**How will the impact of your proposal be monitored and improved upon going forward?** Consider how will you identify the impact of activities on protected characteristics and other marginalised groups going forward? How will any learning and enhancements be capitalised on and embedded?
	The section 151 Officer will monitor the progress of the respective budget proposals and the Council's Corporate Management Team will have oversight of the progress of the Financial Strategy

Annex 6 2023/24 Savings Proposals - HRA

Ref	Proposal Description	2023/24 Impact £000	Total Saving Impact £000
Place Directorate			
HRA01	**Housing Management Service** Ongoing savings from restructure of Housing Management Service (full saving agreed in 2022/23 budget)	(30)	(30)
HRA02	**Building Repairs** Savings arising from review of 7 year painting programme due to reduced volume of wooden windows and doors (current budget £720k).	(80)	(80)
HRA03	**Garage Rents** Target for review of garage rent fees.	(100)	(100)
HRA04	**Resident Engagement** Saving arising from introduction of new approaches to resident engagement	(20)	(20)
HRA05	**Efficiencies from ICT Programme** Reduction in training budget that was increased to reflect introduction of new ICT system	(20)	(20)
HRA06	**Building Services - reduce overtime** Reduction in the requirement for jobs to be completed out of hours requiring overtime payments	(60)	(60)
	Total Savings - Housing Revenue Account	**(310)**	**(310)**

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FORECAST 2022/23 £'000	Expenditure:		BUDGET 2023/24 £'000
	Repairs & Maintenance		
6,779		Jobs General	7,826
1,394		Projects	1,564
66		Estate Improvements	68
37		Decoration Allowance	37
30		Rechargeable Repairs	30
8,306			9,525
	General Management		
44		Tenant Support and Information	25
2,702		Recharges	2,652
155		Housing Leadership Team	170
2,607		Landlord Services	3,047
1,281		Asset Management	1,410
61		HRA Training	41
6,850			7,345
	Special Services		
1,713		Sheltered Housing	2,549
119		Energy Costs	165
711		Temporary Accommodation	970
402		Grounds Maintenance	422
317		Caretaking Costs	336
34		Cleaning Costs	35
88		Lifts	99
6		Contribution to Energy Efficiency	6
3,390			4,582
	Rents etc.		
118		Rent & Rates	124
313		Insurance	487
1		RTB Legal Fees	1
432			612
	Provision for Bad and Doubtful Debts		
468		Council Housing	468
468			468
	Capital Charges		
9,103		Depreciation	9,453
57		Debt Management	60
9,160			9,513
28,606	TOTAL EXPENDITURE		32,045

FORECAST 2022/23			BUDGET 2023/24
	Income:		
	Rents		
-32,380		Council Housing	-34,409
-663		Temporary Accommodation	-767
-201		Shared Ownership	-249
-33,244			-35,425
	Non Dwellings Rents		
-361		Council Garages	-467
-95		General Rents	-40
-456			-507
	Charges for Services and Facilities		
-56		Fees & Charges - Council Housing	-78
-84		- Legal Fees	-84
-1,562		- Sheltered Housing	-1,677
-1		- Temporary Accommodation	-1
-126		Leaseholder Admin Charge	-129
-1,829			-1,969
	Contribution Towards Expenditure		
-1		- Sheltered Housing	-1
-25		- Rechargeable Repairs	-25
-10		- Affordable Homes	-10
-24		- Housing Estates	-40
-60			-76
	Supporting People Income		
-148		- Temporary Accommodation	-148
-148			-148
-35,737	TOTAL INCOME		-38,125
-7,131	**NET COST OF SERVICE**		-6,080
4,646		Loan Interest Paid	4,726
-211		Revenue Cash Interest Received	-263
3,108		Capital Expenditure financed from Revenue	1,340
-65		Capital Receipt Allowable Disposal Costs	-65
0		Contribution to/(from) MRR	0
0		Contribution to/(from) Earmarked Reserves	1,900
347	**(SURPLUS) / DEFICIT IN YEAR**		1,558
	(SURPLUS) / DEFICIT BROUGHT FORWARD		-27,215
	(SURPLUS) / DEFICIT IN YEAR		1,558
	(SURPLUS) / DEFICIT CARRIED FORWARD		-25,657

HOUSING REVENUE ACCOUNT PROJECTIONS
City of York Council

Year	**2022.23**	**2023.24**	**2024.25**	**2025.26**	**2026.27**	**2027.28**	**2028.29**	**2029.30**	**2030.31**	**2031.32**	**2032.33**	**2033.34**	**2034.35**	**2035.36**	**2036.37**	**2037.38**
£'000	**1**	**2**	**3**	**4**	**5**	**6**	**7**	**8**	**9**	**10**	**11**	**12**	**13**	**14**	**15**	**16**
INCOME:																
Rental Income	33,703	35,735	37,257	38,096	38,967	39,900	40,854	41,807	42,356	42,893	43,435	43,981	44,532	45,088	45,648	46,213
Void Losses	-1,012	-310	-323	-331	-338	-347	-355	-364	-368	-373	-378	-383	-388	-392	-397	-402
Service Charges	1,618	1,974	2,014	2,054	2,095	2,137	2,180	2,223	2,268	2,313	2,359	2,406	2,454	2,504	2,554	2,605
Non-Dwelling Income	422	507	517	527	538	549	560	571	582	594	606	618	630	643	656	669
Grants & Other Income	253	252	255	258	261	263	266	270	273	276	279	282	286	289	293	296
Total Income	**34,985**	**38,158**	**39,720**	**40,604**	**41,522**	**42,502**	**43,504**	**44,507**	**45,110**	**45,703**	**46,301**	**46,905**	**47,515**	**48,131**	**48,753**	**49,380**
EXPENDITURE:																
General Management	-6,613	-7,089	-7,231	-7,375	-7,523	-7,673	-7,827	-7,983	-8,143	-8,306	-8,472	-8,641	-8,814	-8,990	-9,170	-9,353
Special Management	-4,342	-4,813	-4,909	-5,007	-5,108	-5,210	-5,314	-5,420	-5,529	-5,639	-5,752	-5,867	-5,984	-6,104	-6,226	-6,351
Other Management	-536	-563	-574	-586	-597	-609	-622	-634	-647	-660	-673	-686	-700	-714	-728	-743
Rent Rebates	0	0	0	-90	-388	-696	-1,015	-1,033	-814	-589	-358	-124	0	0	0	0
Bad Debt Provision	-431	-466	-489	-501	-514	-528	-542	-556	-564	-572	-580	-588	-596	-604	-612	-620
Responsive & Cyclical Repairs	-8,870	-9,525	-10,054	-10,393	-10,601	-10,813	-11,029	-11,250	-11,475	-11,704	-11,938	-12,177	-12,421	-12,669	-12,922	-13,181
Total Revenue Expenditure	**-20,791**	**-22,456**	**-23,256**	**-23,953**	**-24,731**	**-25,529**	**-26,348**	**-26,876**	**-27,171**	**-27,469**	**-27,773**	**-28,084**	**-28,515**	**-29,081**	**-29,659**	**-30,248**
Interest Paid & Administration	-4,703	-4,786	-4,714	-5,042	-5,048	-5,050	-5,088	-5,243	-5,355	-5,321	-5,270	-5,219	-5,168	-5,100	-5,031	-4,980
Interest Received	211	263	220	170	154	153	152	152	153	155	154	155	157	155	152	154
Depreciation	-9,103	-9,453	-9,707	-9,963	-10,115	-10,308	-10,459	-10,607	-10,751	-10,892	-11,034	-11,178	-11,323	-11,469	-11,616	-11,765
Net Operating Income	**598**	**1,727**	**2,263**	**1,817**	**1,782**	**1,768**	**1,760**	**1,932**	**1,986**	**2,175**	**2,377**	**2,580**	**2,667**	**2,636**	**2,599**	**2,541**
APPROPRIATIONS:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FRS 17 /Other HRA Reserve Adj	-43	-45	-45	-46	-47	-48	-49	-50	-51	-52	-53	-54	-55	-56	-57	-59
HRA CFR Revenue Provision	0	-1,900	-8,400	-4,000	-1,000	-1,000	-1,000	-1,000	-1,000	-1,000	-2,000	-1,000	-2,000	-2,000	-2,000	-1,000
Revenue Contribution to Capital	-2,908	-1,340	-860	-870	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820
Total Appropriations	**-2,951**	**-3,285**	**-9,305**	**-4,916**	**-1,867**	**-1,868**	**-1,869**	**-1,870**	**-1,871**	**-1,872**	**-2,873**	**-1,874**	**-2,875**	**-2,876**	**-2,877**	**-1,879**
ANNUAL CASHFLOW	**-2,353**	**-1,558**	**-7,043**	**-3,100**	**-85**	**-100**	**-109**	**62**	**115**	**303**	**-496**	**706**	**-208**	**-240**	**-279**	**663**
Opening Balance	29,569	27,215	25,657	18,615	15,515	15,430	15,330	15,222	15,283	15,399	15,702	15,206	15,912	15,703	15,464	15,185
Closing Balance	**27,215**	**25,657**	**18,615**	**15,515**	**15,430**	**15,330**	**15,222**	**15,283**	**15,399**	**15,702**	**15,206**	**15,912**	**15,703**	**15,464**	**15,185**	**15,847**

Annex 8

HOUSING REVENUE ACCOUNT PROJE
City of York Council

Year	2038.39	2039.40	2040.41	2041.42	2042.43	2043.44	2044.45	2045.46	2046.47	2047.48	2048.49	2049.50	2050.51	2051.52	2050.51
£'000	**17**	**18**	**19**	**20**	**21**	**22**	**23**	**24**	**25**	**26**	**27**	**28**	**29**	**30**	**31**
INCOME:															
Rental Income	46,782	47,355	47,933	48,515	49,102	49,693	50,288	50,886	51,489	52,096	52,707	53,322	53,940	54,562	55,187
Void Losses	-407	-412	-417	-422	-428	-433	-438	-443	-448	-454	-459	-464	-470	-475	-481
Service Charges	2,657	2,710	2,764	2,819	2,876	2,933	2,992	3,052	3,113	3,175	3,239	3,303	3,369	3,437	3,506
Non-Dwelling Income	682	696	710	724	739	753	768	784	799	815	832	848	865	883	900
Grants & Other Income	300	304	308	311	315	319	324	328	332	336	341	345	350	355	360
Total Income	**50,014**	**50,653**	**51,297**	**51,948**	**52,604**	**53,266**	**53,933**	**54,607**	**55,285**	**55,970**	**56,659**	**57,354**	**58,055**	**58,760**	**59,471**
EXPENDITURE:															
General Management	-9,541	-9,731	-9,926	-10,124	-10,327	-10,534	-10,744	-10,959	-11,178	-11,402	-11,630	-11,862	-12,100	-12,342	-12,589
Special Management	-6,478	-6,607	-6,739	-6,874	-7,012	-7,152	-7,295	-7,441	-7,590	-7,741	-7,896	-8,054	-8,215	-8,380	-8,547
Other Management	-758	-773	-788	-804	-820	-837	-853	-870	-888	-906	-924	-942	-961	-980	-1,000
Rent Rebates	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Bad Debt Provision	-629	-637	-646	-654	-663	-671	-680	-689	-697	-706	-715	-724	-733	-742	-751
Responsive & Cyclical Repairs	-13,444	-13,713	-13,988	-14,267	-14,553	-14,844	-15,141	-15,443	-15,752	-16,067	-16,389	-16,716	-17,051	-17,392	-17,740
Total Revenue Expenditure	**-30,849**	**-31,462**	**-32,087**	**-32,724**	**-33,374**	**-34,037**	**-34,713**	**-35,402**	**-36,105**	**-36,822**	**-37,554**	**-38,299**	**-39,060**	**-39,836**	**-40,627**
Interest Paid & Administration	-4,929	-4,878	-4,827	-4,777	-4,743	-4,693	-4,642	-4,626	-4,610	-4,577	-4,562	-4,564	-4,566	-4,568	-4,570
Interest Received	156	156	156	155	158	155	150	154	157	153	152	152	149	143	141
Depreciation	-11,915	-12,067	-12,220	-12,374	-12,529	-12,685	-12,843	-13,002	-13,163	-13,324	-13,591	-13,862	-14,140	-14,422	-14,711
Net Operating Income	**2,475**	**2,402**	**2,320**	**2,228**	**2,116**	**2,006**	**1,886**	**1,730**	**1,564**	**1,399**	**1,105**	**781**	**439**	**78**	**-295**
APPROPRIATIONS:	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
FRS 17 /Other HRA Reserve Adj	-60	-61	-62	-63	-65	-66	-67	-69	-70	-70	-70	-70	-70	-70	-70
HRA CFR Revenue Provision	-2,000	-1,000	-2,000	-1,000	-1,000	-2,000	-1,000	0	-1,000	-1,000	0	0	0	0	0
Revenue Contribution to Capital	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820	-820
Total Appropriations	**-2,880**	**-1,881**	**-2,882**	**-1,883**	**-1,885**	**-2,886**	**-1,887**	**-889**	**-1,890**	**-1,890**	**-890**	**-890**	**-890**	**-890**	**-890**
ANNUAL CASHFLOW	**-404**	**521**	**-563**	**345**	**231**	**-880**	**-2**	**842**	**-326**	**-491**	**215**	**-109**	**-451**	**-812**	**-1,185**
Opening Balance	15,847	15,443	15,964	15,402	15,747	15,978	15,097	15,096	15,937	15,611	15,120	15,335	15,226	14,774	13,962
Closing Balance	**15,443**	**15,964**	**15,402**	**15,747**	**15,978**	**15,097**	**15,096**	**15,937**	**15,611**	**15,120**	**15,335**	**15,226**	**14,774**	**13,962**	**12,777**

Annex 9

RISK ASSESSMENT

Risk	Likelihood	Seriousness	How we will manage the risk
Budgets across the Council are overspent due to external pressures eg increased clients in adult care (KCR 1, 3 and 4)	Medium/ High	High	• regular monitoring with corrective action • robust financial management/prudent budget setting
Budgets across the Council are overspent due to mitigations not being delivered as outlined in monitoring reports (KCR1)	Medium/ High	High	• regular monitoring with corrective action
All Savings are not achieved, or delayed, due to reduced management and support services capacity to deliver (KCR1)	High	High	• regular budget monitoring focused on high risk areas to identify issues at an early stage • where savings are not achieved ensure alternative savings identified • regular monitoring with corrective action at DMTs • effective project management
Delays in implementing new operating models mean that savings are not delivered in the timescales forecast (KCR 1)	High	Medium	• regular monitoring with corrective action at relevant DMTs and CMT • effective project management

Underperformance of Better Care Fund schemes results in additional costs for Adult Social Care. (KCR 3)	High	High	• regular monitoring with corrective action • effective project management
Continued pressure on income and grant budgets (KCR1)	Medium/ High	Medium	• regular budget monitoring to identify trends
Potential for reserves to go below minimum levels due to budgets being exceeded (KCR1)	Medium/ High	High	• ensure minimum levels are maintained • robust financial management/prudent budget setting
Costs of redundancy/ retirement as a result of service changes exceed budget (KCR1)	Low	Medium	• provision made for costs of retirement/redundancy in budgets
Capital costs may have to be charged to revenue, should a scheme not progress to completion. (KCR7)	Medium	High	• ensure adequate levels of reserves maintained • effective project management
Increased costs of borrowing due to increase in the capital programme (KCR7)	Medium	High	• ensure adequate levels of reserves maintained • robust financial management/prudent budget setting

Short or medium term cashflow impact due to increase in the capital programme (KCR7)	Medium	High	• ensure adequate levels of reserves maintained

CITY OF YORK COUNCIL

Executive **9 February 2023**

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance & Major Projects

Capital Budget 2023/24 to 2027/28

Summary

1. This report sets out the capital programme for 2023/24 to 2027/28, and in particular sets out proposals to continue the Council's approach to prioritise investment in the economy, housing, transport and to invest to save including energy efficiency.

2. Schemes funded by borrowing have an associated revenue impact. In order to minimise the additional growth required in future years, and mindful of the Council's current financial position in light of both the ongoing pressures in social care and the current economic uncertainty, it is proposed that any new borrowing is minimised as much as possible by reprioritising elements of the existing approved programme. Whilst it is recommended that the overall level of borrowing is not increased from that currently approved it is also recognised that there is a need to continue to invest to ensure a strong recovery

<u>Proposed Reductions to the Capital Programme</u>

3. The current capital programme totals £560m of which £177m is funded from prudential borrowing. In order to reduce the need for additional revenue budget to support the cost of borrowing the current capital programme has been reviewed to consider whether the funding available reflects the latest delivery.

4. As a part of this review a number of project lines are proposed to be reduced / removed which has resulted in the reduction of £2,650k from the proposed programme. A review of existing assets will also be carried out with a view to dispose of sites to the value of approx. £9m in order to support the council's financial position.

Integrated Transport (£1,570k)/ Bishophill Traffic Reduction (£230k)

5. The council has been very successful in receiving external funding for its Highways and Transport programmes. Major schemes at Tadcaster Road, Station Gateway and York Central are programmed for delivery during 2023/24 and further funding has been received for Active Travel Schemes and Bus Service Improvement Plan. In order to prioritise the delivery of schemes already approved it is proposed to remove £1.57m of CYC borrowing from the Integrated Transport line. Due to ongoing work on design options the Bishophill Traffic Reduction Scheme will be delivered from the Integrated Transport block.

Guildhall (£500k)

6. Following agreement of the final account with the Principal Contractor at the Guildhall it has been possible to reduce the reported cost by £500k which had been released from capital contingency.

York Central Holgate Park (£397k)

7. A budget of £1.55m was agreed to purchase two plots of land at York Central in 2011. The budget included the purchase of land as well as site clearance and remediation. The purchase price of £1.15m was agreed and £397k has been retained for demolition of buildings on site. The first plot of land was sold back to Network Rail and the remaining site is in negotiation for a sale. The remaining budget is no longer required and can be removed from the programme.

Public Realm and Waste Operational Equipment (£100k)

8. This budget (£268k) is a combination of the residual budget of £525k which was set aside for replacing litter bins and the Wheeled Bins in Terraced areas budget. The litter bin replacement scheme has primarily been completed and there is scope to reduce the budget by £100k and still undertake the outstanding commitments for “bags to bins”.

9. As part of this budget process over £51m of new capital funding will be added to the 5 year capital programme to continue to support the objectives outlined in the Council Plan, including a further £9m on highways schemes, £7.9m on fleet infrastructure and vehicles to deliver as many electric vehicles as possible,

£17.815m on major repairs and modernisation of local authority homes. A summary of this new funding can be found at Annex A, and specific examples of capital investment include:

- **Good Health & Wellbeing** – additional capital investment of over £3m on a range of schemes employing the latest technology to enable people to live in their own homes for longer, including over £3m on assistance to older & disabled people schemes, disabled facilities grants, telecare equipment, and major items of disability equipment to support vulnerable residents.

- **Safe Communities and Culture for all** – capital investment of over £2m to fund schemes supporting the maintenance of council assets and structures.

- **A Greener and Cleaner City** – capital investment of over £9m to develop new initiatives to reduce carbon emissions, including £9m to support the Council's Fleet replacement policy and £1.2m to replace lighting at Hazel Court and West Offices with more efficient LED lighting.

- **Getting around sustainably** - capital investment of over £11m including and improvements to the highways network, and investment in Drainage across the city.

- **Creating homes and world class infrastructure** – capital investment of over £18m, including over £17 million to increase the scale of modernisation works to Council housing stock.

- **An Open and effective Council** - capital investment of over £3.2m to support the Council's digital programme and support change in a range of front line services.

10. Further details on the schemes referred to above can be found in the body of this report.

11. As set out within this report and the Financial Strategy report also on this agenda, the budget reflects significant investment in a number of critical areas, with a focus on meeting the continuing pressures on adult social care and children's services and to maintain progress on the objectives outlined in the Council Plan. This report sets out **£51.158m of new investment over the 5 year period,** of which £8.998m is externally funded, £18.645m is met from the Housing Revenue Account, with **£23.515m** to be funded by Council borrowing.

Recommendations

12. The Executive is requested to recommend that Council:

- Agree to the revised capital programme of **£481.980m** that reflects a net overall increase of **£51.158m** (as set out in table 2 and in Annex A). Key elements of this include:
  - New schemes funded by prudential borrowing totalling £1.229m as set out in tables 3;
  - Extension of prudential borrowing funded Rolling Programme schemes totalling £22.286m as set out in table 4;
  - Extension of externally funded Rolling Programme schemes totalling £8.998m as set out in table 6;
  - An increase in HRA funded schemes totalling £18.645m funded from a combination HRA balances/Right to Buy receipts as set out in table 7;

- Note the total increase in Council borrowing as a result of new schemes being recommended for approval is £23.515m the details of which are considered within this report and the financial strategy report

- Approve the full restated programme as summarised in Annex B totalling **£481.980m** covering financial years 2023/24 to 2027/28 as set out in table 11 and Annex B

Background

13. The current 2022/23 – 2026/27 capital programme was approved by Council on 7 February 2022. Since then a number of amendments have taken place as reported to the Executive up to and including the 2022/23 Capital Monitor 3 report also on this agenda. The changes made as a result of the above reports have resulted in a current approved capital programme for 2022/23 – 2026/27 of £558.215m, financed by £216.098m of external funding and Council controlled resources of £342.117m. Table 1 illustrates the current approved capital programme profile from 2021/22 – 2025/26 as of capital monitor 3 2021/22.

	22/23 £m	23/24 £m	24/25 £m	25/26 £m	26/27 £m	Total £m
Gross Capital Programme	**127.393**	**228.871**	**102.430**	**55.498**	**44.023**	**558.362**
Funded by:						
External Funding	58.436	91.391	44.969	12.575	8.727	**216.098**
Council Controlled Resources	68.957	137.480	57.461	42.923	35.296	**342.117**
Total Funding	**127.393**	**228.871**	**102.430**	**55.498**	**44.023**	**558.215**

Table 1 – Funding Position of approved 2022/23 – 2026/27 Capital programme per Monitor 3

14. The majority of external funding is comprised of Government Grants, including those from the Department for Transport and Department for Education and Skills. Council controlled resources comprise of Housing Revenue Account (HRA) funds, prudential borrowing and capital receipts.

Options

15. This report sets out the new capital investment proposals for the 5 year period covering 2023/24 to 2027/28. Members can choose to approve or reject the recommendations made to Council as a result of the amendments contained in this report. It should be noted that it is a statutory requirement for the council to set a capital budget for the forthcoming year per Local Government Act 2003 (revised).

Summary of Proposed Capital Investment

16. The capital budget process invited proposals from the departments asking to submit requests for the Councils main capital priorities. Of the 22 proposals going forward 16 are asking for direct council funding, this is comprised of 14 proposals for extensions to existing schemes and 2 proposals for new schemes.
17. In total, proposals have been made that would increase the existing 2023/24 – 27/28 Capital Programme by **£51.158m.**The proposals are comprised as follows:

- General Fund schemes requiring financing by Council borrowing **£23.515m**
- General Fund Schemes financed by external funds **£8.998m**
- Housing Revenue Account schemes financed by HRA funds **£18.645m**

Key scheme proposals

18. The table below summarises the key proposals that result in an increase to the capital programme of £51.158m split by type. Further details of the individual schemes can be found later in the report at the following references:

Type	Total Value	Further Details
	£m	
New Schemes – Prudentially Borrowed	1.229	Table 3
Rolling Programme – Prudentially Borrowed	22.286	Table 4
Rolling Programme – Externally Funded	8.998	Table 6
Housing Revenue Account (HRA) Schemes – Funded by HRA resources	18.645	Table 7
Total Increase in Capital Programme	**51.158**	

Table 2 – Summary of New Proposals and Increase in Capital Programme

19. Overall this report proposes new capital schemes totalling **£51.158m** which result in a net increase to the Capital Programme of the same amount. Details of all schemes can be seen in the accompanying annex that sets out the purpose of each scheme and is summarised on table 13.

Detailed Consideration of Proposed Investment and Financial Implications

<u>New Schemes – Prudential Borrowing</u>

20. As part of this year's capital budget process a number of proposals have been received that require discretionary prudential borrowing. These are set out in **table 3** below.

Scheme Type / Description	Total Value	Financial Year
	£m	
Hazel Court LED lighting	0.304	23/24
West Office LED lighting	0.925	23/24
New Proposals Requiring Prudential Borrowing	**1.229**	

Table 3 – Summary of New Proposals Requiring Prudential Borrowing Funding

21. An overview of each new scheme being proposed is set out in the following paragraphs:

22. **Hazel Court LED Lighting (£304k in 23/24) -** Hazel Court was refurbished in constructed in 2006. The lighting system installed was a tradition fluorescent system and is now 16 years old. According to the Life Cycle Plan, we should expect to start replacing the internal lighting installation in circa 2 years' time. This project intends to replace the fluorescent light fittings and controls with LED fittings. but more importantly reduce the building's electrical consumption at a time when the price of electricity has increased by 228%. The payback period is approx. 7.5 years, and we estimate an electricity usage saving in excess of 62,000 KWH per year.

23. **West Offices LED Lighting (£925k in 23/24) -** West Offices was refurbished in 2011 /12 and became operational in January 2013. The lighting system installed was a tradition fluorescent system and is now ten years old. According to the Life Cycle Plan, we should expect to start replacing the internal lighting installation in circa seven to eight years' time. However, repairs and maintenance to existing fluorescent light fittings has become very challenging over the last 2-3 years as some parts are no longer available due

to obsoleteness. Further, LED fittings have become cheaper to purchase, and with the benefit of a low energy consumption rate in comparison to fluorescent fittings, they are now the standard sales product for internal lightings systems with fluorescent fittings being considered as ‘old fashioned’ and not efficient.

24. This project intends to replace the fluorescent light fittings and controls with LED fittings. This will mitigate the risk of obsolete parts, but more importantly reduce the building's electrical consumption at a time when the price of electricity has increased by 228%. The payback period is approx. 7.5 years, and we estimate an electricity usage saving in excess of 350,000 KWH per year.

25. For both the schemes at West Offices and Hazel Court the energy savings from the LED replacement will fund the borrowing costs. The reduction in energy usage also reduces future exposure to increased electricity prices.

Rolling Programme Schemes – Prudential Borrowing

26. The 2022/23 – 2026/27 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2027/28 and also proposals have been received to increase the level of currently approved rolling programme schemes by adding additional years across a number of financial years, these schemes are set out in the table below:

Scheme Type / Description	**Total Value**	**Financial Year**
	£m	
Lendal Bridge (Essential Bridge Maintenance)	1.000	23/24 & 24/25
Structures (Special Bridge Maintenance)	0.750	23/24
Drainage	0.900	27/28
Highways	6.820	26/27 - 27/28
Fleet Replacement – CPB	6.277	23/24 – 27/28
Fleet Replacement - DPB	1.642	23/24 – 27/28

Asset Maintenance	0.450	23/24 – 27/28
Disabled Facilities Grant	0.475	27/28
Disability Support Budget	0.290	27/28
Major Items of Disability Equipment	0.162	27/28
Telecare Equipment	0.300	27/28
ICT Rolling Programme	2.820	23/24 – 27/28
Project Support Fund	0.200	27/28
Contingency	0.200	23/24
Total Rolling Programme Schemes	**22.286**	

Table 4 – Summary of Rolling Programme Proposals Requiring Prudential Borrowing Funding

27. All of the £22.286m of rolling programme scheme bids will require revenue growth to fund (to support the prudential borrowing), the revenue implications are contained in the Financial Strategy 2023/24 – 2027/28 report also on this agenda.

28. An overview of each scheme being proposed is set out in the following paragraphs:

29. **Lendal Bridge (Essential Bridge Maintenance) (£500k 2023/24 & £500k 24/25)** – The Highways Structure Manager has commissioned a consultant to provide an options study into waterproofing, deck resurfacing and general re-painting of the metallic elements of Lendal Bridge.

30. This essential maintenance work will maximise the bridge service life and prevent recurring carriageway surfacing failures. On completion of the proposed works the bridge is required to have a functional waterproofing system which will protect the main structure from the corrosive effects of water, a high specification surfacing that will help prevent ingress of water into the bridge structure and prevent recurrence of the surfacing failures, a fully functional protective coating on all metal parts of the structure with a maintenance life of at least 30 years (including Dame Judi Dench Walk

elevated section and access steps). Additional works to be carried out are to provide future-proofing of the bridge to relocate telecommunication ducts out of the bridge deck footway, additional drainage at either end of Span 3 and to provide lighting to the Dame Judi Dench access steps

31. **Structures (Special Bridge Maintenance) (£500k 2023/24 & £500k 24/25)** – The Highways Structure Manager has commissioned a consultant to undertake CYC's Principal, General and Special Inspection packages, structural reviews, investigation into anti-graffiti coatings for at risk structures and maintenance packages for high priority bridge works (as identified through the CYC's routine inspection programme).

32. The inspections will build-up a picture of each bridge and identify the condition of our structures. Recommendations from the inspections will also identify future bridge maintenance works. The structural reviews are necessary in accordance with the Code of Practice for Well-Managed Highways Infrastructure. They will be used to establish or confirm the validity of the latest assessment (or its original design if there has been no subsequent assessment) and will identify structures which need a detailed assessment to current standards. The high priority bridge maintenance work is essential to maximise the bridge service lives and ensure that the structures are safe for use and fit for purpose

33. **Drainage (£900k 27/28)** – To continue funding the restoration of the Council's drainage infrastructure supporting the findings of the Surface Water Management Plan. This funding reflects the amount of work that can realistically be done using the available resources within the Council where there is extensive local knowledge

34. **Highways Schemes (£1.750m in 26/27, £5.070m in 27/28- Total £6.820m)** – Outputs from the Councils highway inspection and deterioration data (Gaist) will be used to target additional highways R&R funding to address emerging highway asset defects, proactive works will slow the deterioration of the cities highway network across footways and carriageways. The current rate of highway depreciation is greater than the funding the service is receiving annually, the highways asset management team are therefore requesting capital funding required to slow the rate of depreciation across the network. This additional funding will reduce the rate of depreciation across the highway network.

35. **Fleet Replacement (Total £7.919m)**

	23/24 £000	24/25 £000	25/26 £000	26/27 £000	27/28 £000	Total £000
New request for CYC Borrowing	0.089	0.086	0.005	0.244	5.853	6.277
New request for Dep Borrowing	0.122	0.045	0.003	0.002	1.470	1.642
Total	**0.211**	**0.131**	**0.008**	**0.246**	**7.323**	**7.919**

Table 5 – Fleet Replacement

36. A Vehicle policy has been developed and agreed by members to manage the replacement of vehicle and plant assets. The main purpose of this policy is to deliver electric vehicles to council's light commercial fleet and a select few HGV fleet assets with the aim to be carbon neutral by 2030 and to ensure that the investment made into the fleet (electric and fossil fuelled) and the charging infrastructure achieves an environmentally friendly fleet that is utilised and applied in the most effective way.

37. The purpose of this funding is to highlight the need for renewal of the expired CYC fleet within all services areas ensuring that all services have vehicles that maximises value for money and remains environmentally and energy efficient using electric vehicles where possible with the end goal to have a full electrified fleet and be carbon neutral by 2030 that will maintain service delivery for the council. This bid will allow the fleet replacements become part of the overall councils capital programme and ensure a continuous cycle of vehicles fit for purpose. The existing Fleet replacement bid has been revised to take into account inflationary pressures.

38. **Asset Maintenance (£450k 2027/28)** –There is currently a rolling programme capital scheme for health and safety repairs of £250k per annum with 4 years left to run. The previous year's allocations have been spent and the Council has a number of properties which have been identified as being retained for service delivery and/or delivering Council objectives, either directly or indirectly, through the Corporate and Community Asset Strategies and also individual service reviews.

39. A significant number of these properties have urgent health and safety repairs which will need to be carried out in the coming years to make them

sustainable for future service delivery. The budget will also be used to cover the council's responsibility for closed churchyards.

40. There will also need to be substantial other work required to a proportion of these properties to refurbish or improve them to meet the service requirements but these works will be the subject of separate bids as and when necessary. This bid therefore is to extend the approved annual rolling programme for a further year to help fund these critical repairs to the retained buildings.

41. **Disabled Facilities Grant (£475k 2027/28)** – This funding is to continue to allow the payment of mandatory disabled facilities grants (DFGs) in line with statutory requirements (The Housing Grants, Regeneration and Construction Act 1996) and the Councils policies last reviewed in July 2017. The DFG rolling programme enables older and disabled persons to remain safely in their own home and maximise their independence. The funding also ensures the delivery of the falls prevention service aimed at providing early intervention in the residents home looking to reduce the risk of falling by assessing the home, the environment and the person. Both programmes directly contribute towards the Better Care Fund objectives by preventing, reducing and delaying the need for NHS and Adult Social Care Services.

42. **Disability Support budget (£290k 2027/28)** – This funding is to continue to provide assistance for disabled vulnerable customers who need financial help. The help comes through the form of grants and top up loans to help disabled vulnerable adults and parents with disabled children to provide cost effective adaptations in their homes to ensure that they continue to live and maintain their independence. The help covers the shortfall between the cost of the eligible work and the mandatory disabled facilities grant, or to purchase a more suitable home where it is more cost effective than to adapt the current home and the relocation expenses. Given the increasing number of older people and the increasing life expectancy of children with complex needs there is a need to increase funding year on year.

43. The funding directly contributes the priorities of the Better Care Fund and the Council by preventing, reducing and delaying the need for NHS and Adult Social Care Services.

44. **Major Items of Disability Equipment (£162k 202/28**) – This funding is to extend the current scheme whereby equipment is provided to vulnerable individuals which enables them to remain in their own homes and live in the

community. Timely supply of equipment is an essential component of prevention and enabling people to continue to live safely in their own homes. It also contributes to successful community re-ablement and is a key component of hospital discharge packages.

45. Keeping people at home, in their communities is crucial for the individual's long term wellbeing but also the financial sustainability of the authority as long term formal care is significantly more expensive than the one off investment in equipment

46. **Telecare equipment (£300k 2027/28) –** This scheme is to extend the current scheme funding Telecare equipment into 27/28. Keeping people at home, in their communities is crucial for the individual's long-term wellbeing but also the financial sustainability of the authority as long term formal care is significantly more expensive than the one off investment in equipment.

47. Under this scheme sensors will continue to be installed in vulnerable customers' homes to deal with specific assessed risks. The sensors will be linked to our Community Alarm system and trigger alerts automatically given a programmed set of circumstances, ensuring speedy response from the warden service. These pieces of equipment provide customers with peace of mind and 24 hour monitoring of their circumstances. In some cases, the provision of telecare equipment can prevent a move to residential care and can provide monitoring so that smaller care packages can be commissioned. Telecare allows more people to be looked after at a lower cost and several studies have shown its cost effectiveness.

48. **ICT Rolling Programme (Total £2.820m)** - This funding is to extend the existing scheme into 2027/28. The scheme funds the design, development, procurement and deployment of evolving digital customer centric technologies to help improve and personalise the customer experience by supporting the delivery of the organisational transformation, the evolving Digital Service Programme and CYC's continual improvement programme. The scheme also supports the customer strategy and enables the delivery of accessible and effective council services for its residents, businesses and the city.

49. It also funds the maintenance, development and compliancy requirements of the key corporate enabling and supporting ICT infrastructure and application estate that is required to underpin the delivery, sustainability and security of

these programme supporting technologies whilst also maintaining the organisations business as usual critical ICT services to staff and citizens.

50. **Project Support Fund (£200k 2027/28)** – To extend the existing funding into 2027/28 to allow the continuation of the capacity to provide professional advice (primarily legal but also including finance and asset management) to support the Capital programme, and in particular major complex regeneration/building schemes including York Central, Castle Gateway, York Outer ring road to support the successful delivery of bringing new assets into operation.

51. **Contingency Funds (£200k 2023/24)** – Included within the capital programme is a contingency of £976k which is available to reallocate to other capital schemes if there are unexpected cost increases which cannot be managed within the programme. The use of the contingency will need to be approved by Executive

Rolling programme - Externally Funded + HRA Funded

52. In additional to part funded rolling programme schemes, Schemes that are fully externally funded are proposed as part of this budget process. This table shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

Scheme Type / Description	External Funding Value	Financial Year
	£m	
Existing General Fund Schemes New External Funding		
Highways schemes	5.338	23/24 - 27/28
Local Transport Plan - Integrated Transport	1.570	27/28
Disabled Facilities Grant	2.090	27/28

Total Existing General Fund Schemes New External Funding	**5.870**	

Table 6 – Summary of New External Funding

53. The funding for the schemes set out above have been updated to reflect the indicative funding settlements in 2027/28.

54. The latest **Housing Revenue Account (HRA)** Business plan 2022 to 2052 contained an overview of the HRA Business plan for the next 30 years and provides detail of the key priorities for the next five years, including the use of the investment fund to support the delivery of more affordable new homes.

55. Table 7 updates the capital investment strategy and shows the overall movement (growth) against the existing approved expenditure plans, and will allow the Council to deliver the Housing Investment and Energy Retrofit Plan 2023-2028, approved by Executive Committee in December 2022.

Scheme Type / Description	**Total Scheme Value HRA Funded**	**Financial Year**
	£000	
New Investment for the HRA		
Major Repairs & Modernisation of Local Authority Homes	17,815	2023/24 to 2026/27
Assistance to Older and Disabled People	660	2027/28
Housing Environmental Improvement Programme	170	2027/28
New Investment for the HRA Total	**18,645**	

Table 7 – Summary of HRA investment

56. **Major Repairs & Modernisation of LA Homes (£17,825k growth 2023/24 to 2027/28) –** This is the first year of delivering the Housing Investment and Energy Retrofit Plan 2023-2028 to allow achievement of key objective that all homes will meet and retain the government's Decent Homes Standard (DHS). DHS is the minimum standard and all homes will retain this standard within the planned programmes ensuring that failing components are updated ahead of their failure date. Works will ensure that homes reach the "City of York Standard", focusing upon matters of interest for tenants such as:

- Improving the energy efficiency of homes, seeking to bring the Energy Performance rating of homes up from D to C.
- Working to complete the upgrading of older uPVC windows, installing high performance and thermal efficient new windows.
- Continuing the programme of work to provide effective protection in walls and floors to prevent damp penetration and measures to manage or eradicate water below suspended floors, where problems have been identified.
- When we modernise homes, ensure that there are extract fans in both the kitchen and bathroom which are humidistat controlled, helping to control the moisture which can give rise to mould.
- Installing secure, ideally composite, external doors, replacing soft-wood doors as a priority.

The major repairs and modernisation budget for 2023/24 is £9,580k and a breakdown of the type and value of works are provided below:

	2023/24 budget £'000	**Description of works 2023/24**
Home Modernisation (formerly known as Tenants Choice)	1,510	Periodic modernisation of homes, providing new kitchens, bathrooms and electrical wiring. At the same time, and where the energy efficiency of the home is currently rated D, seek to carry out insulation and other works to improve its thermal efficiency. Homes will benefit from an upgrade to their bathroom and kitchen ventilation when new, humidistat controlled, extract fans are installed, helping to control the moisture which can give

		rise to mould. An estimated 125 homes will be modernised.
Modernisation of Void properties	2,900	Essential repairs to void properties including the upgrading of the kitchen, bathroom and electrical wiring if the out-going tenant had previously refused this. We will also carry out works to improve the energy efficiency of the home. An estimated125 homes are expected be improved.
Heating/Boilers	1,033	Regular replacement of Heating Systems to ensure that gas boilers are safe and efficient, replacing each on a 15-year cycle, and they are energy efficient. An estimated 440 homes will be updated.
Roof Replacements	240	Roof Replacement Works, guided by pre-programme intrusive surveys to determine the scope of works. An estimated 40 homes will be updated.
External Doors	320	With an increase in investment over previous years, we will deliver an enhanced programme of External Door Replacements to approximately 400 homes in order to provide high quality composite doors and deliver Decent Homes "safe and secure”. Where possible these works will be delivered in advance of or part of the revenue funded external painting programme.
Window Replacements	610	Window Replacements in the Bell Farm area will progress and some homes in the Tang Hall area will benefit, addressing difficulties with 1st generation uPVC double glazed windows. 166 homes will get new, high performance, windows, helping to keep homes secure and draught free.
Tackling damp	1,436	Addressing rising and penetrating damp issues in homes, tackling the worst first and working to deliver our commitment to tacking damp and mould in response to recommendations made in a recent national report published by the Housing Ombudsman. This will include a review and reform our approach, helping to make best use of these resources, and expect to carry out works to between 50 and 150 homes, dependent upon the extent of works needed.

Structural and external works	275	These funds will be used to deal with Structural Issues as and when they occur. Incidents are sometimes caused by subsidence and vary, year on year. This is likely to involve work on approximately 55 homes.
Fire Remedial Works	250	Remedial works arising from Fire Risk Assessments.
Asbestos Removal	110	Remedial works following asbestos surveys.
Other	896	Various projects including one-off kitchen and bathroom refurbishments, soundproofing, upgrading communal corridor lighting and entry door access, remedial work following electrical testing programme, security upgrades.

Table 8 – Breakdown of Major Repairs & Modernisation of LA Homes 2023/24 Budget

57. The intention of these projects are to ensure the Council invest in and plan for the future, ensuring we support safe, sustainable, affordable and good quality homes.

58. **Assistance to Older and Disabled People (£650k 2026/27) –** This will see continued investment in undertaking adaptations to properties following needs assessment of tenants and their dependants who have some sort of disability, ensuring they can remain in their property and lead as near normal life as possible.

59. **Housing Environmental Improvement Programme (£170k 2026/27) -** The Housing Environment Improvement Programme gives the opportunity to link with other funding streams to deliver schemes which have an impact for all residents and realise economies of scale. Improvements include providing solutions for car parking, secure external storage facilities for tenants of flats, improving security by providing fencing and /or gates with keypads, improving external environments through landscaping. Tenants can suggest improvements through their Ward Councillor, Residents Association, Housing Management Officer or Community Involvement Officer, all suggestions are discussed and agreed through the Ward Team.

60. **Local Authority Homes – New Build Project Phase 2 including named development sites and project team (No budget change - £97,661k**

2023/24- 2027/28) - Lowfield Green has made significant progress throughout 2022 and is due to complete by Spring 2023 with all 140 homes, along two new areas of public open space for new and existing residents. During Summer 2022 a thorough post-occupancy consultation was carried out with new residents at Lowfield Green. The feedback was overwhelmingly positive with praise for the size and accessibility of new homes at Lowfield Green which promote independent living and adaptability throughout all stages of life. Residents were also impressed by the quality of green space and local amenities which had drastically reduced their reliance on car travel since moving to the development. The site won Best Residential and the Lord Mayor’s Award at the York Design Awards in recognition of the high-quality, mixed tenure community. Sales across the latter phases of the development have remained strong with the majority of homes sold off-plan. The 6 self-build plots are due to complete by March 2023 and the community build has now been purchased by Yorspace with work due to start in early 2023.

61. The next phase of the HDP is underway with Duncombe Barracks and Burnholme both now onsite with Caddick Construction. Duncombe Barracks started on site in July 2022 and works are progressing well to deliver 34 new Passivhaus net zero carbon homes. Burnholme started on site in November 2022 and will deliver a further 78 Passivhaus net zero carbon homes along with 5 self build plots. A successful funding bid to Homes England has meant that the sites will now deliver 60% affordable housing, 40% higher than planning policy requirements for brownfield sites.

62. Ordnance Lane achieved planning approval in July 2022 following 6 rounds of public engagement which were attended by over 200 local residents and other stakeholders. The development will create 85 new homes including 25 intergenerational apartments, as well as 8 commercial spaces and 2 community spaces and 2 new areas of public open space. All new homes on Ordnance Lane will respond to the climate emergency by being built to certified Passivhaus standard. The project received over £2.4m in OPE funding which will be utilised to commence enabling works.

63. The Housing Delivery Programme has delivered 65 homes to date as part of the Second-Hand Shared Ownership scheme with Homes England. This programme has been hugely successful, with demand outstripping supply. Through funding applications, the programme has been extended to provide a further 40 second hand shared ownership homes; 15 with support from Homes England and 25 as part of the Devolution deal for the city. The

programme supported by the devolution deal includes funds to enable energy efficiency retrofit of the homes to reduce the bills and improve the thermal comfort of the homes. This innovative approach is thought to be unique and actively tackles both the need for affordable housing and the climate emergency. Alongside this, the HDP has delivered a further 6 homes through the Rough Sleepers Accommodation Programme. Supported by Homes England grant, this programme has provided homes for residents at risk of homelessness in the city

Funding Position – Council Prudential Borrowing

64. The budget proposals in terms of Council prudential borrowing adds to existing rolling programme schemes totalling £23.515m and adds new schemes totalling £1.229m. This results in a total increase in the level of debt (the underlying need to borrow for capital investment purposes only) of £23.515m over the 5 year programme. Table 9 shows the financial impact on a year by year basis and over the 5 year period.

	23/24 £000	**24/25 £000**	**25/26 £000**	**26/27 £000**	**27/28 £000**	**Total £000**
Rolling Programme	1.761	0.656	0.033	2.021	17.815	**22.286**
New Schemes	1.229	-	-	-	-	**1.229**
Net Increase in PB	**2.990**	**0.656**	**0.033**	**2.021**	**17.815**	**23.515**

Table 9 – Net Funding Position of Prudential Borrowing Schemes

65. The revenue costs of the new schemes funded by prudential borrowing is estimated at £1.646m over the 5 year budget period, assuming borrowing of £23.515m. Actual borrowing may be taken during 2023/24, although the costs are not incurred in revenue until the year following any capital expenditure. Given the reductions to the programme outlined in paragraph x reduce the revenue cost of borrowing by £1.6m, the Financial strategy report elsewhere on the agenda therefore doesn’t include any revenue growth for capital investment.

Summary of Analysis

66. This table summarises the additions and amendments made as part of this report (outside of re-profiling) split by rolling programme schemes and new schemes (by funding type) showing an overall increase in the capital programme **of £51.158m** of which £28.156m relates to the extension of the programme to future years

	23/24 £m	**24/25 £m**	**25/26 £m**	**26/27 £m**	**27/28 £m**	**Total £m**
1) New CYC Schemes Funded by CYC PB **(table 3)**	1.229	-	-	-	-	**1.229**
4) Rolling Programme Schemes Funded by CYC Pru Brrow **(table 6)**	1.761	0.656	0.033	2.021	17.815	**22.286**
5) Existing Schemes Funded Externally by External Grant **(table 7)**	0.628	0.625	0.625	0.625	6.495	**8.998**
6) HRA Schemes (table 8) Funded by HRA	1.118	1.570	2.127	1.757	12.073	**18.645**
Total Net Increase to Capital Programme	**4.736**	**2.851**	**2.785**	**4.403**	**36.383**	**51.158**

Table 10 – Summary of new expenditure by funding type 23/24 – 27/28

67. The outcome of the proposals outlined above if accepted are illustrated in the next table which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex A.

Gross Capital Programme	**2023/24 £m**	**2024/25 £m**	**2025/26 £m**	**2026/27 £m**	**2027/28 £m**	**Total £m**

Children's services	22.924	2.520	1.900	0.920	-	**28.264**
Adult Social Care	0.750	0.682	0.705	0.728	0.752	**3.617**
Housing & Community Safety	55.077	40.576	35.181	27.201	14.638	**172.673**
Transport, Highways and Environment	98.706	56.257	16.602	16.282	17.698	**205.545**
Property Services	45.201	1.250	0.275	0.275	0.275	**47.276**
ICT	2.557	2.820	3.170	2.820	2.820	**14.187**
Customer & Corporate Services	0.927	0.200	0.200	0.200	0.200	**1.727**
Communities & Culture	5.981	0.726	-	-	-	**6.707**
Climate Change	1.484	0.250	0.250	-	-	**1.984**
Total Capital Programme	**233.607**	**105.281**	**58.283**	**48.426**	**36.383**	**481.980**

Table 11 – Proposed Capital Programme 2023/24 – 2027/28

Other Major Capital Projects

68. **York Outer Ring Road Dualling -** During 2022/23, the main focus of activity for the project team has been the preparation of documentation for the planning application for the scheme. The scale and likely effect of the scheme has meant that an Environmental Impact Assessment is a mandatory requirement, this in itself is a significant piece of work which identifies how the scheme will affect the landscape in which it sits and how it is proposed to mitigate negative impacts. As such the magnitude and complexity of the project has meant the planning application was not submitted until September 2022, some months after the target date.

69. The application is now in the determination period and a decision is anticipated in early 2023. Meanwhile concurrent workstreams have continued in other areas. Work continues to take place to attempt to purchase land for the scheme. This is slow as many landowners appear to

be waiting to see what happens with the planning application. In parallel documentation is being prepared for submission of a Compulsory Purchase Order if it is required. Other concurrent work includes completion of the detailed design and preparations for the final business case. 2023 will be a key year to achieve planning approval, land acquisition and prepare for commencement of construction in late 2023.

70. The submission of the planning application effectively created a design fix and the project team are now seeking to establish an updated cost estimate which will take into account the impact of recent financial pressures and inflation on the scheme

71. **York Station Gateway -** In January 2022, a complex package of enabling works began involving the diversion of key statutory utilities form the Queen Street Bridge to enable its demolition. This package of work is valued at £1.8m (excluding risk, contingency, etc) and is expected to be complete by June 2023.

72. In spring 2022, a procurement was carried out to identify a delivery contractor for the Package 2 (Highway Works) and Package 4 (Loop Road Works). Three tenders were received in June 2022 and a preferred contractor was identified whose bid was within the forecasted budget of c£10m. The project team, with support from CYC Procurement and Legal are engaging with this contractor with a view to going into contract in January 2023. Contractor preconstruction activities are expected to commence in February 2023, and construction of the scheme is expected to begin in May 2023.

73. The scheme requires the acquisition of two areas of land: an area of the station long stay car park owned by Network Rail; and an area of land to the front of George Stephenson House owned by Canada Life. Negotiations for both parcels of land are in an advanced state and contracts have been drafted and agreed. The land deals are programmed to complete following the West Yorkshire Combined Authority (WYCA) funding approval to proceed which was anticipated in late January 2023.

74. **Haxby Station -** During 22/23 the Towthorpe Road site (now in CYC ownership) has been the single option being developed further by CYC and their delivery partners Network Rail. Full public consultation was undertaken in April/May 22, to inform the outline design and mitigate local concerns, prior to planning stage. A series of public exhibitions / parish council meetings

were attended. Headline results were that 1,200 responses were received, 74% of which were from residents of Haxby or the immediate surrounding villages. 81% were supportive of the station proposal (67% strongly supportive). Only 14% opposed the scheme.

75. In summer 2022, the Government awarded the project a further £1.1m of Restoring Your Railway funding towards development, for Network Rail to progress with the station's design. CYC also took the opportunity to prepare and submit a Transport-related bid to the Government's (round 2) Levelling Up Fund to augment the proposed Station project by improving active travel to neighbouring communities, improving accessibility to and from the local vicinity. An announcement from Government is still pending and expected shortly.

76. In October 2022, Executive approval was received granting authority to proceed to the next stage of the project by commissioning Network Rail to ultimately deliver the new station, and also - to help prevent any delays - gave a number of in-principle approvals to engage with CYC Planners and submit a planning application when practicable. Pre-application discussions are currently taking place in advance of submitting a planning application in spring 23. Outline station design has now been completed and a cost estimate worked-up in advance of returning to Government imminently with a revised Business Case, to request funding in full for Haxby Station (with CYC contributing an agreed fixed £4m).

77. **York Central -** The project is now in delivery. Following the agreement of the reserved matters planning application for the first phase of infrastructure works in November 2020, an enabling works contract was let by CYC in late 2021, which included; demolitions, site clearance, and further ground investigations. This work completed in spring 2022 and was followed by further enabling work, archaeology and ground investigations by Sisk under contract to Homes England where the £77.1m of HIG funding from the Ministry of Housing Communities and Local Government (MHCLG) was awarded directly to Homes England and Network Rail. The costs of the CYC contract were re-imbursed.

78. The decision by government to award this funding directly to the landowning bodies was a significant change and has reshaped both the delivery arrangements for the infrastructure and the governance arrangements. The resulting programme slippage and unprecedented construction cost inflation over the period as a result of, Brexit, the pandemic and wider global

uncertainties required the council to approve funding support of £35m in April to enable Homes England to commit to the delivery of the main access Infrastructure Package IP2 and to enter into a construction contract with John Sisk Ltd. In August 2022. Further site wide enabling works are now in progress to facilitate this construction.

79. **Castle Gateway -** The delivery of the Castle Gateway project has been impacted by a number of factors – specifically construction cost inflation and delays to the announcement of potential Levelling up Funding by government.

80. Wates were appointed as the contractor for Castle Mills to undertake the detailed design of the new apartments, bridge and riverside park, and to provide a fixed price for the construction phase. Unfortunately it was necessary to terminate this contract as reported in June as a result of delays in pricing due to volatility in the construction market. The design outcomes are being reviewed a re-procurement is pending.

81. Following extensive consultation with the public and stakeholders the design for the new public realm and event space to replace Castle Car Park and the Eye of York submitted for planning in 2022. The determination of the application is pending and some minor amendments will be made to address consultation comments as required.

82. The intention is to have a delivery ready project to transform this part of the City as funding becomes available.

83. The strategic importance of St George's Field as a parking location was confirmed by a review of council car parking approved by Executive in November 2021. Proposals for improving parking provision here and as replacement car parking for the Castle Eye of York are being further reviewed

Council Plan

84. The Capital Budget process ensures that all bids received for capital funding address the aspirations of the Council Plan with each proposal addressing at least one corporate priority. The capital schemes put forward for consideration are derived from the service and area asset management plans which look at the capital needs and requirements of the service. All schemes that have progressed through for further consideration in this report

have demonstrated through the Capital budget process that they directly contribute toward the achievement of the Council Plan, as referred to in paragraph 2.

Implications

Financial Implications

85. The financial implications are considered in the main body of the report.

Human Resources Implications

86. There are no HR implications as a result of this report.

Equalities Implications

87. An Equalities Impact Assessment (EIA) has been completed on the overall impact of the budget proposals and this is available as an annex to the Financial Strategy report elsewhere on this agenda. This assessment has been developed as a result of individual impact assessments for services which are undergoing changes. The impact assessment examines the benefits of recommended growth and capital investment alongside the risks associated with any savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced. Where a screening of the potential implications has identified it appropriate, a full EIA will be completed for individual proposals. In addition, all capital schemes have considered any potential equalities implications prior to being included in this report.

Legal Implications

88. The Council is legally required to set a balanced 3 year capital programme but to assist with Medium Term Financial Planning sets a 5 year programme. In addition schemes within the capital programme will themselves will be in receipt of legal advice where necessary throughout the year.

Crime and Disorder

89. There are no crime and disorder implications as a result of this report.

Information Technology

90. The information technology implications are contained in the main body of this report.

Property

91. The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from the disposal of Council assets.

Risk Management

92. There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects. In addition, the Major Projects all have regular monthly Board meetings to plan, monitor and review their capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised.

93. Additional risk exists in relation to existing schemes in the Capital programme whereby costs are incurred in developing a project, however no asset is achieved. Such costs may then need to be written off to the revenue account. The risks in relation to this are referred to separately in the Revenue Budget Report also on this Agenda.

<table>
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<tr><td colspan="4"></td></tr>
<tr><td colspan="4">Wards Affected: All</td><td></td></tr>
<tr><td colspan="5">For further information please contact the author of the report</td></tr>
</table>

Specialist Implications**:**
Legal – Not Applicable
Property – Not Applicable
Information Technology – Not Applicable

Wards Affected: **All** √

For further information please contact the author of the report

<u>Annexes</u>
Annex A – Growth Summary 2023/24 – 2027/28
Annex B – Capital Programme 2023/24 – 2027/28

Executive **9 February 2023**

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance & Major Projects

Capital Financing & Investment Strategy

Summary

1. This is a statutory report which is required following a Government review of the Prudential Code. It is intended to give a high level overview of how capital expenditure and capital financing contribute to the provision of services, along with an overview of how associated risk is managed.

Recommendation

2. Executive are asked to recommend to Full Council approval of the capital and investment strategy at annex A.

Reason: To meet our statutory obligation to comply with the Prudential Code 2017.

Background and analysis

3. The revised Prudential Code 2017 introduced a new requirement for all councils to approve an annual strategy, partly in response to the increasing commercialisation within local government. The guidance requires that annual capital and investment strategies are approved by Full Council.

4. The strategy provides an overarching policy framework for the council's capital programme and will be part of the suite of budget reports considered each year by Executive and Full Council. This report should therefore be considered alongside the Treasury Management Strategy Statement and the revenue and capital budget reports elsewhere on this agenda. The strategy will be developed and expanded as appropriate in future years, to meet the changing requirements of the council.

5. The strategy sets out the council's approach to business case development and risk appetite. Much of this is already well established and has featured in previous financial strategy reports, reports on property investment and asset related reports. Members should note that it includes specific sections on:

- The need to seek to attract external funding wherever possible and to adopt partnership approaches
- The importance of schemes that deliver long term economic growth, with the impact on business rates being a relevant factor in the assessment of schemes
- Arrangements for asset management and property investments
- The need to incorporate One Planet Council principles and consider energy efficiency implications in the assessment of schemes
- The Housing Revenue Account

6. The strategy remains unchanged from the previous year.

Consultation

7. The capital financing and investment strategy is influenced by the capital and revenue spending decisions made by the Council. Both the revenue and capital budgets have been through a process of consultation, details of which are outlined in the budget reports elsewhere on this agenda.

Options

8. It is a statutory requirement that the council has regard to the Prudential Code and therefore that this strategy is approved by Executive and Full Council.

Council Plan

9. The strategy provides a framework by which major investment decisions will be made and sets a framework for all aspects of the council's capital and investment expenditure including prioritisation, planning, funding and monitoring. This will ensure resources are appropriately invested in the council's priorities, values and imperatives as set out in the Council Plan.

Implications

Financial

10. The revenue implications of the capital strategy are set out in the capital and revenue budget reports to be considered by Executive elsewhere on this agenda.

Legal Implications

11. The Local Government Act 2003 and statutory guidance issued under that Act, the Local Authorities (Capital; Finance and Accounting) (England)

Regulations 2003 (SI 2003/3146), specifies that the Council is required to have regard to the Prudential Code.

Other Implications

12. There are no HR, Equalities, crime and disorder, information technology or other implications as a result of this report

Risk Management

13. Capital expenditure and financing is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003, supporting regulations and the Prudential Code 2017 are all adhered to as required.

Contact Details	
Author	**Chief Officer responsible for the report**
Debbie Mitchell Chief Finance Officer Ext 4161	Debbie Mitchell Chief Finance Officer
	Report approved
Wards affected	All

Annexes
Annex A – Capital Financing & Investment Strategy

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City of York Council Capital Financing and Investment Strategy 2023/24

Introduction and Summary

The capital financing and investment strategy forms a key part of the council's overall financial planning framework and provides a mechanism by which capital expenditure and investment decisions are aligned over the term of the medium term financial strategy. It also provides a framework by which major investment decisions will be made and sets a framework for all aspects of the council's capital and investment expenditure including prioritisation, planning, funding and monitoring. It is linked to, and should be read in conjunction with, the medium term financial strategy (MTFS), annual revenue and capital budget reports and treasury management strategy statement (TMSS).

Objectives

This strategy will:

- Provide a framework for investment decisions
- Outline how we prioritise investment and capital decisions
- Identify how we will use our resources effectively and efficiently to deliver the council plan
- Set out how the council identifies and prioritises funding requirements
- Set out the council appetite for risk
- Consider how resources can be maximised to generate investment
- Ensure there is an overall balance of risk and rate of return
- Stress the importance of carrying out robust sensitivity analysis and due diligence
- Ensure effective arrangements for the management of expenditure including the requirement to carry out an assessment of outcomes and deliverability whilst ensuring value for money is achieved
- Reinforce the overriding requirement for security, liquidity and yield on all council investments
- Ensure that all decisions take into consideration climate change, carbon reduction and sustainability issues

Risk appetite

Regarding investments and commercial activity, the council acknowledges that risk will always exist and will take some measure of risk in order realise investment gain. The council will balance risk and return to achieve our objectives and priorities, as set out in the Council Plan. Through robust due diligence any decision made will consider risks and mitigation to ensure full understanding of the risk associated with each investment. The council will seek to minimise exposure to risks that are not rewarded with additional income. Capital is managed corporately on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet expenditure incurred. The council is exposed to numerous risks including:

- Financial related to investment, cash flow, market volatility, etc.
- macroeconomic related to growth or decline of the national economy
- Counter party related to investments with institutions
- Operational
- Strategic
- Reputational
- Governance

Our risk appetite is supported by:

- Risk management strategy and framework
- Code of corporate governance
- Regular reporting of risk

Key areas where risk is considered further include:

- Capital programme
- Medium term financial strategy
- Performance management
- Treasury management
- Council owned subsidiaries
- Internal and external audit

Governance

All new programmes will be appraised using all about projects framework. A strategic business case will be prepared and will include any investment required, sources of funding, outcomes to be delivered, risk assessments, due diligence, repayment mechanisms, revenue impact and full lifetime costings. The proposal must also include details of any impact on revenue and in particular the delivery of previously agreed budget savings. If the strategic business case is approved, these estimates will be further refined and verified in an outline business case and ultimately a full business case.

All schemes being considered should, wherever possible, look for external funding and have explored if there is a suitable partnership approach to draw in other sources of funding to maximise the benefit to the tax payer and work with partners to secure the best possible outcomes for residents.

The council priorities are set out in the Council Plan. All expenditure proposals should identify how they will help to achieve these objectives.

A robust, formal due diligence process must be followed, and details included in the full business case. This should include, as a minimum, consideration of the following:

- An assessment of the risks in the short and long term and how these risks can be mitigated
- Sensitivity analysis over the short and long term
- An impact assessment of the expenditure or investment being considered
- An overview of the evidence on which the proposal is based (eg evidence of demand, etc.)

The council will undertake regular monitoring of all investments and any issues will be included in the finance and performance monitoring reports to Executive. If an investment is underperforming, appropriate action will be taken to ensure the investment is not held longer than necessary.

The annual strategy will be approved by Executive and Full Council as part of the annual budget setting process. Any changes or updates will be reported in a mid-year review.

Quarterly capital monitoring reports will continue to be considered by Executive and will reflect any changes in resource allocation, rescheduling of delivery (slippage) and any new programmes of work agreed. These reports will also monitor delivery of capital receipts and overall funding of the programme.

Capital and Investment Priorities

Capital expenditure must be affordable, prudent and sustainable. New expenditure proposals must be balanced against the need to maintain the potential and economic benefit of existing assets. Asset management plans need to reflect the costs of maintaining the existing asset base and not simply focus on acquiring new assets for investment purposes. The annual capital budget report identifies the 5 year planned programme of expenditure and how this is funded. Regular reports are presented to Executive to monitor progress, agree slippage and any other reprofiling of spend and approve any transfer of resources between service areas.

The council will continue to seek and deliver projects that generate longer term economic growth alongside the financial benefits. In order to maximise the financial benefits of the business rate retention scheme, the impact of business rates should be considered as a key factor in the assessment and prioritisation of capital investment.

Capital Funding

The capital programme is funded from a range of different sources including:

- Prudential borrowing – the introduction of the Prudential Code in 2004 allowed the council to take on unsupported borrowing. This borrowing is subject to the requirements of the Prudential Code which means the council must ensure this borrowing is affordable and prudent.
- External Grants – this includes disabled facilities grants and various government grants for highways repair
- Section 106 and external contributions – some schemes in the capital programme are funded by contributions from private sector developers and partners.
- Revenue funding – revenue resources can be used to fund capital schemes
- Capital receipts – receipts arise from the sale of surplus assets.

Further details are included in the annual capital budget report.

Debt, borrowing and treasury management

The council produces a separate treasury management strategy statement, which is approved by Full Council as part of the annual budget setting process.

Pension fund guarantees

The council has entered in to a number of long term contracts for services that have involved the transfer of council staff to a new service provider. Employee’s rights are protected under the provision in the Transfer of Undertakings (Protection of Employment) Regulations 2006, commonly referred to as TUPE. As a result, the council has given subsumption pension guarantees to a number of organisations.

Knowledge and Skills

The capital financing and investment strategy and the treasury management strategy are managed by a team of professionally qualified staff, with extensive local government experience. They all attend courses on a regular basis to keep abreast of new developments.

Internal training is offered to members of the Audit & Governance committee on an annual basis to ensure they have the necessary knowledge and understanding.

Where the council does have the knowledge and / or skills required use is made of external advisers that are specialists in their field. The council currently employs the Link Group as treasury management advisers.

Asset Management Strategy

The council has a range of property assets held for the following reasons:

- Operational – supporting core business and service delivery
- Investment – to provide a financial return to the council
- Regeneration / Commercial – enabling strategic place shaping and economic growth

In September 2017 the council agreed a refreshed and updated asset management strategy. This sets out how we will use our assets to deliver policy goals, operate our estate efficiently and generate maximum income to support delivery of council services.

Property Investment

The way the council funds the purchase of property will be determined on a case by case basis, depending on the overall economic conditions and depending on other capital expenditure being incurred. If the purchase is funded by borrowing, then the rental income generated must exceed the cost of repaying the borrowing each year. Any surplus will be used to support the council's overall budget position, enabling the council to continue to provide essential services for residents. Our investments in commercial property to date have been relatively modest in the context of percentage of total budget but any future proposals to invest in property will need to be mindful of the extent to which they increase the percentage of our total income invested in this area.

The reasons for buying and owning property are (in order of importance):
1. Economic development and regeneration in York
2. To generate income in order to provide services for local people
3. Opportunity

Property price and return on investment will depend on the type, location and current condition of the asset as well as the strength of the lease / covenant arrangements of the current tenant. The council will only purchase property within its boundary. The council should seek the best returns available, whilst carrying an acceptable level of risk. The rate of return must be better than the returns available from alternative, more secure investments (eg money market funds). The annual return must also exceed the cost of PWLB borrowing.

The council will take a balanced approach in order to minimise risk. This will include ensuring not all investment income is derived from one asset category or only one type of investment, such as commercial property. In future the council will consider whether a limit should be set on the amount invested in any one area to ensure it is not vulnerable to sudden changes in market conditions. When considering rate of return, a review will be carried out so that the value of investments is also considered over the life of the asset rather than focussing on short term returns only. Future reviews of this strategy will also include issues such as when to exit underperforming investments.

The asset management strategy:
- sets out what the council seeks to achieve when purchasing any property
- identifies any possible risks
- clarifies the legal powers used to acquire any property
- identifies the criteria for acquiring and owning assets
- outlines the process for acquiring assets

At 1st April 2022 income from property assets, excluding operational assets was c £6.3 million, which represents a return of 6.5%. This excludes properties which are used solely or partially as operational assets, residential assets, assets which are leased in and any assets which are held for development and minor agreements.

Property disposal and capital receipts

The asset management strategy will continue to identify surplus or under used property. Surplus properties will be used to generate revenue where possible or will be disposed of to generate a capital receipt. Capital receipts are corporate resources and will be used to support the councils key aims and priorities rather than being allocated to specific schemes. This could include repayment of existing debt, mitigating future requirements to borrow and financing transitional costs of change. Any decisions will be taken by Executive in line with the constitution.

Climate change, carbon reduction and sustainability

Along with many other organisations across the country, the council has declared a climate emergency and set a target to become net carbon neutral by 2030.

In addition, the council continues to be committed to achieving our ambition to be a more sustainable, resilient and collaborative organisation. With a challenging financial climate and increasing demand for our services, our aspirations to be a Greener and Cleaner city are an essential part of making the most of the resources we have and helping us to prepare for the future. Our Council Plan commits us to putting climate change and sustainability at the heart of everything we do, delivering a sustainable environment and addressing the climate emergency

Capital investment will therefore need to demonstrate that it meets these aims of the Council Plan and energy efficiency implications should be considered in the assessment of proposed schemes, along with potential savings being identified. The council will also consider suitable cost saving opportunities in relation to energy efficiency and sustainability. The development of a climate change plan is ongoing and any implications of this will be incorporated into future versions of this strategy.

Housing Revenue Account (HRA)

The (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately within the accounts. The abolition of the HRA Debt Cap on 29th October 2018 represented a significant change in the council’s ability to resource new council housing, major repairs and improvements to the existing housing stock and regeneration. A report on proposals for New Council Building in January 2019 recommended investment of £153.9m in building over 600 new houses of which 250 would be classed as affordable. This investment will be funded through a combination of utilising additional debt headroom to fund the appropriation of land from the general fund, proceeds from market sales and equity sales of shared ownership units alongside HRA resources such as Right to Buy Receipts and investment reserve. Executive receive regular updates and approve individual site investments when required. The latest business cases have increased the proportion of properties retained for shared ownership and the impact of inflation on costs, house prices, interest rates and changes to right to buy restrictions have made it more important that each individual site coming forward needs to be affordable within the overall plan.

In addition, the HRA continues to significantly invest in the structural maintenance of existing stock within its capital programme. Investment over the period 2023/24 to 2027/28 in this area totals c £53m.

The 30 year HRA Business Plan financial forecast sets out the financial implications of delivering the overall plan and providing assurance that the HRA will remain financially viable. The forecast shows that debt will increase to £152m following the appropriation of general fund sites for development. The impact of inflation on repairs and utility costs as well as further government restriction on rent setting has had a significant impact on the surpluses being made by the HRA. The plan shows that whilst the debt will reduce over the course of the period it will continue at a high level. Given the inflationary shocks over 2022/23 and 2023/24 there is uncertainty as to the medium term impact on the overall HRA cost base and this will need to be reviewed in the short term. The HRA business plan is a key part of the council's long term financial planning and sets out how we will deliver and finance services to tenants, and investment in their homes, over a 30-year period.

CITY OF YORK COUNCIL

Executive **9 February 2023**

Report of the Chief Finance Officer
Portfolio of the Executive Member for Finance & Major Projects

Treasury Management Strategy Statement and Prudential Indicators for 2023/24 to 2027/28

Report Summary

1. The purpose of this report is to seek the recommendation of Executive to Full Council for the approval of the treasury management strategy and prudential indicators for the 2023/24 financial year.

Recommendations

2. Executive are asked to recommend that Council approve:
   - The proposed treasury management strategy for 2023/24 including the annual investment strategy and the minimum revenue provision policy statement;
   - The prudential indicators for 2023/24 to 2027/28 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)

   Reason: To enable the continued effective operation of the treasury management function and ensure that all Council borrowing is prudent, affordable and sustainable.

Background

3. On 20th December 2021 CIPFA published the revised Treasury Management Code and Prudential Code with changes which come into effect for, and are formally adopted within the 2023/24 Treasury Management Strategy Statement (TMSS). The Council has to have regard to these codes of practice when it prepares the Treasury Management Strategy Statement and Annual Investment Strategy, as well as the related reports during the financial year, which are taken to full Council for approval. As part of the updated code the Council is required to ensure that it has appropriate risk, investment, governance and reporting processess in place.

1. A new debt liabiity benchmark treasury indicator to support the financing risk management of the capital financing requirement (CFR) is introduced, and is included in this report.
2. There is a renewed emphasis that increases in CFR and borrowing should only be undertaken where related to the functions of the Council; any returns related to the financial viability of an asset or scheme should be incidental to the primary purpose.
3. Capital and investments plans should be affordable and proportionate with all borrowing and other long-term liabilities within prudent and sustainable levels.
4. All Treasury Management decisions should be made in accordance with good professional practice and the Council should have access to the appropriate level of expertise across all areas of investments and capital expenditure in order to make properly informed decisions.

4. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. The first function of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

5. The second main function of the treasury management service is funding of the Council's capital programme. The capital programme provides a guide to the borrowing need of the Council, essentially the longer term cash flow planning, to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

6. The contribution the treasury management function makes to the Council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

7. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury

activities, (arising usually from capital expenditure),and are separate from the day to day treasury management activities.

8. CIPFA (Chartered Institute of Public Finance and Accountancy) defines treasury management as:

   "The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "

Reporting requirements – Capital Strategy

9. The CIPFA revised 2021 Prudential and Treasury Management Codes require all local authorities to prepare a capital strategy report, which will provide the following:
   - a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
   - an overview of how the associated risk is managed
   - the implications for future financial sustainability

10. The aim of this capital strategy is to ensure that all elected members on the full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.

11. This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:
    - The corporate governance arrangements for these types of activities;
    - Any service objectives relating to the investments;
    - The debt related to the activity and the associated interest costs;
    - The payback period (MRP policy);
    - The risks associated with each activity.

12. Where a physical asset is being bought, details of market research, advisers used, ongoing costs and investment requirements will be disclosed, including the ability to sell the asset and realise the investment cash.

13. Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the DLUHC Investment Guidance and CIPFA Prudential Code have not been adhered to.

14. If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

Reporting requirements – Treasury Management

15. The Council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of polices, estimates and actuals. The three reports are:
    - **Treasury mangement strategy statement and prudential indicators report** (this report) – which covers the capital plans including prudential indicators, the minimum revenue provision policy, the treasury managment strategy and the annual investment strategy;
    - **Mid year treasury management report** – updates members as to whether the treasury activities are meeting the strategy, whether any policies require revision, amending prudential indicators if necessary;
    - **Annual treasury report** – updates on treasury activity/ operations for the year and compares actual prudential indicators with estimates in the strategy.

16. These reports are required to be scrutinised before being recommended to the Council. This scrutiny role is undertaken by Audit & Governance Committee.

17. The 2021 Prudential Code and Treasury Management Codes introduce a new requirement that monitoring of the treasury management and prudential indicators should be reported quarterly as part of the Council's general revenue and capital monitoring. While it is not a requirement for these quarterly prudential indicators to be reported to full Council they will be reported to the Audit and Governace Committee.

18. The CIPFA code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. The training needs of treasury management officers is also periodically reviewed.

Treasury management strategy for 2023/24

19. The treasury managment strategy for 2023/24 covers two main areas:

Capital issues
- the capital programme and prudential indicators;
- minimum revenue provision (MRP) policy.

Treasury management issues
- prudential indicators which will limit the treasury management risk and activities of the Council;
- the current treasury position;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- creditworthiness policy;
- investment strategy;
- policy on use of external service providers;
- scheme of delegation and the role of the S151 officer

20. These elements cover the statutory and regulatory requirements of the Local Government Act 2003, the CIPFA Prudential Code and the CIPFA Treasury Management Code, the Department of Levelling Up, Housing and Communities (DLUHC) Minimum Revenue Provision (MRP) Guidance, and the DLUHC Investment Guidance.

Treasury management consultants

21. The Council uses the Link Group, Treasury solutions as its external treasury management advisors.

22. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

23. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The capital prudential indicators 2023/24 – 2027/28

24. The Council's capital expenditure plans are the key driver of treasury management activity and are the subject of a separate report on this agenda. The output of the capital programme is reflected in the capital prudential indicators, which are designed to assist member's overview of the Council's capital programme to ensure that the capital expenditure plans are affordable, sustainable and prudent.

25. The capital prudential indicators along with the treasury management prudential indicators are included throughout the report:

    PI 1: Capital expenditure
    PI 2: Capital financing requirement
    PI 3: Liability Benchmark
    PI 4: Ratio of financing cost to net revenue stream
    PI 5: External debt
    PI 6a: Authorised limit for external debt
    PI 6b: Operational boundary for external debt
    PI 7: Maturity structure of debt
    PI 8: Funds invested >364 days

26. **Prudential indicator 1 - capital expenditure**. This prudential Indicator is a summary of the Council's capital expenditure plans forming part of this budget cycle. Detailed information on the individual schemes is provided in the capital monitor 3 and capital strategy report.

Capital Expenditure	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Fund (Non HRA)	85.8	181.9	66.5	24.9	23.2	23.7
Housing Revenue Account (HRA)	41.6	52.8	38.2	32.8	24.6	12.1
Sub Total	**127.4**	**234.7**	**104.7**	**57.7**	**47.8**	**35.8**
Other Long Term Liabilities	0.0	0.0	3.4	0.5	0.5	0.5
Total	**127.4**	**234.7**	**108.1**	**58.2**	**48.3**	**36.3**

Table 1: Capital expenditure

27. Table 1 details the capital expenditure of the Council, based on the capital programme strategy report, including other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. There are no new PFI schemes forecast to be entered into in 2023/24. On the 8th April 2022 the Financial Reporting Advisory Board approved

CIPFA's deferral of the IFRS 16 standard until 1st April 2024 (which will form part of the 2024/25 Code). This means that for existing leases which were previously off balance sheet, these will be brought onto the balance sheet at 1st April 2024. The Prudential Indicators for Capital Financing Requirement and External debt make an estimate within Other long-term liabilities for this increase, as do the Authorised Limit and Operational Boundary.

28. Further details on this capital expenditure, and how it is funded, are included within the Capital Programme report elsewhere on this agenda.

29. **Prudential indicator 2 - the capital financing requirement (CFR) (Council's borrowing need).** The second prudential indicator is the Council's capital financing requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.

30. The CFR does not increase indefinitely, because the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.

31. The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases currently, and leases on balance sheet from 1st April 2024 under IFRS 16). Whilst these increase the CFR, and therefore the Council's overall borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. As set out in paragraph 49 table 5 the projected level of debt is significantly below the CFR over the 5 year period.

32. Table 2 below, shows the capital financing requirement, including other long term liabilities:

Capital Financing Requirement	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
General Fund (Non HRA)	305.4	392.8	405.5	408.8	413.8	421.5
Housing Revenue Account (HRA)	146.4	146.4	149.8	153.4	153.4	153.4
Other Long Term Liabilities*	42.8	41.7	44.1	42.9	41.7	40.6
Total CFR	**494.6**	**580.9**	**599.4**	**605.1**	**608.9**	**615.5**

*Other Long Term is for PFI/PPP & Leases

Table 2: Capital financing requirement (CFR)

Minimum revenue provision (MRP) policy statement

33. In accordance with the Local Government Act 2003 the Council is required to pay off an element of the accumulated general fund capital expenditure each year (the CFR) through a revenue charge (the minimum revenue provision - MRP) as well as being allowed to undertake additional voluntary payments (voluntary revenue provision - VRP) should the Council wish to do so.

34. The Council is required to determine a level of MRP it considers to be prudent, whilst having regard to the current MRP Guidance issued in 2018. The overriding requirement of the Guidance is to set a prudent provision which ensures that debt is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits.

35. DLUHC regulations require full Council to approve an MRP statement in advance of each year. The Policy may be revised during the year by full Council or the appropriate body of Members where required.

36. The regulations allow the Council to review its policy every year and set a policy that it considers prudent at that time. The impact of a revised MRP policy will be kept under regular review in order to ensure that the annual provision is prudent.

37. Full Council is recommended to approve the following MRP statement for the 2023/24 financial year:

    1. For supported borrowing MRP will be calculated using an Asset Life annuity basis on the remaining average life of the overall asset base.

    2. For all unsupported borrowing MRP will be calculated using an Asset Life annuity basis. Estimated asset life periods will be determined under delegated powers.

    3. MRP in respect of PFI contracts will be calculated by the amount that writes down the balance sheet liability unless the asset life is considerably longer than the PFI contract, where MRP will be calculated on an asset life basis.

    4. MRP in respect of finance leases will equal the repayment amount for the year.

5. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).

6. The DLUHC MRP Guidance allows any charges made in excess of the statutory MRP, i.e. voluntary revenue provision (VRP) or overpayments, to be reclaimed in later years if deemed necessary or prudent. In order for these sums to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year. To date, cumulative VRP overpayments are £0m. In 2022/23 so far, no VRP has been made and none is expected to be made. No VRP is planned for 2023/24. However, VRP will be kept under review, and should it be deemed prudent to make any VRP this will be the decision of the S.151 Officer and reported to Executive and Audit & Governance Committee at the next available opportunity.

7. MRP will generally commence in the financial year following the one in which the expenditure was incurred. However, for long life assets, the authority will postpone the commencement of MRP until the financial year following the one in which the asset becomes operational

8. The Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.

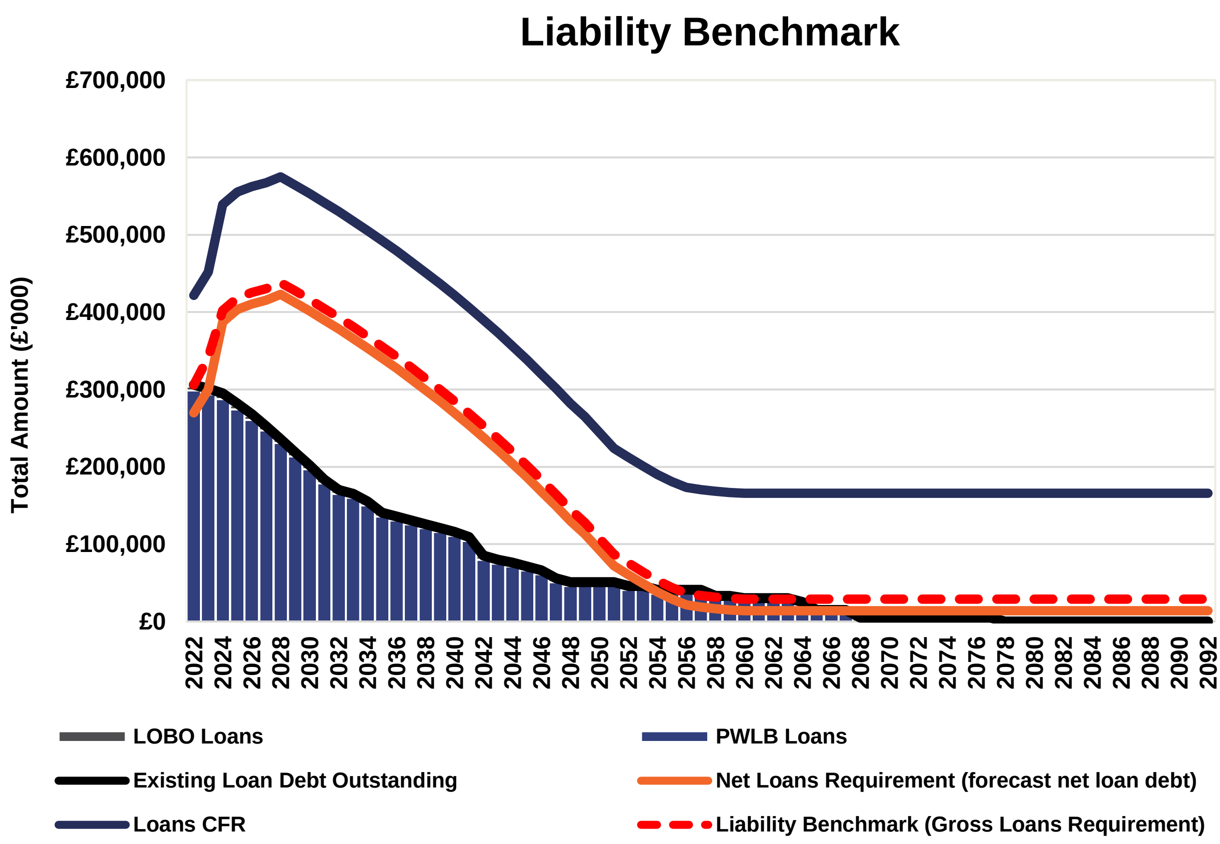
38. **Prudential indicator 3 - Liability Benchmark.** A third and new prudential indicator for 2023/24 is the Liability Benchmark. The Liability Benchmark, based on current capital plans and cash flow assumptions, therefore gives the Council an indication of how much it needs to borrow, when it is likely to need to borrow, and where to match maturities to its planned borrowing needs. The liability benchmark makes no assumption about the level of future prudential borrowing in unknown capital budgets. There are four components that make up the Liability Benchmark:

    1. Existing loan debt outstanding: the Councils existing loans that are still outstanding in future years.
    2. CFR: as per Prudential indicator 2, this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
    3. Net loans requirement: this will show the Councils gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved

prudential borrowing, planned MRP and any other major cash flows forecast.

4. Liability benchmark (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

39. The purpose of this prudential indicator is to compare the authority's existing loans outstanding against its future need for loan debt; the liability benchmark (the red dotted line). If the loans outstanding are below the liability benchmark (the red dotted line), the existing debt outstanding is less than the loan debt required, and the authority will need to borrow in the future to meet the shortfall. If the loans outstanding are above the liability benchmark (the red dotted line), the authority will have more debt than it needs based on current plans and the excess will have to be invested.



Graph 1: Liability Benchmark

40. As can be seen from the Council's liability benchmark graph, the loans outstanding, CFR, liability benchmark and net loans requirement broadly follow the same trend lines. Based on the CFR position and loans outstanding at 31st March 2022 we see the Council's current under borrowed position. In the next 5 years the CFR increases in line with prudential borrowing expectations to fund increases to the capital programme before gradually starting to decrease. The liability benchmark and net loans requirement also increase to indicate the additional

borrowing need before gradually starting to decrease. Existing loans start to decrease as maturities occur and loans are paid back. Taking into account the current under borrowed position and with no assumptions on future borrowing requirements beyond the current capital programme, the gap between the CFR and loans outstanding remain broadly similar over the term indicted on the liability benchmark graph. When taking into account the liability benchmark and net loans requirement this gives an indication of how much future loan debt may need be taken and on what maturity term to assist with long term planning and reduce risk. Actual future debt taken may not exactly follow the liability benchmark as this is only a guide at a specific point in time, and one of several considerations when drawing down long term debt, to be determined by the S.151 Officer.

Affordability prudential indicators

41. The prudential indicators mentioned so far in the report cover the overall capital programme and the control of borrowing through the capital financing requirement (CFR), but within this framework prudential indicators are required to assess the affordability of capital investment plans. These provide an indication of the impact of the capital programme investment plans on the Council's overall finances.

42. **Prudential indicator 4 - ratio of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (borrowing net of investment income and excluding other long term liabilities) and compares it to the Council's net revenue stream.

Financing Costs	2022/23 Estimate %	2023/24 Estimate %	2024/25 Estimate %	2025/26 Estimate %	2026/27 Estimate %	2027/28 Estimate %
General Fund (Non HRA)	**8.51**	**13.29**	**14.14**	**14.43**	**14.85**	**14.54**
Housing Revenue Account (HRA)	**11.42**	**10.94**	**10.69**	**10.55**	**10.41**	**10.27**
Total	**9.07**	**12.85**	**13.51**	**13.73**	**14.07**	**13.80**

Table 3: Ratio of financing costs to net revenue stream

43. The estimates of financing costs include current commitments and the proposals in the capital budget report considered elsewhere on this agenda.

44. The capital prudential indicators set out above ensure that the Council's capital expenditure plans are affordable, sustainable and prudent. The treasury management function ensures that cash is available to meet the Council's requirements in accordance with the Local Government Act 2003 and relevant professional codes.

45. The treasury management function involves both the forecasting of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the prudential / treasury indicators, the current and projected debt positions and the annual investment strategy.

Current portfolio position

46. The Council's treasury portfolio position at 31st December 2022 is detailed below in table 4:

Institution Type	**Principal**	**Average Rate**
Public Works Loan Board PWLB (61) – Money borrowed from the Debt Management Office (Treasury Agency)	£295.6m	3.21%
Market Loans LOBO Loans (1) – Lender Option Borrower Option	£5.0m	3.88%
West Yorkshire Combined Authority WYCA (4) – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects	£2.4m	0.00%
Total Gross Borrowing (GF & HRA)	**£303.0m**	**3.21%**
Total Investments	**£41.8m**	**1.69%**

Table 4: Current position at 31st December 2022

47. The Council had £303.0m of fixed interest rate debt, of which £146.4m was HRA and £156.6m general fund. The cash balance available for investment was £41.8m. Over the long term as the capital programme progresses the level of cash available for investment is gradually decreasing as expected as the Council is using previously held balances to fund the programme. The level of cash balances available is largely dependent on the timing of the Council's cash flow as a result of precept payments, receipt of grants, receipt of developers contributions,

borrowing for capital purposes, payments to its suppliers of goods and services and spend progress on the Capital Programme. Cash held compared with this time last year has increased slightly due to the timing of these cash flows and the cash balances are therefore only available on a temporary basis.

48. Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well-defined limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. One of these is that the Council needs to ensure that its total gross debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows the flexibility to borrow in advance of need but ensures that borrowing is not undertaken for revenue purposes.

49. **Prudential indicator 5 – external debt** Table 5 shows that the estimated gross debt position of the Council does not exceed the underlying capital borrowing need. The Chief Finance Officer (S.151 Officer) confirms that the Council complies with this prudential indicator and does not envisage difficulties for the future.

	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Gross projected debt*	**379.7**	**472.5**	**499.2**	**514.0**	**527.4**	**544.1**
Total CFR	**494.6**	**580.9**	**599.4**	**605.1**	**608.9**	**615.5**
Under/(over) borrowed	**Under**	**Under**	**Under**	**Under**	**Under**	**Under**

*Gross projected debt includes Other Long Term Liabilities such as PFI/PPP & Leases

Table 5: External debt< capital financing requirement

50. Table 5 shows a gap between actual and estimated borrowing and the CFR (driven by the use of internal funds to finance capital expenditure). The decision as to whether to continue to do this will take into account current assumptions on borrowing rates and levels of internal reserves and balances held by the Council. The figures above show a decrease in the gap between CFR and external debt as borrowing is taken to support capital expenditure, however this will be determined by the S.151 officer and the figure above is a current broad assumption. Actual borrowing will be determined by the circumstances that prevail at the time on borrowing rates and levels of cash balances.

Prudential indicators: limits on authority to borrow

51. **Prudential indicator 6A – authorised borrowing limit** - It is a statutory duty under Section 3 (1) of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. This amount is termed the "authorised borrowing limit" and represents a control on the maximum level of debt. This is a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt, which, while not desired, could be afforded in a short term period of 12 months, but is not sustainable in the longer term.

Authorised Limit	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Gross projected debt	**379.7**	**472.5**	**499.2**	**514.0**	**527.4**	**544.1**
Total CFR	**494.6**	**580.9**	**599.4**	**605.1**	**608.9**	**615.5**
Operational Boundary	**525.0**	**590.9**	**609.4**	**615.1**	**618.9**	**625.5**
Other long term liabilities	30.0	30.0	30.0	30.0	30.00	30.00
Total	**555.0** (£555.0m set at 2022/23 Strategy)	**620.9** (Based on current CFR projection)	**639.4** (Based on current CFR projection)	**645.1** (Based on current CFR projection)	**648.9** (Based on current CFR projection)	**655.5** (Based on current CFR projection)

Table 6: Authorised borrowing limit

52. **Prudential indicator 6B – operational boundary**. In addition to the "authorised borrowing limit", the operational boundary is the maximum level of debt allowed for on an ongoing operational purpose. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational boundary	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Gross projected debt	**379.7**	**472.5**	**499.2**	**514.0**	**527.4**	**544.1**
Total CFR	**494.6**	**580.9**	**599.4**	**605.1**	**608.9**	**615.5**

Short term liquidity	30.4	10.0	10.0	10.0	10.0	10.0
Total	**525.0** (£525.0m set at 2022/23 Strategy)	**590.9** (Based on current CFR projection)	**609.4** (Based on current CFR projection)	**615.1** (Based on current CFR projection)	**618.9** (Based on current CFR projection)	**625.5** (Based on current CFR projection)

Table 7: Operational boundary

Prospects for interest rates

53. Current interest rates and the future direction of both long term and short term interest rates have a major influence on the overall treasury management strategy and affects both investment and borrowing decisions. To facilitate treasury management officers in making informed investment and borrowing decisions, the Council has appointed the Link Group as its treasury adviser. Part of their service is to assist the Council in formulating a view on interest rates. Table 9 below gives Link's central view. These are forecasts for certainty rates, gilt yields plus 80 bps. (See also Annex A):

	Bank rate %	**PWLB borrowing rates % (including certainty rate adjustment)**		
		5 year	**25 year**	**50 year**
Dec 2022	3.50	4.20	4.60	4.30
Mar 2023	4.25	4.20	4.60	4.30
Dec 2023	4.50	4.00	4.40	4.10
Mar 2024	4.00	3.90	4.20	3.90
Dec 2024	3.25	3.50	3.90	3.60
Mar 2025	3.00	3.40	3.70	3.50
Dec 2025	2.50	3.10	3.50	3.20

Table 8 – Link's interest rate forecast as at 19th December 2022

54. Market expectations remain for Bank Rate to peak at 4.5% by mid-2023, and the Chancellor's Budget will take place on 15 March 2023, accompanied by analysis from the Office for Budget Responsibility. The overall balance of risks to economic growth in the UK is to the downside and these downside risks for the UK gilt market and PWLB rates include labour and supply shortages, the impact of interest rates rises coming too quickly or going too far, trade flows and trade arrangements, and geopolitical risks. Upside risks include interest rate rises coming too late or not going far enough leading to further inflationary pressures building, government policy on the public finances, a weaker pound, and impacts of US treasury policy. As there are many variables at this time, caution must be exercised in respect of all interest rate forecasts.

Investment and borrowing rates

55. Investment returns have improved in 2022/23 due to increases in the Bank of England Base Rate and with further increases expected in 2023/24 this trend should continue. However, this is dependent on the level of cash held for investment purposes, cash backed reserves and cash flow requirements (see paragraphs 46 - 47). The policy of avoiding new borrowing by running down spare cash balances to fund the capital programme has served well over the last few years, and as such it may be that, as cash is kept in more liquid short term investments, returns are not as high as market averages.

56. In March 2020, the Government started a consultation process for reviewing PWLB borrowing terms for different types of local authority capital expenditure. Revised guidance was published in November 2020 and updated in May 2022. Capital spending committed to from 26th November 2020 has to comply with the revised borrowing terms which provides permissible categories of capital spending in line with the prudential system and denies access to borrowing from the PWLB for any local authority which has purchase of investment assets for yield in its three year capital programme.

57. Link's long-term (beyond 10 years) forecast for Bank Rate is 2.50%. Currently all PWLB certainty rates are now above this level. Where greater value can be obtained in borrowing for shorter maturity periods the Council will assess its risk appetite in conjunction with budgetary pressures to reduce total interest costs. Temporary borrowing rates, including inter authority borrowing, are likely to remain near Bank Rate and are another borrowing option whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023. Longer-term borrowing could also be undertaken for the purpose of certainty, where that is desirable, or for flattening the profile of a heavily unbalanced maturity profile.

58. While the Council will not be able to avoid borrowing to finance new capital expenditure, to replace maturing debt and the rundown of reserves, there will be a cost of carry, (the difference between higher borrowing costs and lower investment returns), to any new borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost.

Borrowing strategy

59. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the

interest rate forecast. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This can be seen on the Liability Benchmark graph as shown by the gap between the loans outstanding and CFR (See paragraph 41 and graph 1 Liability Benchmark).

60. This strategy remains prudent as medium and longer dated borrowing rates are currently at elevated levels but expected to fall as inflation decreases from the effects of a tightening of near-term monetary policy as there are increases in Base Rate. Investment returns for short term liquid investments are still below borrowing rates and counterparty risk is still an issue that needs to be considered. Consideration will also be given to the maturity profile of the debt portfolio so the Council is not overly exposed to the concentration of debt being in any one year.

61. Against this background and the risks within the economic forecast, caution will be adopted with the treasury operations. The S.151 officer will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

    - If it was felt that there was a significant risk of a sharp fall in long and short term borrowing rates, then long term borrowing will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered in the interim period.
    - If it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn down whilst interest rates are lower than they are projected to be in the next few years.

62. The HRA strategy for borrowing will be the same as the borrowing strategy described above for the whole Council. The HRA Business Plan will guide and influence the overall HRA borrowing strategy.

63. All decisions will be reported to the appropriate decision making body (Executive and Audit & Governance Committee) at the next available opportunity.

Prudential Indicator 6 – Maturity of borrowing

64. Officers will monitor the balance between variable and fixed interest rates for borrowing and investments to ensure the Council is not exposed to adverse fluctuations in fixed or variable interest rate movements. This is likely to reflect higher fixed interest rate borrowing if the borrowing need is high or fixed interest rates are likely to increase, or a higher variable rate exposure if fixed interest rates are expected to fall.

Conversely if shorter term interest rates are likely to fall, investments may be fixed earlier, or kept shorter if short term investment rates are expected to rise.

65. The balance between variable rate debt and variable rate investments will be monitored as part of the overall treasury function in the context of the overall financial instruments structure and any under or over borrowing positions. The Council does not currently have any variable rate debt.

66. The upper and lower limits for the maturity structure of fixed rate borrowing are set out below (with actual split for the current financial year included for comparison). This gross limit is set to reduce the Council's exposure to large fixed rate sums falling due for refinancing in a confined number of years.

Maturity structure of borrowing				
	Lower	**Upper**	**2022/23 Debt (%)**	**2022/23 Debt (£)**
Under 12 months	0%	30%	4%	£10.7m
12 months to 2 years	0%	30%	2%	£7.2m
2 years to 5 years	0%	40%	13%	£40.9m
5 years to 10 years	0%	40%	28%	£84.2m
10 years and above	30%	90%	53%	£160.0m
Total Borrowing			**100%**	**£303.0m**

Table 9: Maturity structure of borrowing at 31st December 2022

Policy on borrowing in advance of need

67. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

68. Borrowing in advance will be made within the constraints of the CIPFA Prudential Code that:

- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
- The authority would not look to borrow more than 36 months in advance of need

69. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling

70. Debt rescheduling of current Public Works Loan Board (PWLB) borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between the premature repayment rates and new borrowing rates provided by the PWLB. When in a low interest rate environment this would mean the cost of prematurely repaying any PWLB loans would come with higher premium costs to exit any loans. Debt rescheduling opportunities will be monitored and debt rescheduling will be considered if market conditions mean the difference between premature redemption rates and new borrowing rates are such that it is prudent to do so.

71. If rescheduling was done, it will be reported to the Executive / Audit & Governance Committee at the earliest meeting following its action.

Municipal Bond Agency

72. The establishment of the UK Municipal Bonds Agency was led by the Local Government Association (LGA) following the 2010 Autumn Statement which resulted in higher PWLB rates, greatly increasing the cost of new borrowing and refinancing. The purpose of the Agency is to deliver cheaper capital finance to local authorities. It will do so via periodic bond issues and by facilitating greater inter-authority lending. The Agency is wholly owned by 56 local authorities and the LGA. The Council will make use of this source of borrowing as and when appropriate.

Other borrowing sources

73. Currently the PWLB Certainty Rate is set at gilts + 80 basis points for both HRA and non-HRA borrowing. However, consideration may still need to be given to sourcing funding from other sources such as Local Authorities, Banks and other Financial Institutions. Our advisors will keep us informed as to the relative merits of each of these alternative funding sources.

Annual investment strategy

Investment policy – management of risk

74. The Department of Levelling Up, Housing and Communities (DLUHC) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

75. The Council's investment policy has regard to the following:

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

76. The Council's investment priorities will be security first, portfolio liquidity second and then yield (return), and finally Ethical, Social & Governance critieria using the FTSE4GOOD index, or any suitable alternative responsible investment index or information to be decided by the S.151 officer, to ensure that Ethical, Social and Governance issues are considered as a fourth critieria.

77. The above guidance from the DLUHC and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:

i. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.

ii. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.

iii. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

iv. This Council has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in Annex B under the categories of 'specified' and 'non-specified' investments.

    - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

- Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

v. Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix tables in Annex B.

vi. Transaction limits are set for each type of investment (see Annex B).

vii. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see Annex C).

viii. This authority has engaged external consultants, (see paragraphs 21 to 23), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.

ix. All investments will be denominated in sterling.

x. As a result of the change in accounting standards for 2022/23 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, (MHCLG), concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23).

78. However, this Council will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 89). Regular monitoring of investment performance will be carried out during the year. In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs, which may result in lower investment returns due to lower rates being offered for short term investments.

Creditworthiness policy

79. This Council applies the creditworthiness service provided by the Link Group. This service employs a sophisticated modeling approach with credit ratings from the three main credit rating agencies - Fitch, Moody's

and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies;
- CDS spreads to give early warning of likely changes in credit ratings;
- sovereign ratings to select counterparties from only the most creditworthy countries.

80. This modelling approach combines credit ratings, credit watches, and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS (Credit Default Swap) spreads for which the end product is a series of colour code bands, which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years*
- Dark pink 5 years (for Ultra-Short Dated Bond Funds with a credit score of 1.25)
- Light pink 5 years (for Ultra-Short Dated Bond Funds with a credit score of 1.5)
- Purple 2 years
- Blue 1 year (only applies to nationalised or part nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

**The yellow category is for UK Government debt or its equivalent (government backed securities), and money market funds.*

81. The Link creditworthiness service uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue weighting to just one agency's ratings.

82. Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of F1 and Long Term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.

83. All credit ratings are monitored on a daily basis. The Council is alerted to changes to ratings of all three agencies through its use of the Link Group creditworthiness service:

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
- In addition to the use of credit ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a daily basis by Link. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list.

84. Although sole reliance is not placed on the use of this external service, as the Council uses market data and market information, as well as information on external and government support for banks (and the credit ratings of that supporting government), the suitability of each counterparty is based heavily on advice from Link.

85. Whilst the Council has determined that it will not limit investments to UK banks, due care will be taken to consider the country, group and sector exposure of the Council's investments. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign rating of AA- (excluding the UK) from Fitch (or equivalent). The list of countries that qualify using this credit criteria as at the date of this report are shown in Annex C. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

Investment strategy

86. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainableby investing for longer periods. While most cash balances are required in order to manage ups and downs of cash flow, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

87. If it is thought that Bank Rate is likely to rise significantly within the time horizon being considered, then consideration will be given to keeping most investments short term or variable. Conversely, if it is thought that Bank Rate is likely to fall within that time period, consideration will be given to locking in higher rates currently obtainable, for longer periods.

88. For its cash flow generated balances, the Council will seek to use a combination of business reserve instant access and notice accounts (call accounts), short dated fixed term deposits and Money Market Funds. In addition, the Council will look for investment opportunities in longer dated term deals with specific counterparties that offer enhanced rates for

Local Authority investment. All investment will be undertaken in accordance with the creditworthiness policy set out above.

89. The Council will use an investment benchmark to assess the performance of its investment portfolio of average SONIA (Sterling Overnight Index Average) rate. The benchmark is a simple guide with the purpose to allow officers to monitor the curent and trend position and amend the operational stategy of investments while maintaining compliance with the investment priorities set out in paragraphs 74 - 78.

90. **Prudential indicator 8** - total principal investment funds invested for greater than 364 days. This limits is set with regards to the Council's liquidity requirements and are based on the availability of funds after each year-end. A maximum principal sum to be invested for greater than 364 days is £15m.

	2022/23 Estimate £m	2023/24 Estimate £m	2024/25 Estimate £m	2025/26 Estimate £m	2026/27 Estimate £m	2027/28 Estimate £m
Maximum limit per year for Investments > 364 days	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**
Current investments as at 31/12/22 in excess of 364 days maturing in each year	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**

Table 10: Investments over 364 days

91. At the end of the financial year, the Council will report on its investment activity as part of its annual treasury report. It should be noted that the Investment policy, creditworthiness policy and investment startegy are applicable to the Council's overall surplus funds and are also applicable to the HRA.

Consultation and options

92. At a strategic level, there are a number of treasury management options available that depend on the Council's stance on interest rate movements. The treasury management function of any business is a highly technical area, where decisions are often taken at very short notice in reaction to the financial markets. Therefore, to enable effective treasury management, all operational decisions are delegated by the Council to the Chief Finance Officer, who operates within the framework set out in this strategy and through the treasury management policies

and practices. In order to inform sound treasury management operations the Council works with its treasury management advisers, the Link Group. Link offers the Council a comprehensive information and advisory service that facilitates the Council in maximising its investment returns and minimise the costs of its debts.

93. Treasury Management strategy and activity is influenced by the capital investment and revenue spending decisions made by the Council. Both the revenue and capital budgets have been through a corporate process of consultation and consideration by the elected politicians. The revenue budget and capital budget proposals are included within this agenda.

Council Plan

94. The Treasury Management Strategy Statement and Prudential Indicators are aimed at ensuring the Council maximises its return on investments and minimises the cost of its debts whilst operating in a financial environment that safeguards the Councils funds. This will allow more resources to be freed up to invest in the Council's priorities, values and imperatives, as set out in the Council Plan.

Implications

Financial

95. The financial implications of the Treasury Strategy are set out in the Financial Strategy and Capital Strategy reports also on this agenda.

Human Resources (HR)

96. There are no HR implications as a result of this report

Equalities

97. There are no equalities implications as a result of this report

Legal Implications

98. Treasury management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

Other implications

99. There are no crime and disorder, information technology or property implications as a result of this report

Risk management

100. The Treasury Management function is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003 (as amended), supporting regulations, the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice (the code) are all adhered to as required.

<table>
<tr><td>Report authors:</td><td colspan="4">Chief officer responsible for the report:</td></tr>
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Emma Audrain
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<tr><td colspan="4"></td></tr>
<tr><td colspan="4">Wards Affected: Not Applicable</td><td></td></tr>
</table>

For further information please contact the author(s) of the report

Background papers

none

Annexes

Annex A – Interest rate forecast
Annex B – Specified and non-specified investments categories schedule
Annex C – Approved countries for investments
Annex D – Scheme of delegation and the role of the Section 151 officer

5.2 Annex A: Interest Rate Forecasts 2022 – 2025.

PWLB forecasts shown below have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012.

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

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Specified and non-specified investments categories **Annex B**

A variety of investment instruments will be used, subject to the credit quality of the institution, to place the council's surplus funds. The criteria, time limits and monetary limits applying to institutions or investment vehicles are listed in the tables below.

Investments are split into two categories of specified investments and non-specified Investments. Specified investments are relatively high security and high liquidity investments, which must be sterling denominated and with a maturity of no more than a year. Non-specified investments are those investments with a maturity period of greater than one year or are still regarded as prudent but may require more detailed scrutiny and assessment procedures.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this council. To ensure that the council is protected from any adverse revenue impact, which may arise from these differences, treasury officers will review the accounting implications of new transactions before they are undertaken.

Specified investments:

Counterparty type	Minimum 'high' credit criteria/colour band	Maximum investment limit per counterparty institution	Maximum maturity period
DMADF – UK Government	*UK sovereign rating Yellow*	*£15m*	*6 months**
UK Government Treasury Bills	*UK sovereign rating Yellow*	*£15m*	*364 days**
UK Government Gilts	*UK sovereign rating Yellow*	*£15m*	*1 year*
Term deposits - local authorities	*UK sovereign rating Yellow*	*£15m*	*1 year*
Part-nationalised UK Banks	*Blue*	*£15m*	*1 year*
Term Deposits - UK Banks and Building Societies	*Orange* *Red* *Green*	*£15m* *£15m* *£8m*	*1 year* *6 months* *100 days*
Term Deposits - Non-UK Banks	*Sovereign rating of AA-* *Orange* *Red* *Green*	*£15m* *£15m* *£8m*	*1 year* *6 months* *100 days*

Certificates of Deposits issued by Banks and Building Societies	*Blue* *Orange* *Red* *Green*	*£15m* *£15m* *£15m* *£8m*	*1 year* *1 year* *6 months* *100 days*
Collective investment schemes structured as open ended investment companies (OEICs) as below:-			
*1. Money Market Funds (CNAV**)*	*AAA*	*£15m*	*Liquid*
*2. Money Market Funds (LVNAV**)*	*AAA*	*£15m*	*Liquid*
*3. Money Market Funds (VNAV**)*	*AAA*	*£15m*	*Liquid*
4. Ultra-Short Dated Bond Funds	*AAA*	*£15m*	*Liquid*
5. Bond Funds	*AAA*	*£15m*	*Liquid*
6. Gilt Funds	*UK sovereign rating*	*£15m*	*Liquid*

* Maximum set by the UK Debt Management Office of HM Treasury

***CNAV – constant net asset value*
***LVNAV – low volatility net asset value*
***VNAV – variable net asset value*

***NON-SPECIFIED INVESTMENTS**:*
A maximum of 100% can be held in aggregate in non-specified investments

1. Maturities of ANY period

Counterparty type	***Minimum credit criteria***	**Maximum investment limit per counterparty institution**	**Maximum Maturity Period**
Fixed term deposits with variable rate and variable maturities: - Structured deposits	*UK sovereign rating or Sovereign rating of AA-* *Yellow* *Purple* *Blue* *Orange* *Red* *Green*	*£15m* *£15m* *£15m* *£15m* *£15m* *£8m*	*5 year* *2 year* *1 year* *1 year* *6 months* *100 days*
Certificates of Deposits issued by Banks and Building Societies	*UK sovereign rating or Sovereign rating of AA-* *Yellow* *Purple* *Blue* *Orange* *Red* *Green*	*£15m* *£15m* *£15m* *£15m* *£15m* *£8m*	*5 year* *2 year* *1 year* *1 year* *6 months* *100 days*

Floating Rate Notes	*Long-term AAA*	*£15m*	*1 year*
Collective investment schemes structured as open ended investment companies (OEICs) as below:-			
Property Funds: the use of these investments may constitute capital expenditure	*AAA-rated*	*£15m*	*5 years*

2. *Maturities in excess of 1 year*

Term Deposits– local authorities	*UK Sovereign Rating*	*£15m*	*> 1 year & < 5 years*
Term deposits – Banks and Building Societies	*UK sovereign rating or Sovereign rating of AA-* *Yellow* *Purple* *Blue* *Orange* *Red* *Green*	 *£15m* *£15m* *£15m* *£15m* *£15m* *£8m*	 *5 year* *2 year* *1 year* *1 year* *6 months* *100 days*
Certificates of Deposits issued by Banks and Building Societies not covered by UK Government guarantee	*UK sovereign rating or Sovereign rating of AA-* *Yellow* *Purple* *Blue* *Orange* *Red* *Green*	 *£15m* *£15m* *£15m* *£15m* *£15m* *£8m*	 *5 year* *2 year* *1 year* *1 year* *6 months* *100 days*
UK Government Gilts	*UK sovereign rating*	*£15m*	*> 1 year & < 5 years*
Collective investment schemes structured as open ended investment companies (OEICs) as below:-			
1. Bond Funds	*Long-term AAA*	*£15m*	*> 1 year & < 5 years*
2. Gilt funds	*UK sovereign rating*	*£15m*	*> 1 year & < 5 years*

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Approved countries for investments **Annex C**

This list is based on those countries which have sovereign ratings of AA- or higher, (we show the lowest rating from Fitch, Moody's and S&P) and also, (except - at the time of writing - for Hong Kong, Norway and Luxembourg), have banks operating in sterling markets which have credit ratings of green or above in the Link credit worthiness service.

This list is as at 19/12/22

Based on lowest available rating

AAA

- Australia
- Denmark
- Germany
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland

AA+

- Canada
- Finland
- U.S.A.

AA

- France

AA-

- Belgium
- U.K

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Treasury management scheme of delegation **Annex D**

(i) Executive / Full Council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy and annual outturn

(ii) Executive

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities

(iii) Audit & Governance Committee

- receiving and reviewing reports on treasury management policies, practices and activities
- reviewing the annual strategy, annual outturn and mid year review.

(iv) Chief Finance Officer (section 151 officer)

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- all operational decisions are delegated by the council to the Chief Finance Officer, who operates within the framework set out in this strategy and through the treasury management policies and practices
- Approving the selection of external service providers and agreeing terms of contract in accordance with the delegations in financial regulations.

The treasury management role of the section 151 officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- all operational decisions delegated by the council to the Chief Finance Officer (s151 officer), who operates within the framework set out in this strategy and through the treasury management policies and practices
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit
- recommending the appointment of external service providers.

- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following*: -*
    - *Risk management, including investment and risk management criteria for any material non-treasury investment portfolios;*

    - *Performance measurement and management, including methodology and criteria for assessing the performance and success of non-treasury investments;*

    - *Decision making, governance and organisation, including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*

    - *Reporting and management information, including where and how often monitoring reports are taken;*

    - *Training and qualifications, including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*