

Notice of meeting of

Executive

To:	Councillors Steve Galloway (Chair), Aspden, Sue Galloway, Jamieson-Ball, Reid, Runciman, Sunderland, Vassie and Waller
Date:	Tuesday, 12 February 2008
Time:	2.00 pm
Venue:	The Guildhall, York

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Monday 11 February 2008, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 14 February 2008, if an item is called in *after* a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

1. Declarations of Interest

At this point, Members are asked to declare any personal or prejudicial interest they may have in the business on this agenda.

2. Exclusion of Press and Public

To consider the exclusion of the press and public from the meeting during consideration of the following:

Annex A to Agenda Item 10 (Capital Programme Budget 2008/09 to 2010/11) on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. Minutes (Pages 3 - 8)

To approve and sign the minutes of the meeting of the Executive held on 29 January 2008.

4. Public Participation / Other Speakers

At this point in the meeting, members of the public who registered their wish to speak regarding an item on the agenda or an issue within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday 11 February 2008.**

5. Executive Forward Plan (Pages 9 - 12)

To receive details of those items that are listed on the Executive Forward Plan for the next two meetings.

6. IMD and a Strategic Response (Pages 13 - 24)

This report, responding to a request made at the Executive meeting on 18 December 2007, presents proposals to instigate a pilot project to tackle deprivation in one geographically targeted area of the City, on the basis of the latest published information on the Index of Multiple Deprivation (IMD).

Note: An annex to this report, providing a fuller explanation of some of the terms used in the report, was added to the published agenda on 7 February 2008.

7. City of York Local Development Framework (LDF) – Allocations Development Plan Document (DPD) (Pages 25 - 178)

This report seeks approval to publish the Local Development Framework Allocations Development Plan for consultation purposes, subject to the recommended amendments agreed by the LDF Working Group at their meeting on 22nd January 2008.

8. Treasury Management Strategy Statement and Prudential Indicators for 2008/09 to 2011/12 (Pages 179 - 234)

This report asks the Executive to recommend to Council an integrated Treasury Management Strategy Statement (including the annual investment strategy), the proposed Prudential Indicators for 2008/09 to 2011/12 and the use of the revised Treasury Management Policy and the Treasury Management Practices.

9. Revenue Budget 2008/09 (Pages 235 - 344)

This paper presents the Revenue Budget proposals for 2008/09, details the potential financial position for the Council in 2009/10 and 2010/11 and asks the Executive to make appropriate recommendations to Council on the Budget.

10. Capital Programme Budget 2008/09 - 2010/11 (Pages 345 - 370)

This report sets out the proposed capital programme budget for the period 2008/09 to 2010/11 and asks the Executive to make appropriate recommendations to Council.

11. Urgent Business - Access York Major Scheme Bid: Phase 1. Proposed submission to the Regional Transport Board (Pages 371 - 388)

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

The Chair has agreed to consider under this item a report which seeks endorsement for the submission of a bid for funding from the Regional Transport Board for the development of 3 Park & Ride sites at Askham Bar, the A59 near Poppleton, and Clifton Moor. The matter is urgent due to the need to meet the submission deadline of 15 February 2008 and the amount of work required to prepare the bid.

Note: The above report was added to the on-line agenda on 6 February 2008.

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551027
- E-mail – fiona.young@york.gov.uk

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

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

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City of York Council

Committee Minutes

MEETING

EXECUTIVE

DATE

29 JANUARY 2008

PRESENT

COUNCILLORS STEVE GALLOWAY (CHAIR),
 ASPDEN, SUE GALLOWAY, JAMIESON-BALL,
 REID, RUNCIMAN, SUNDERLAND, VASSIE AND
 WALLER

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS**145. DECLARATIONS OF INTEREST**

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

146. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex B to agenda item 7 (Establishing an Integrated Youth Service for York), on the grounds that it contains information which is likely to reveal the identity of an individual and information relating to negotiations in connection with a labour relations matter arising between the authority and its employees. Such information is classed as exempt under paragraphs 2 and 4 respectively of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

147. MINUTES

RESOLVED: That the minutes of the Executive meeting held on 15 January 2008 be approved and signed by the Chair as a correct record.

148. PUBLIC PARTICIPATION / OTHER SPEAKERS

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

With the Chair's permission, Cllr Potter addressed the meeting in respect of agenda item 8 (Age Friendly Cities), as the proposer of the notice of motion on behalf of the Older People's Assembly (OPA). She outlined the background to the motion, explaining that the twelve key points had been drawn up by the OPA using information obtained from a series of forums,

each attended by up to 100 older people. The motion therefore represented the views of York's older residents with regard to their future involvement in the development of services across the City, but it also had relevance to York residents generally.

149. EXECUTIVE FORWARD PLAN

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

150. ANNUAL GOVERNANCE STATEMENT

Members considered a report which introduced the Annual Governance Statement (AGS), which would replace the Statement on Internal Control (SIC), advised of the changes resulting from this new statutory requirement and sought approval for a proposed process and timetable for completion of the 2007/08 AGS. The report had already been presented to the Audit and Governance Committee, who had approved the recommendations.

New guidance published recently by CIPFA/SOLACE, entitled '*Delivering Good Governance in Local Government Framework*', set out the six core principles of governance which authorities were required to adopt. It also introduced a requirement to prepare an AGS instead of an SIC, from 2007/08 onwards. To enable preparation of the AGS, a number of changes would be needed to the existing SIC processes. Details of these proposed changes were set out in paragraph 12 of the report. A proposed timetable for the 2007/08 AGS, culminating in its approval by full Council following completion of final amendments by 13 June 2008, was set out in paragraph 14.

It was noted that Internal Audit was currently undertaking a follow up exercise to identify progress made in addressing the significant control issues identified in the 2006/07 SIC, a copy of which was attached as Annex 1. Results of this review would be reported to the Audit and Governance Committee in April 2008.

Having noted the comments of the Shadow Executive, it was

RESOLVED: (i) That the new statutory requirement for the Council to produce an Annual Governance Statement and to publish this as part of the 2007/08 Statement of Accounts be noted.

(ii) That the proposed process and timetable for completion of the 2007/08 AGS be agreed.¹

REASON: To ensure that the Council complies with relevant legislation.

Action Required

1. Implement the process for completing the 2007/08 AGS. SA

151. ESTABLISHING AN INTEGRATED YOUTH SERVICE FOR YORK

Members considered a report which summarised progress made towards establishing an integrated service for young people in York, following the Executive's in-principle decision, on 27 February 2007, to adopt a directly-managed model when responsibility for the Connexions service transferred to local authorities in April 2008.

A similar report had been considered on 21 January 2008 at the meeting of the Executive Members for Children's Services and Advisory Panel. The Executive Member for Youth and Social Inclusion had agreed the recommendations set out in that report, including those to:

- Approve the actions and remit described in Annex B to the report.
- Bring the Connexions service in-house from 1 April 2008 and that the necessary steps be taken to effect a smooth transfer of staff and functions from that date.
- Approve the proposed structure for the new service, as set out in Annex B.
- Approve in principle the expenditure of the one-off costs set out in Annex A, subject to reasonable Officer discretion over the detailed works schedules and the priorities within them.
- Agree that three minor but significant contracts with third parties that are currently held by Connexions (described in Annex D) be rolled over for a further year pending a fuller impact assessment.

It was noted that the report had been brought to Executive mainly to confirm that all necessary measures had been taken to achieve a smooth transfer and that the risks were being properly managed. Details of the actions being taken to manage financial and service risks were set out in paragraphs 31 to 33.

Having noted the decisions of the Executive Member and the comments of the Shadow Executive on this item it was

RESOLVED: (i) That the detailed work undertaken to plan for the new integrated service for young people in York since the decision in principle to bring the Connexions service in-house, including wide consultation with stakeholders, staff and young people and intensive negotiations with the current service provider, be noted.

REASON: To ensure that the Council discharges its statutory obligations in the most efficient and effective manner, consistent with the vision of a professional, holistic, locality-based service for young people.

(ii) That the financial and other risks that exist, particularly around the TUPE matters that are still a matter of dispute with the current provider, the actions taken to minimise such risks, the contingency sums laid aside within the Connexions budget and also the Corporate contingency budget, be noted.

REASON: To accept that, while these risks cannot be eliminated altogether, Officers' negotiations and preparations have brought them within acceptable levels.

(iii) That the decision to bring the Connexions service in-house from 1 April 2008 be confirmed, and that the necessary steps be taken to effect a smooth transfer of staff and functions from that date.¹

REASON: To initiate the final steps needed to effect the transfer, including confirmation to the staff affected and the drawing up of the relevant transfer documentation.

(iv) That the following issues, which have been considered in more detail by the Executive Members for Children's Services, be noted:

- a) The proposed structure for the new service, set out in Annex B to the report.
- b) The IT and property implications, the proposed upgrades to accommodation at Kingswater, Fulford and Moor Lane and the one-off costs set out in Annex A that have been submitted to the Executive Member for approval, subject to reasonable Officer discretion over the detailed work schedules and the priorities within them.
- c) Three minor but significant contracts with third parties that are currently held by Connexions (described in detail in Annex D), to be considered as temporarily exempt from the authority's financial regulations and rolled over for a further year pending a fuller impact assessment.

REASON: To appreciate that these decisions have been taken to enable new staff to be allocated to a suitable function and location, allow senior posts to be graded and filled in accordance with HR policies and ensure continuity of service with minimum risk.

Action Required

1. Take steps to effect the transfer.

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152. MINUTES OF WORKING GROUPS

Members considered a report which presented the draft minutes of the Local Development Framework (LDF) Working Group meeting held on 18 December 2007.

The minutes did not include any resolutions requiring the specific endorsement or approval of the Executive. However, Members' attention was drawn in particular to the Group's early stage comments on the City Centre Area Action Plan (AAP), in Minute 29, and their comments in

respect of Phase 1 of the City of York Strategic Housing Land Availability Assessment (SHLAA), in Minute 30.

Members noted that the process of producing a Local Development Framework for York via the LDF Working Group was on track, but commented that the process should be accelerated where possible, to ensure the timely delivery of this vital plan for the City.

Having noted the comments of the Shadow Executive, it was

RESOLVED: That the minutes of the LDF Working Group be noted.

REASON: In accordance with the requirements of the Council's Constitution in relation to the role of Working Groups.

PART B - MATTERS REFERRED TO COUNCIL

153. AGE FRIENDLY CITIES

Members considered a report which examined the implications of a Notice of Motion to Council, submitted by Cllr Potter for initial consideration by the Executive, in accordance with the procedures set out in Standing Order 11(a)(i).

The Notice of Motion, set out in full in paragraph 2 of the report, invited Council to support the adoption in York of a set of key features in the recent World Health Organisation (WHO) guidance on building 'age-friendly' cities. The report outlined the contents and context of that guidance, which had been launched on 1 October 2007, to coincide with the International Day of Older Persons.

It was noted that the motion had been submitted on behalf of the Older People's Assembly, which represented a significant number of older people in York. It was further noted that the task of auditing York against the aims and objectives set out in the WHO guidance would be a major piece of work involving all Council departments. However, it should be expected that York was already meeting many of the standards laid down in the guidance. Members confirmed that this was the case and stressed the need for a corporate approach, to ensure that the needs of older people were not addressed in isolation from those of other sections of the community.

Having noted the comments of the Shadow Executive, it was

RECOMMENDED: (i) That the motion, and the accompanying report, be received at the next available meeting of Council, on 10 April 2008.¹

REASON: In accordance with the procedures set out in Standing Orders.

(ii) That Council refer the motion to the Social Inclusion Working Group and the Inclusive York Forum for their subsequent consideration, and action where appropriate.

REASON: To enable these groups to consider the guidance referred to in the motion and make any future recommendations.

Action Required

1. Include the motion on the agenda for the April 2008 meeting of Council. GR

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 2.35 pm].

EXECUTIVE FORWARD PLAN

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 26 February 2008		
Title & Description	Author	Portfolio Holder
<p>CPA Use of Resources 2007</p> <p><i>Purpose of report:</i> <i>To advise Members of the outcomes of the 2007 CPA UOR assessment, prior to national publication by the Audit Commission.</i></p> <p><i>Members are asked to:</i> <i>Note the information contained in the report.</i></p>	Liz Ackroyd	Executive Member for Corporate Services
<p>Review Report – Neighbourhood Management</p> <p><i>Purpose of report:</i> <i>To consider models of neighbourhood management, seek clarity over the corporate role of Neighbourhood Action Plans, discuss options for devolution at a Ward Committee or Area Forum level, the impact of community call for action and the transfer of community assets, amongst other issues. The report also provides a context of the current structure of the Neighbourhood Management Unit.</i></p> <p><i>Members are asked to consider the information provided and agree a way forward.</i></p>	Andy Hudson	Executive Member for Neighbourhood Services
<p>Future of City Archives Services</p> <p><i>Purpose of the report:</i> <i>The report will update Members on options for future development of the City Archive service over the next 20 years.</i></p> <p><i>Members are asked to:</i> <i>Consider options that they wish to see further developed.</i></p>	Charlie Croft	Executive Member for Leisure & Culture

Review of Sub-National Economic Development and Future Working Within the Leeds City Region <i>Purpose of report:</i> <i>To set out background information on the Government's review of sub-national economic development and regeneration and to consider the implications for the Leeds City Region.</i> <i>Members are asked:</i> <i>Consider the proposed specific actions in order to maximise the benefits for York arising from the sub-national review, working within the context of the Leeds City Region.</i>	Roger Ranson	Executive Leader
Businesses in City Centre Peripheral Streets <i>Purpose of report:</i> <i>Referral of a motion presented to Council regarding businesses in City Centre peripheral streets, particularly Micklegate, Goodramgate and to a lesser extent Fossgate.</i> <i>Members are asked to:</i> <i>Consider specific actions in order to respond to the issues in the motion.</i>	Roger Ranson	Executive Leader

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 11 March 2008		
Title & Description	Author	Portfolio Holder
Review Report – Provision of Woodland and Tree Management Strategy <i>Purpose of report:</i> <i>The review report will indicate how the provision of more woodland can be achieved as part of a refined tree management strategy.</i> <i>Members are asked to:</i> <i>Consider the information provided and agree a way forward.</i>	Bill Woolley	Executive Leader
Revised Framework Agreement – Derwenthorpe	Bill Woolley	Executive Member for City Strategy

<i>Purpose of report:</i> <i>To advise Members of the revised terms.</i> <i>Members are asked to:</i> <i>Approve revised terms.</i>		
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Table 3: Items slipped on the Forward Plan with the agreement of the Group Leaders					
Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
None					

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Executive

12th February 2008

Report of the Director of City Strategy

IMD and a strategic response

Summary

1. This report arises out of the Executive at its meeting on 18th December to instigate a pilot project aimed at reducing deprivation in the worst performing IMD area of the city. It compares the latest Index of Multiple Deprivation (IMD) figures for York with the previous published figures.
2. From this research it is proposed that the pilot scheme be developed by the City of York Council, with partners, to tackle deprivation in one geographically targeted area of the city. The development of, and the results from, the pilot partnership scheme will be reported back to the Council and the Local Strategic Partnership, so that the lessons learned can be used to inform a city-wide approach to reducing deprivation.

Background

3. The latest Index of Multiple Deprivation (2007) Statistics for England were published by the Department for Communities and Local Government in December 2007.

Whilst published at the end of 2007 the figures were collected in 2005, and therefore may not accurately describe the situation as it is today. However, these figures do allow for a comparison with the previous published figures, which were collected in 2001.

In simple terms the overall IMD is made up of seven sets of statistics called “domains”. Not all domains are given equal value in determining the overall IMD and the table below describes each domain and its weighting.

Table 1: Domain Weights for the IMD 2007

	Domain Weight
Income Deprivation Domain	22.5 %
Employment Deprivation Domain	22.5%
Health Deprivation and Disability Domain	13.5%
Education, Skills and Training Deprivation Domain	13.5%
Barriers to Housing and Services Domain	9.3%
Crime Domain	9.3%
Living Environment Deprivation Domain	9.3%

The IMD provides a score for each Super Output area (SOA) within the York Unitary Authority (as a rule of thumb an SOA has approximately 200 dwellings within it).

Headline figures for York

4. When considering response mechanisms to the IMD it is important to look at each area in the city individually to try to ascertain the reasons behind each score. However, some overall figures will help set a context for a response.

- **Overall York's levels of deprivation are decreasing** - The 2004 IMD ranked York UA as 219 out of 354 local authorities (where 1 is the most deprived and 354 is the least deprived). In 2007 York is ranked at 242.
- **The numbers of deprived areas in York are reducing** - In 2004 York had 11 SOA's that were within the 20% most deprived in England, and one of them was within the 10% most deprived. In 2007 York had a reduced figure of 8 SOA's within the 20% most deprived and again one was within the 10% most deprived.
- **One SOA remains particularly disadvantaged** - It is the same SOA within the 10% most deprived for 2004 and 2007.

Care should be taken when considering ranking, as the change in position might be due to other local authorities performing better or worse rather than changes in York. However overall York's IMD scores are improving.

Bearing in mind the descriptions above, the following figures relate to each domain.

Indices Of Deprivation	Within the 20% Most Deprived		of which this number is within the 10% Most Deprived		Improvements Since 2004 IMD?
	2004 IMD	2007 IMD	2004 IMD	2007 IMD	
Overall IMD	11	8	1	1	▲
Income	10	9	3	1	▲
Employment	10	7	3	1	▲
Health Deprivation & Disability	3	2	0	0	▲
Education Skills & Training	14	13	7	7	▲
Barriers to Housing & Services	5	12	1	1	▼
Crime	35	26	18	14	▲
Living Environment	15	12	1	3	?
IDACI	11	8	6	4	▲
IDAOP1	4	6	2	1	?

In order to rank the current IMD for Wards within the city, average scores have been calculated from the total SOA scores within Wards.

Ward	Average Score
Westfield	30.08
Guildhall	23.51
Clifton	21.69
Heworth	20.48
Hull Road	17.55
Micklegate	15.43
Holgate	15.41
Acomb	14.21
Huntington and New Earswick	13.58
Fishergate	11.18
Dringhouses and Woodthorpe	10.08
Wheldrake	8.93
Osbaldwick	8.78
Strensall	8.57
Skelton	8.00
Bishophthorpe	7.10
Heslington	7.04
Fulford	6.10
Rural West York	5.70
Heworth Without	5.28
Haxby and Wigginton	4.89
Derwent	4.20

Details of SOA scores

5. The detailed results of each SOA, by domain, has been entered (by the Council's Economic Development Unit) onto a spreadsheet which compares their ranking, score, and percentage change between 2004 and 2007.

A detailed analysis is now required of the above results to help determine what policy changes and actions may be required to address these issues.

This spreadsheet is a large file and is difficult to print in an accessible format, therefore it is not attached to this report. Should any partner wish to look at this information in its current form please contact the authors of the report.

Initial thoughts prior to analysis

6. The IMD indicates that overall York is not as deprived as many other local authorities and that it has improved in terms of its ranking between 2004 and 2007. However, the city does still have 8 SOA's within the worst 20% in England.

As noted earlier the IMD is compiled from a number of domains. A range of partners and partnerships have a significant, and in some instances, a lead role to

play in tackling deprivation, e.g. the PCT, Police, Learning and Skills Council, Jobcentre Plus etc.

A detailed analysis is required to understand what is behind the figures within an SOA in order to suggest potential responses to improve the deprivation score. For example, a high scoring SOA may have above average numbers of elderly people on pensions (low incomes) in poor health and living in social housing (maybe even in an elderly persons sheltered housing scheme). In this instance it would not be helpful to consider actions relating to training and employability skills. It would be more appropriate to implement health education such as ways to avoid falls in the home. Therefore it is essential to cross reference local knowledge (from a range of partners) and demographic data to the IMD.

Consultation

7. The appropriate Ward Planning Committee has been briefed on the details behind the “most deprived” area report and their support for initiatives to address the issues has been agreed. A report has also been presented to the Local Strategic Partnership (WOW) Board which describes the proposal detailed below. The LSP will consider this proposal at its meeting on 28th January 2008.

Options

8. The option for Members is to consider the action set out below in response to the issue raised.

Analysis

9. It is acknowledged that more analysis is required with the involvement of key agencies in the city.

However, it is proposed that rather than delay action with further detailed analysis, the City Council lead and manage a pilot multi-agency programme – involving where appropriate the Ward (Planning) Committee - which will tackle deprivation initially in one geographical area of the city. The lessons learned and the results of this action will be reported back, at regular intervals, to the Council and the WOW Board to inform the partnership on how best to develop a city-wide approach to tackling deprivation.

The pilot team will be tasked to:

- Examine the likely causes of deprivation and consider appropriate responses.
- Assemble a working budget.
- Aim to reduce deprivation in one area of the city.
- Identify effective leadership roles to deliver actions and outcomes.
- Develop and deliver proposals, which provide outcomes supporting existing strategies of partnership agencies.
- Establish a template for a city-wide approach to tackling deprivation.
- Suggest how partners' resources might be better used through a joint approach.
- Develop interim success measures prior to the next IMD in 4 years time.
- Develop a reporting mechanism for actions and results.

Corporate Priorities

9. The Council's corporate strategy identifies a number of priorities relevant to the issues considered within this report:

- Improve the actual and perceived condition and appearance of the city's streets, housing estates and publicly accessible spaces.
- Reduce the actual and perceived impact of violent, aggressive and nuisance behaviour on people in York.
- Increase people's skills and knowledge to improve future employment prospects.
- Improve the economic prosperity of the people of York with a focus on minimising income differentials.
- Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest.
- Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.
- Improve the quality and availability of decent, affordable homes in the city.

Implications

10. Financial : There are potential financial implications for all partners involved in the proposed pilot. As yet the extent of the costs are unknown and the development of an adequate working budget will be one of the first tasks of the group.

11. Human resources: From past experience of similar work in Bell Farm and Clifton, a pilot project managed and lead through the council will have a call on staff time across directorates and particularly within the Economic Development and Partnerships team. This will have to be managed corporately along with other emerging priorities, e.g. responses to the Future York Report.

12. Equalities: The project will support the council meet part of its vision to promote cohesive and inclusive communities.

13. Legal: None

14. Crime and Disorder: Any action tackling deprivation will have a positive impact on crime and disorder.

15. Information Technology: None

16. Property: None

Risk Management

17. In compliance with the Council's risk management strategy. There are no risks associated with the recommendations of this report.

Recommendation

18. The Executive is requested to agree the actions set out in paragraph 8 above as a response to the new published information on the Index of Multiple Deprivation.

Reason: To reduce deprivation in the city, and to inform the Council and the Local Strategic Partnership on the development of an effective city-wide response to deprivation.

Contact Details

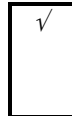
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Bill Woolley
Director of City Strategy

Report Approved



Date 31/1/08

Specialist Implications Officers: None

Wards Affected: All

All

For further information please contact the author of the report

Background Papers: The spreadsheet containing detailed comparative figures for all York SOA's is a large file and is difficult to print in an accessible format. Should any partner wish to look at this information in its current form it is held at the Economic Development Unit and published on the Council's intranet site (look under – Site content-Directorate-City Strategy-Economic Development Unit).

Annexes: None

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The English Indices of Deprivation 2007

Index of Multiple Deprivation (IMD)

The Concept of Multiple Deprivation

The IMD 2007 is a measure of multiple deprivation at the small area level. The model of multiple deprivation which underpins the IMD 2007 is based on the idea of distinct dimensions of deprivation which can be recognised and measured separately. These are experienced by individuals living in an area. People may be counted in one or more of the domains, depending on the number of types of deprivation that they experience. The overall IMD is conceptualised as a weighted area level aggregation of these specific dimensions of deprivation.

Domains and Indicators

Each of the seven Domains contains a number of component indicators. The criteria for inclusion of these indicators are that they should be 'domain specific' and appropriate for the purpose (as direct as possible measures of that form of deprivation); measuring major features of that deprivation (not conditions just experienced by a very small number of people or areas); up-to-date; capable of being updated on a regular basis; statistically robust; and available for the whole of England at a small area level in a consistent form.

The Domains

Income Deprivation Domain

The purpose of this domain is to capture the proportion of the population experiencing income deprivation in an area.

- Adults and children in Income Support Households (Source: Department for Work and Pensions (DWP) 2005)
- Adults and children in Income-Based JSA Households (Source: DWP 2005)
- Adults and children in Pension Credit (Guarantee) Households (Source: DWP 2005)
- Adults and children in those Working Tax Credit households where there are children in receipt of Child Tax Credit whose equivalised income (excluding housing benefits) is below 60 per cent of the median before housing costs (Source: HMRC 2005)
- Adults and children in Child Tax Credit Households (who are not eligible for IS, Income-Based JSA, Pension Credit or Working Tax Credit) whose equivalised income (excluding housing benefits) is below 60 per cent of the median before housing costs (Source: HMRC 2005)
- National Asylum Support Service (NASS) supported asylum seekers in England in receipt of subsistence support, accommodation support, or both (Source: NASS 2006)

In addition, an Income Deprivation Affecting Children Index (IDACI) and an Income Deprivation Affecting Older People Index (IDAOPI) were created. These two indices represent the proportion of children aged 0-15 living in income deprived households and the proportion of older people aged 60 and over living in income deprived households respectively.

Employment Deprivation Domain

This domain measures employment deprivation conceptualised as involuntary exclusion of the working age population from the labour market.

- Recipients of Jobseekers Allowance (both contribution-based and income

- based): men aged 18-64 and women aged 18-59 (Source: DWP 2005)
- Recipients of Incapacity Benefit: men aged 18-64 and women aged 18-59 (Source: DWP 2005)
 - Recipients of Severe Disablement Allowance: men aged 18-64 and women aged 18-59 (Source: DWP 2005)
 - Participants in the New Deal for the 18-24s who are not in receipt of JSA (Source: DWP 2005)
 - Participants in the New Deal for 25+ who are not in receipt of JSA (Source: DWP 2005)
 - Participants in the New Deal for Lone Parents (after initial interview) (Source: DWP 2005)

Health Deprivation and Disability Domain

This domain measures rates of poor health, early mortality and disability in an area and covers the entire age range.

- Years of Potential Life Lost (YPLL) (2001 to 2005, Source: ONS)
- Comparative Illness and Disability Ratio (CIDR) (2005, Source: DWP)
- Measures of acute morbidity, derived from Hospital Episode Statistics (2004 to 2005, Source: Department of Health)
- The proportion of adults under 60 suffering from mood or anxiety disorders based on prescribing (2005, Source: Prescribing Pricing Authority), Hospital Episode Statistics (2004 to 2005, Source: Department of Health) and Incapacity Benefit data (2005, Source: DWP)

Education, Skills and Training Deprivation Domain

This domain captures the extent of deprivation in terms of education, skills and training in a local area. The indicators are structured into two sub domains: one relating to education deprivation for children/young people in the area, and one relating to lack of skills and qualifications among a sub-set of the working age adult population.

Sub Domain: Children/young people

- Average test score of pupils at Key Stage 2 (2 year weighted average, 2004-2005, Source: Department for Children, Schools and Families (DCSF))
- Average test score of pupils at Key Stage 3 (2 year weighted average, 2004-2005, Source: DCSF)
- Best of 8 average capped points score at Key Stage 4 (this includes results of GCSEs, GNVQs and other vocational equivalents) (2 year weighted average, 2004-2005, Source: DCSF)
- Proportion of young people not staying on in school or non-advanced education above the age of 16, Source: HMRC Child Benefit (CB) data • Secondary school absence rate (2 year average 2004-2005, Source: DCSF)
- Proportion of those aged under 21 not entering higher education (5 year average, 2001-2005, Source: Universities and Colleges Admission Service (UCAS), Higher Education Statistics Agency (HESA))

Sub Domain: Skills

- Proportions of working age adults (aged 25-54) in the area with no or low qualifications (Source: 2001 Census)

Barriers to Housing and Services Domain

The purpose of this domain is to measure barriers to housing and key local services.

The indicators are structured into two sub-domains: 'geographical barriers', and 'wider barriers' which includes issues relating to access to housing, such as

affordability.

Sub Domain: Wider Barriers

- Household overcrowding (Source: 2001 Census)
- LA level percentage of households for whom a decision on their application for assistance under the homeless provisions of housing legislation has been made, assigned to the constituent SOAs (Source: Communities and Local Government, 2005)
- Difficulty of Access to owner-occupation (Source: modeled estimates produced by Heriot-Watt University, 2005)

Sub Domain: Geographical Barriers

- Road distance to a GP surgery (Source: National Administrative Codes Service, 2005)
- Road distance to a general stores or supermarket (Source: MapInfo Ltd, 2005)
- Road distance to a primary school (Source: DCFS, 2004-05)
- Road distance to a Post Office or sub post office (Source: Post Office Ltd, 2005)

Crime Domain

This domain measures the rate of recorded crime for four major crime types, representing the risk of personal and material victimisation at a small area level.

- Burglary (4 recorded crime offence types, Police Force data for April 2004-March 2005, constrained to Crime and Disorder Reduction Partnership (CDRP) level)
- Theft (5 recorded crime offence types, Police Force data for April 2004-March 2005, constrained to CDRP level)
- Criminal damage (10 recorded crime offence types, Police Force data for April 2004-March 2005, constrained to CDRP level)
- Violence (14 recorded crime offence types including Robbery, Police Force data for April 2004-March 2005, constrained to CDRP level).

The Living Environment Deprivation Domain

This domain focuses on deprivation with respect to the characteristics of the living environment. It comprises two sub-domains: the 'indoors' living environment which measures the quality of housing, and the 'outdoors' living environment which contains two measures about air quality and road traffic accidents.

Sub-Domain: The 'indoors' living environment

- Social and private housing in poor condition (2003 – 2005 average, Source BRE and Communities and Local Government, modelled EHCS)
- Houses without central heating (Source: 2001 Census)

Sub-Domain: The 'outdoors' living environment

- Air quality (2005, Source: Geography Department at Staffordshire University and NAEI modelled at LSOA level)
- Road traffic accidents involving injury to pedestrians and cyclists (2003-2005 average, Source: DfT, STATS19 (Road Accident Data) smoothed to LSOA level)

Lower Level Super Output Areas

LSOA - The Index of Multiple Deprivation 2007 (IMD 2007) which forms part of the ID 2007 is based on the small area geography known as Lower Super Output Areas (LSOAs). LSOAs have between 1000 and 3000 people living in them with

an average population of 1500 people. In most cases, these are smaller than wards, thus allowing the identification of small pockets of deprivation.



Executive

12th February 2008

Report of the Director of City Strategy

City of York Local Development Framework (LDF) – Allocations Development Plan Document (DPD)

Summary

1. The purpose of this report is to request that the Council's Executive approve the emerging LDF Allocations DPD (attached at Annex A) subject to the recommendations of the LDF Working Group meeting on 22nd January 2008 (Minutes included at Annex D), for consultation purposes. The intention, subject to Members' approval is for the Issues and Options for the Allocations DPD to be published for public consultation in March.

Background

2. The Allocations DPD is a key document in the LDF and will identify specific sites for development. The Allocations DPD sits alongside the Core Strategy which will identify an overall spatial strategy, in terms of identifying different options for the growth of York. The Allocations DPD will aim to deliver the visions and objectives as set out in the Core Strategy and will therefore need to bring forward sites that reflect the Spatial Strategy.
3. As Members are aware each Development Plan Document (DPD) produced is required to go through 3 main stages of production:
 - **Issues and Options Stage** – at this point the Council highlights key issues and options for consultation to inform the content, scope and direction of the DPD.
 - **Preferred Options Stage** – consultation on the Council's intended approach.
 - **Submission Stage** – consultation on the final document submitted by the Council to the Secretary of State for examination. Any comments received at this stage will be forwarded to the Planning Inspectorate for consideration.
4. The Allocations DPD is currently at its Issues and Options stage. This document sets out the Council's current position on site allocations in York; effectively the Local Plan position coupled with new evidence base findings. It is important to note that the sites put forward in this Issues and Options

document do not represent the Council's preferred sites or allocations. This will follow at the next stage of the development of this document. This first stage will primarily act as a "call for sites", allowing consultees to submit sites for any range of uses using the response form provided by ourselves (attached at Annex C). These will then be assessed against the spatial strategy developed as a part of the Core Strategy process, alongside sites that the Council is already aware of such as those sites which were identified through the Strategic Housing Land Availability Assessment and the Local Plan.

5. The document consists of three introductory chapters which set out how the Allocations DPD fits in with the LDF process, "what makes a good site?", and how people can become involved. The chapters which follow are topic-based and include: Green Belt and Settlement Limits, Housing, Employment, Retail, Transport, Waste and Minerals and Other Uses. These chapters set out topic-specific national and regional policy, any relevant evidence base and in some cases a list of potential sites. All the sites included by the Council are identified within the specific chapters and plans of the sites are contained in the Map Annex (Annex B of this report).
6. At this stage, the Council has identified 35 sites that could potentially be allocated for a residential use and 17 potential employment sites. These are located throughout York and vary greatly in size and character. Castle Piccadilly has been identified as the only potential retail site. Further sites may come forward through the new Retail Study which we hope to bring to Members in the spring. Two site options have been included as a potential replacement site for the Beckfield Lane Household Waste Recycling Centre. General areas have been identified for new, replacement or expanded transport facilities such as park and rides, a multi-modal interchange, a tram-train network and highway improvements.
7. The Allocations Issues and Options document was taken to the LDF Working Group meeting on 22nd January 2008. The discussions and recommendations of this meeting are included in Annex D of this report.
8. The next step, before progressing to the Preferred Options stage, will be to assess all of the sites. The Core Strategy provides the overall spatial strategy for the city and it is important that the sites allocated in the Allocations DPD will deliver the vision and aims set out in the Core Strategy in terms of the general location of new development. They will therefore be assessed for how they 'fit' with the Core Strategy and those that do not fit will be rejected. Following this, the methodologies that have already been produced for housing and employment, in the Strategic Housing Land Availability Assessment and the Employment Land Review respectively will be used to assess the acceptability of sites against a more detailed list of site specific criteria. Other key factors that need to be taken into account when assessing the suitability of sites are the emerging Regional Spatial Strategy and National Government Policy as contained in Planning Policy Guidance/Statements.

Sustainability Appraisal (SA)

9. When producing LDFs local authorities are required to consider, at each stage of production, the impacts their proposals are likely to have on sustainable development. This is done through undertaking a joint strategic environmental assessment and sustainability appraisal of the document concerned in accordance with EU Directives and the Planning and Compulsory Purchase Act and the publication of the Appraisal so that those responding to any consultation are aware of the economic, social and environmental implications of certain approaches. It is intended to test the performance of a plan against the objectives of sustainable development and thereby provide the basis for its improvement.
10. A Scoping Report has been completed and a Sustainability Statement will be produced to accompany the Allocations DPD Issues and Options once this document has been approved by Members. This will provide a brief overview of sustainability matters raised at the Issues and Options stage and will provide a reference for those wishing to comment on the Issues and Options by highlighting the implications for sustainable development of the proposed development options.

Consultation

11. A draft of the document has been consulted on internally and the comments received have been considered and incorporated into this version.
12. The proposed external consultation will comply with York's newly adopted Statement of Community Involvement (SCI) and Regulation 25 of The Town and Country Planning (Local Development) (England) Regulations 2004 which requires Local Authorities to consult on the Issues and Options stage of a DPD. It is anticipated that the external consultation will run for a 8-week period. As part of the consultation a press release will be issued, copies of the document will be available in public libraries, Council offices and on the Council's website, and existing consultees included on the Council's database will be contacted. Following this meeting and further discussions with Members, a Consultation Strategy will be produced which will set out the precise methodology to be used.
13. Consultees will have the opportunity to comment on the potential sites as set out in the Issues and Options document and Annex and will also be invited to submit sites which they think are suitable for development.

Options

14. Members have the following options to consider in relation to the Allocations DPD Issues and Options Document:

Option 1: To approve the document subject to the recommendations of the LDF Working Group for consultation purposes;

Option 2: To seek amendments to the document through recommendations of the Executive; or

Option 2: To defer the document and request further work from officers

Analysis

15. It is important that the Allocations DPD is progressed broadly in accordance with the timetable set out in the Council's Local Development Scheme. As the Issues and Options stage of the Allocations DPD is the beginning of a process which is timetabled to take three years to complete, it is important to meet the LDS in order to avoid delays later in the process.
16. As mentioned previously, the Allocations DPD will support the Core Strategy by identifying specific sites for development in line with the spatial strategy and other general locational objectives. The outcome of this Issues and Options report will feed into the next stage of the Core Strategy and therefore any delay to this document will impact on the Core Strategy timetable.

Corporate Priorities

17. The Allocations DPD accords with the following corporate priorities:
 - Reduce the environmental impact of council activities and encourage, empower and promote others to do the same.
 - Decrease the tonnage of biodegradable waste and recyclable products going to landfill
 - Increase the use of public and other environmentally friendly modes of transport
 - Improve the quality and availability of decent, affordable homes in the city

Implications

18. The following implications have been assessed:
 - **Financial** - The cost of preparing the Allocations DPD will be met through current budgets provided for the LDF.
 - **Human Resources (HR)** - None
 - **Equalities** - None
 - **Legal** - None
 - **Crime and Disorder** - None
 - **Information Technology (IT)** - None

- **Property** – As the purpose of this document is to identify and allocate land for future development, there is a high probability that some of the allocated sites will be Council-owned land.
- **Other** - None

Risk Management

19. In compliance with the Council's risk management strategy, there are no risks associated with the recommendations of this report.

Recommendations

20. That the Executive:

- i) approve the draft Issues and Options document for public consultation subject to any changes recommended at the LDF Working Group and at the meeting of the Executive.

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

- ii) delegate to the Director of City Strategy, in consultation with the Executive Member and Shadow Executive Member for City Strategy the making of any incidental changes to the draft document that are necessary as a result of the recommendations of this report.

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

- iii) delegate to the Director of City Strategy in consultation with the Executive Member and Shadow Executive Member for City Strategy the approval of the Sustainability Statement to accompany the Issues and Options document consultation.

Reason: So that the report and accompanying documents can progress.

- iv) delegate to the Director of City Strategy in consultation with the Executive Member and Shadow Executive Member for City Strategy the approval of a Consultation Strategy and final layout of the document that will set out the Issues and Options consultation methodology.

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

Contact Details

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Chief Officer Responsible for the report:

Bill Woolley
Director of City Strategy

Report Approved ☐ Date

Specialist Implications Officer(s):

Financial
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Property
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Property Manager
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Wards Affected:

All ☒

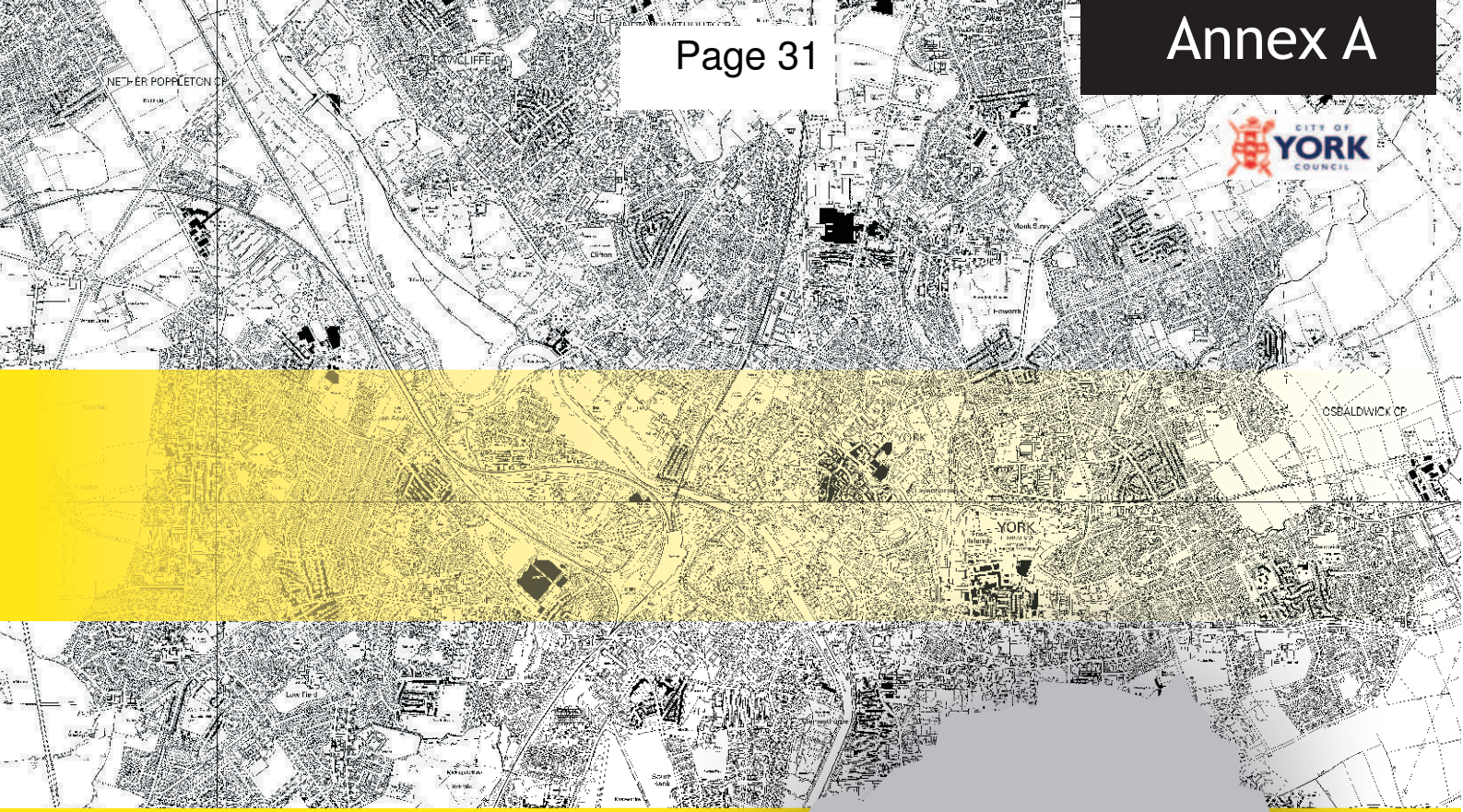
For further information please contact the author of the report

Background Papers

None

Annexes

Annex A: Allocations DPD Issues and Options
Annex B: Map Annex
Annex C: Response Form
Annex D: Minutes from LDF Working Group 22/01/08



City of York

LDF

Local
Development
Framework

Allocations DPD Issues and Options

January 2008

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Maps of all sites and general location maps are set out in a separate annex which should be read alongside this document:

Annex: Map document (Separate document)

- 1: Green belt and settlement limits maps
- 2: Potential housing sites
- 3: Potential employment sites
- 4: Retail – Castle Piccadilly site
- 5: Potential transport locations
- 6: Area of search for minerals

Please note:

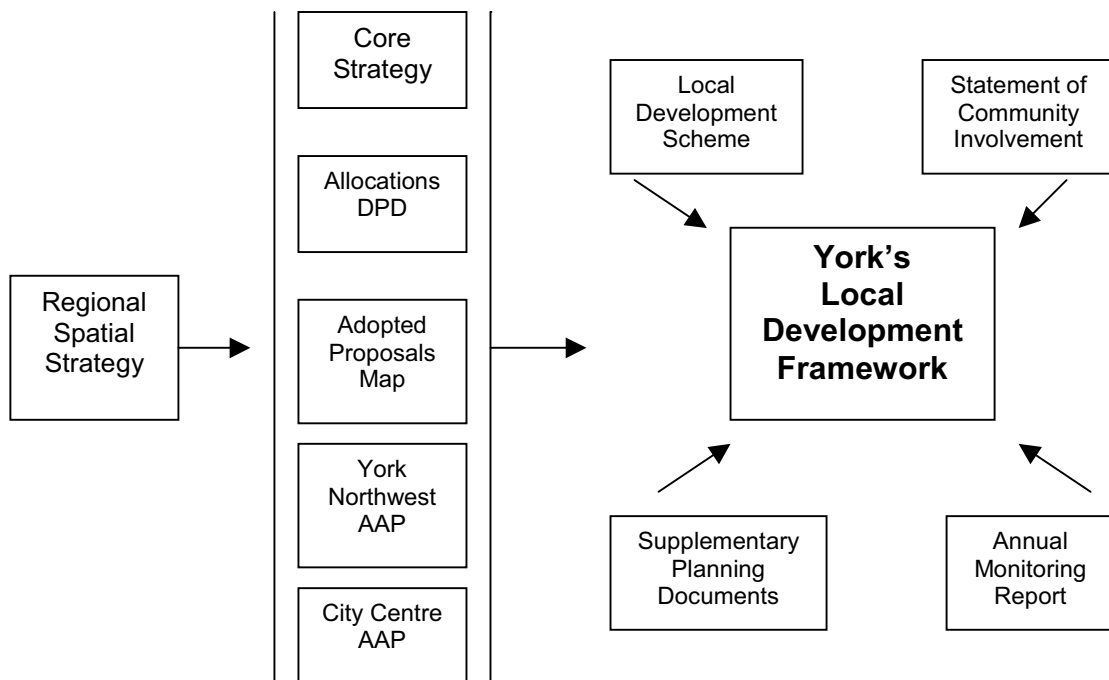
It is important to be clear that the sites put forward in this Issues and Options document are not Council approved allocations. The sites are put forward in this document as potential allocations for the purposes of consultation.

The draft Local Plan (2005) will continue to be the policy framework for the City and the basis for Development Control decisions until such time as it is superseded by the Local Development Framework. The fact that the current site options are being considered is no guarantee that they will eventually become an allocation in the Local Development Framework. Through consultation and the development of the Core Strategy we will test whether they are appropriate for development. The site options are therefore not material considerations for making decisions about planning applications.

1. Introduction

- 1.1 The Council has begun work on a plan called the Local Development Framework (LDF) which will set out the policies and site allocations to guide and manage development in York over the next two decades. The Council has already begun work on preparing the Core Strategy which is the first document in this 'folder'. The Core Strategy will set out the overall planning vision and strategy for York. Figure 1 below shows how the documents in York's LDF relate to one another.

Figure 1: The York Local Development Framework Context



- 1.2 Now that the Core Strategy has progressed through the issues and options stage, it is appropriate to start considering what specific sites will be required to deliver the objectives of the Core Strategy. These will be set out in the **Allocations Development Plan Document (DPD)**. This Issues and Options document is the first stage in the process. A breakdown of the complete Allocations DPD process is contained in Appendix 1. Once completed the Allocations DPD will set out all the sites which have been specifically identified for development in order to meet the Council's vision and objectives and the strategic policies of the Core Strategy.
- 1.3 The whole process of producing the Allocations document will take approximately three years. Once adopted the Allocations DPD timeframe will need to be consistent with the regional approach as set out the emerging Regional Spatial Strategy (RSS). This is currently until 2029 although the RSS is not yet adopted. The sites which are eventually allocated in this DPD will be phased for development to ensure that there is not an oversupply of land at the outset and a lack of supply towards the end of the plan period. For

example, Planning Policy Statement 3 (PPS3) requires that enough land is allocated for to enable continuous delivery of housing for at least 15 years from the date of adoption, taking account of the level of housing provision set out in the RSS. The 15 year period should be broken down to ensure that enough deliverable¹ sites are identified for the first five years, and then those deliverable in the next 6-10 years, 11-15 years etc.

Core Strategy

- 1.4 The Core Strategy will provide the planning vision and strategy for the City. Through the Core Strategy we will develop our overall approach to future development in York, in a way which will reflect the City's priorities as identified through the Community Strategy. The Core Strategy will specify how much development should take place and, in general terms, where development should take place. The identification of sites through the Allocations DPD will need to reflect the approach to development adopted in the Core Strategy.
- 1.5 The Core Strategy Issues and Options document contains a Spatial Strategy section which identifies different options for the growth of York. This approach considers some broad and more detailed influences on York's future approach to growth, such as York's context within the wider Yorkshire and Humber region, settlement accessibility, past development trends and housing need. Once a preferred option has been agreed through the Core Strategy, sites identified through the Allocations DPD will be assessed against the spatial strategy.
- 1.6 Sites already submitted to the Council during the Core Strategy Issues and Options process and through general correspondence will be considered alongside those submitted during the consultation on this document.

Area Action Plans

- 1.7 The current Local Development Scheme timetables the production of two Area Action Plans (AAPs) as part of York's Local Development Framework, covering the City Centre and York Northwest. The potential boundaries for these areas will be considered at the Issues and Options stage of the AAPs and the full extent of the areas will be defined at the next stage of the plan process. Brief descriptions of the two areas are included below.

City Centre AAP

- 1.8 This will cover the central area of York including some major sites such as Castle Piccadilly. Due to the already built-up character of the city, it is anticipated that the Allocations DPD at Issues and Options stage will identify sites all over the city that could be allocated for a range of uses. This AAP is still at an early stage of production and therefore the Allocations DPD can progress with a city-wide call for sites and as the AAP evolves, it will influence

¹ To be considered **deliverable**, sites should, at the point of adoption be: **available** (the site is available now), **suitable** (the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities), **achievable** (there is a reasonable prospect that housing will be delivered on the site within five years).

and input towards the allocation of city centre sites. In some cases, it might be more appropriate for city centre sites to be progressed through the AAP process.

York Northwest AAP

- 1.9 This area comprises two main sites: York Central, behind the station and the former British Sugar Site which lies between the York-Harrogate railway line and the A59.
- 1.10 The York Northwest Area is to be taken forward in a comprehensive way rather than by piecemeal development. Any sites in the York Northwest area which come forward through the Allocations DPD Issues and Options, will be considered through the Area Action Plan process. The York Northwest AAP Issues and Options Report was published for consultation from 5 November 2007- 14 January 2008.

Areas of change

- 1.11 A key consideration is how we approach areas of change through the LDF. One approach is to prepare Area Action Plans as identified above, but there may be other areas, perhaps on a smaller scale, which would benefit from further work to explore opportunities for improvement. Therefore, in addition to identifying specific sites for particular uses we also want to know about general areas of York which you think could be improved.

Key Issue GEN1

Are there areas which you think do not function well and offer opportunities for change or improvement, for example, to improve the quality of the area's environment, or to introduce a better mix of uses?

- 1.12 When producing this document, we are required to consider the impacts that the proposals are likely to have on sustainable development. This involves undertaking a Sustainability Appraisal at each stage of the plan's preparation and the publication of the appraisal so that those responding are aware of the implications of certain approaches.
- 1.13 In this context, a Sustainability Statement assessing this document, has been produced. This should be read alongside this Issues and Options document and can be viewed together with the Scoping Report, on the Council's website.

The Issues and Options process

- 1.14 The Core Strategy will set out the Council's approach to growth, taking in to account the levels of development apportioned by the regional spatial strategy. The first step in producing the Allocations DPD is to consult on the development potential of sites listed within this issues and options document (identified through council studies and through previous Local Plan process)

and to undertake a citywide call for sites. These potential sites are contained within schedules in the topic-specific chapters.

The status of sites identified through this process

- 1.15 It is important to be clear that the sites put forward in this Issues and Options document are not Council approved allocations. The sites are put forward in this document as potential allocations for the purposes of consultation.
- 1.16 The draft Local Plan will continue to be the policy framework for the City and the basis for Development Control decisions until such time as it is superseded by the Local Development Framework. The fact that the current site options are being considered is no guarantee that they will eventually become an allocation in the Local Development Framework. Through consultation and the development of the Core Strategy we will test whether they are appropriate for development. The site options are therefore not material considerations for making decisions about planning applications.

What specific uses can land be allocated for?

- 1.17 Sections 4-10 identify specific types of development that the Council intends to allocate sites for, these are:

Section 4:	Green Belt – specific settlement boundaries
Section 5:	Housing – including new dwellings, affordable housing, sheltered accommodation and sites for gypsies and travellers, etc.
Section 6:	Employment – including offices, light and general industry, storage and distribution, warehousing, etc.
Section 7:	Retail – shop units and retail areas
Section 8:	Transport – including interchanges, park and ride, new road links, etc.
Section 9:	Waste Facilities and Mineral search areas – including waste transfer stations, household waste treatment plants, etc.
Section 10:	Other Uses – There may be other land uses which you feel we should find sites for through the allocations DPD.

- 1.18 Allocated sites can fall into a range of categories including:

- Sites that are already developed but that could be redeveloped for example at a higher density;
- Sites where a change of use may be appropriate; and
- New sites that are not yet developed

Mixed Use

- 1.19 We are very aware that the development of mixed use sites is a practical and sustainable way to build. We are also aware that larger sites, such as a York Northwest could only be developed for a mix of uses. Some of the sites that have been identified through evidence base documents are included in this document for both housing and employment uses; these will be assessed

further for both uses. Therefore, please consider whether the sites you put forward could be allocated for more than one use, and state this on the response form.

Green Issues

- 1.20 Open and green spaces are an essential feature for any successful community. The protection of established open/green space and the designation of new spaces whether it be for nature conservation, recreation or just amenity value is regarded as being a very important issue. The Council proposes to produce a Green Infrastructure (GI) Strategy which will identify all GI assets in the City which will then be implemented through a related policy in the Core Strategy which aims to protect, maintain and create such GI. This policy will seek to protect sites of nature conservation value as well as the wider natural environment. There may be opportunities to allocate new open space sites through this allocations DPD, see section 10 for more details.

2. How to Get Involved

- 2.1 The Council is inviting comments on this Issues and Options document and particularly on the sites included within the schedules within the topic-specific chapters and in the Map Annex. This stage is also the time to submit sites that you think are suitable for development. An important feature of the new LDF system is the emphasis placed on early engagement in plan production aiming to achieve early consensus on which sites should be allocated for development. Please refer to section 3 of this document which gives some background on the types of site which would be favourable.
- 2.2 If you do wish to suggest a site for future development, please provide the following information on the response form which accompanies this document:
- a plan clearly showing the site's location;
 - the site area in hectares;
 - the landowner (if known);
 - the current use of the site;
 - what you consider to be the most suitable future use for the site;
 - a justification of why you think the site should be allocated for a particular use (referring to Figure 2); and
 - the site availability: an indication of when the site may be available for development (for example before 2011, between 2011 and 2016, or after 2016).
- 2.3 All comments and new site submissions should be received at the address below by **5pm on Friday 25th April 2008**.
- 2.4 Further copies of this document are available at Council Libraries, on line at www.york.gov.uk and from the Council offices at City Strategy, 9, St Leonard's Place or The Guildhall. Alternatively please contact the City Development Section directly who will be happy to provide copies of the documents or answer any questions or queries:

City Development
City of York Council
9, St Leonard's Place
York
YO1 7ET

Phone: (01904) 551482,
Fax: (01904) 551392 or
E-mail: citydevelopment@york.gov.uk

What's next?

- 2.5 This consultation period ends on 25th April 2008 and then the Council will collate and analyse the responses received. All submitted sites will be tested against the strategy for the location of development outlined in the Core

Strategy and assessed using a methodology based on the guidance set out in National and Regional policy and will be appraised through the sustainability process.

- 2.6 All the consultation responses will be taken into account in the preparation of the next stage when the Council decides which sites are its “Preferred Options” for new development.
- 2.7 The “Preferred Options” consultation report will be published in autumn 2008. This document will explain the reasoning behind the selection of the preferred sites and the rejection of others. A Sustainability Appraisal assessing the social, economic and environmental impacts of all the site options will accompany this report.
- 2.8 After the Preferred Options consultation, the Council will prepare the final draft of the Allocations and submit it the Secretary of State. The “soundness” of this document will then be assessed by an independent Inspector through a public examination and will be adopted if it is found to be “sound”. Appendix 1 sets out the full Allocations DPD process.

3. What Makes a Good Site For Development?

- 3.1 The general location of development will be informed by the overarching spatial strategy which will be developed as part of the Core Strategy however specific sites will be identified through the Allocations DPD. This section looks at the key issues that we will need to consider when allocating future development sites. These are based on national, regional and local guidance and should be applied to all development sites whatever the proposed use.



Figure 2

- 3.2 The factors above will be used by the Council to assess the sites submitted in response to this document. As mentioned above, these factors have derived from various other policy documents which will be used in full to assess specific land use allocations. National planning documents that are of key relevance are listed in Appendix 4.
- 3.3 The emerging Regional Spatial Strategy (RSS) for Yorkshire and the Humber also needs to be conformed with in terms of regional targets and

apportionments as well as the general policy content including accessibility standards for different types of development.

4. Green Belt and Settlement Limits

Introduction

- 4.1 Whilst the primary purpose of York's green belt and its lifespan will be determined through the Core Strategy, the Allocations DPD will determine the precise boundary of the green belt and define the settlement boundaries for the main urban area of York and the surrounding villages.

Current draft York green belt

- 4.2 York has had a draft green belt for over forty years. The general extent of the York green belt has been set through the North Yorkshire County Structure Plan (1995). Policy E8 of the Structure Plan defines the York green belt as: 'A belt whose outer edge is about 6 miles from York City Centre.' More recently, this general extent of York's green belt has been outlined in the emerging Regional Spatial Strategy (incorporating the Secretary of State Proposed Changes, September 2007), with a requirement that York's LDF should define the detailed boundaries.
- 4.3 Over time, much of the outer boundary of York's green belt which extends beyond the York authority boundary, has been set through adopted plans for adjacent areas, namely the neighbouring districts of Hambleton, Harrogate, Ryedale and Selby. However, the remainder of the outer boundary, the exact inner boundaries around York and individual villages and the corresponding settlement boundaries have never been formally set through an adopted plan. At the moment York uses the draft green belt and settlement boundaries set out in the draft Local Plan (2005).
- 4.4 The draft green belt and settlement limits as defined in the draft Local Plan, are shown on the map in the Annex (Section 1). For information, the map also shows the outer green belt boundaries which have been adopted by neighbouring authorities.

What is green belt?

- 4.5 The fundamental aim of green belt policy is to prevent urban sprawl by keeping land permanently open. National Government policy (Planning Policy Guidance (PPG) Note 2: Green belts) therefore seeks to strictly control development within the green belt, limiting development to:
- development related to agriculture and forestry;
 - essential facilities for outdoor sport and recreation, cemeteries and other uses which preserve the openness of the green belt;
 - limited extension, alteration or replacement of existing dwellings;
 - limited infilling in existing villages; or
 - limited infilling or redevelopment of major existing developed sites identified in adopted plans.

Policy also allows for the re-use of existing buildings with appropriate safeguards, such as requiring that it does not have a greater impact than the present use on the openness of the green belt. All other types of development are considered to be inappropriate in the green belt and should only be allowed in very special circumstances.

What factors should be considered when drawing green belt and settlement boundaries?

Purposes of including land in green belt

- 4.6 PPG2 provides guidance on how local authorities should approach drawing green belt boundaries. It states that in determining whether areas of land should be included in the green belt it is necessary to consider the purposes of including land in green belt. PPG2 identifies these as:
- to check the unrestricted sprawl of large built-up areas;
 - to prevent neighbouring towns from merging into one another;
 - to assist in safeguarding the countryside from encroachment;
 - to preserve the setting and special character of historic towns; and
 - to assist in urban regeneration, by encouraging the recycling of derelict and other urban land.
- 4.7 The primary purpose of York's green belt will be considered in the Core Strategy and will be an important factor in considering where to draw the green belt boundary in York. In the draft Local Plan, the primary purpose was considered to be preserving the historic character and setting of York. As part of the work on the draft Local Plan, an exercise was undertaken which sought to identify areas which served this purpose (The Approach to the Green Belt Appraisal, 2003). This is available to view as part of the LDF evidence base on the Council's website.

Permanence

- 4.8 National green belt policy identifies that an essential characteristic of green belts is their permanence. Their protection must be maintained as far as can be seen ahead. It is therefore necessary when drawing up the boundaries to establish boundaries that will endure. With this in mind, they should be carefully drawn so as not to include land which it is unnecessary to keep permanently open. If boundaries are drawn excessively tightly around existing built-up areas it may not be possible to maintain the degree of permanence that green belts should have.

Clearly defined boundaries

- 4.9 A key part of the national policy on green belts is that their boundaries should be clearly defined, using readily recognisable features such as roads, streams, belts of trees or woodland edges where possible. That is, the boundaries should be determined by features on the ground rather than simply lines on a map.

Existing villages

- 4.10 As well as drawing the green belt boundary around the main urban area of York, it is necessary to determine the green belt boundaries around the outlying villages. In addition to considering where the settlement boundaries should be drawn around villages it is necessary to consider whether the village should be included or excluded from the green belt. For example in the draft Local Plan (2005), some villages are 'washed over' by green belt, whilst others are excluded from the green belt (as shown on the map in

Section 1 of the Annex). National guidance (PPG2) states that a key factor in deciding how villages should be treated in green belt terms, is the amount of development which it is planned will take place in the village during the plan period. This will be based on the development potential of each village as assessed through the Core Strategy.

Major developed sites

- 4.11 Further to drawing the boundaries around the settlements it is necessary to consider whether we should identify major developed sites in the green belt. The draft Local Plan (2005) identifies a number of major developed sites. These are listed in Table A2.1 in Appendix 2, with their preferred use and shown on the map in Section 1 of the Annex. The category of major developed sites is specified in PPG2, referring to uses such as factories, water and sewage works, military establishments, civil airfields, hospitals, and research and education establishments. These substantial sites may be in continuing use or may be redundant and they often pre-date the green belt designation. The allocation of sites in this category means that any infilling or redevelopment which meets certain criteria will not be considered as inappropriate development in the green belt. Proposals within this category should have no greater impact on the green belt than the existing development; not exceed the height of the existing buildings; and not lead to a major increase in the developed proportion of the site.
- 4.12 A key guideline for determining whether a location was allocated as a major developed site in the draft Local Plan (2005) was that the site should have a minimum 3,000sqm built footprint. PPG2 outlines other factors related to the character of sites which should influence whether they are identified as major developed sites. Namely, whether limited infilling may help secure jobs and prosperity without further prejudicing the green belt or whether the complete or partial redevelopment of sites either redundant or currently in use, may offer the opportunity for environmental improvement without increasing the impact on the green belt.

The amount and location of development

- 4.13 In addition to the factors outlined above, the other primary issues to consider in determining the settlement and green belt boundaries are the amount of new development that will be required in the future and its location. The existing draft Local Plan (2005) boundaries (outlined on the map in the Annex, Section 1) were drawn to reflect development needs to 2021, however, the LDF timescale will need to look further ahead. Therefore, the level of development required during this period needs to be considered when drawing the settlement and green belt boundaries. Furthermore, as outlined above, given the permanent nature of green belt and the requirement to establish boundaries that will endure, we must also consider the need to safeguard¹ land for future development beyond the immediate LDF timescales.

¹ Safeguarded land comprises sites or areas which have not been allocated for a specific use but which may be required to meet development needs in the longer term, i.e. beyond the LDF plan period. Safeguarded land would only be brought forward for development if required beyond the immediate LDF timescales. No development which would prejudice later development of these areas will be permitted.

- 4.14 In terms of the location of development, the green belt boundaries and settlement limits need to be informed by the overarching spatial strategy which will be developed as part of the Core Strategy. The spatial strategy will determine the general location of all new development in York.

Approach to allocations

- 4.15 As set out above, the Core Strategy will determine the primary purpose of the York green belt and set out its lifespan. It is the role of the Allocations DPD to determine the precise boundaries of the green belt and define the settlement boundaries for the main urban area of York and the surrounding villages. As part of this process we will also be considering the boundaries of major developed sites.

Key Issue GB1

As outlined in this section, a number of factors need to be considered in drawing up the boundaries for York's green belt and the boundaries of the settlements. Many of these factors will be guided by the Core Strategy, which is still at an early stage of production. However, as a starting point we want to know your views on the current draft boundaries (outlined in the Annex , Section 1*), for example, are there areas where you think the boundary should be drawn differently?

Please use the response form to outline your comments referring to particular locations, where relevant, and stating your reasons for why you agree or disagree with the draft green belt, draft settlement or draft major developed site boundaries. Please include an OS plan if possible.

* Please note that the adopted green belt boundaries shown in neighbouring districts are for information only and are not subject to consultation through York's LDF.

5. Housing

Introduction

- 5.1 A key purpose of the Allocations DPD is to provide sufficient land to meet the housing needs of the City. York's population is continuing to grow and we need to provide enough suitable homes to ensure that everyone has a decent place to live. This section of the Allocations DPD will look at the key issues that need to be considered when identifying suitable housing sites and identifies sites that have been selected through the Strategic Housing Land Availability Assessment (SHLAA) (City of York Council, 2007) for comment.

How much Housing is Required?

- 5.2 The emerging RSS for Yorkshire and the Humber was subject to public consultation and a public examination in 2006. The proposed housing figure included in this original document (December 2005) is 640 (net) new units per annum in the period 2004-2016 and 620 (net) new units per annum in the period 2016-2021.
- 5.3 The Report of the Panel (March 2007) into emerging RSS proposed new housing figures for York of 640 (net) new units per annum in the period 2004-2011 and 850 (net) new units per annum in the period 2011-2021.
- 5.4 The Secretary of States Proposed Changes (September 2007) maintains the same housing figures however, the phasing period is altered to 640 (net) new units per annum in the period 2004-2008 and 850 (net) new units per annum in the period 2008-2026.
- 5.5 Once the RSS figures have been agreed and the Revised RSS is finalised in March 2008, the Council will be required to deliver the final housing figure applicable for York. This will be included in the Core Strategy.
- 5.6 When meeting the housing figures in RSS we need to consider the following sources:
- **Completions** (dwellings already completed within the plan period);
 - **Sites with planning permission** (this includes existing permissions with an identified number of dwellings);
 - **Windfall sites** (these are sites that have not been specifically identified as available through land use allocations. They comprise of previously developed sites that have become unexpectedly available);
 - **Allocated Sites** (these are the sites that this Allocations DPD will identify)
- 5.7 Therefore, the actual amount of land that needs to be allocated for housing will be calculated by taking the number of completions since 2004 and dwellings with planning permission from the RSS target and making an allowance for windfalls. PPS3 states that allowances for windfalls should not be included in the first 10 years of land supply unless we can provide robust evidence of genuine local circumstances that prevent specific sites being

identified. Evidence set out in the SHLAA suggests that York should continue to include an allowance for windfalls as to not include an allowance would result in a significant underestimation of the housing potential in York. Therefore, the Council will include an allowance for very small windfalls (sites under 0.2ha) and changes of use/conversions in years one to ten as these sites will not be identified through the SHLAA, which only looks at sites over 0.2ha.

- 5.8 Examples of where existing planning permissions would have a significant impact on meeting the City's housing need include Metcalfe Lane in Osbalwick which was approved for 540 dwellings in May 2007 and Germany Beck in Fulford which was approved for 700 dwellings in May 2007. Table 5.2 at the end of this chapter sets out those sites with planning permission. This is for information purposes only and comments should not be submitted against these sites.
- 5.9 The Council will need to identify enough housing sites to accommodate the number of new houses to be built each year. As the Allocations DPD progresses through to Preferred Options, the number and size of sites and the period when they can come forward will need to meet the requirements of RSS in terms of phasing¹. Additionally, the Core Strategy raises key issues in relation to the density, mix and type of new housing developments. The decisions made through the Core Strategy will impact on the next stages of the allocations DPD as the mix, type and density of development will determine the amount of land required.

Factors to Consider when Allocating Sites for Housing

Core Strategy

- 5.10 The Spatial Options identified in Section 2 of the Core Strategy Issues and Options 2 document outlines three broad influences that will impact on the location of new development in the city, these are; the regional context; the relationship between York and its larger villages in terms of accessibility and existing market trends; and housing need. The Strategic Housing Market Assessment (SHMA) (2007) provides a framework for discussion on a range of policy choices relating to housing mix, type and affordability. Once a Preferred Option has been agreed through the Core Strategy, this will then impact on the Allocations DPD and the location of housing sites as there needs to be consistency between all the LDF documents.

Planning Policy Statement 3 (PPS3)

- 5.11 PPS3 came into force in April 2007 and sets out the Government's policies for housing. The key issues are related to achieving high quality housing, achieving a mix of housing, delivering affordable housing, assessing the appropriate level of housing, providing housing in suitable locations, and delivering a flexible supply of land for housing.

¹ Phasing is put in place to ensure that brownfield sites come forward in preference to greenfield sites in accordance with government guidance and the RSS core approach.

5.12 It is stated that Local Authorities should ensure that specific sites are deliverable in terms of being able to deliver sufficient housing over the first five years of the plan period. To be considered deliverable, sites should, at the point of adoption of the Allocations DPD, be:

- **Available** – the site is available now;
- **Suitable** – the site offers a suitable location for development now and would contribute to the creation of sustainable, mixed communities; and
- **Achievable** – there is a reasonable prospect that housing will be delivered on the site within five years.

Potential Sites Identified for Housing

5.13 The Council is currently undertaking a Strategic Housing Land Availability Assessment (SHLAA) which will identify potential sites to locate housing within the City of York Local Authority area.

5.14 The role of the SHLAA is to identify potential sites and their constraints and for the plan-making process to assess these constraints and to make a judgement as to the extent to which they are developable.

5.15 The SHLAA will take place in two phases. The first phase has been completed and involved the Council identifying sites based on sources known to them within the urban area and the Local Service Centres (based upon the Draft Regional Spatial Strategy for Yorkshire and Humber). These sites are contained in Table 5.1. The Second phase will follow this consultation on the Allocations Issues and Options and all sites submitted as part of this consultation will be assessed against the SHLAA methodology.

Approach to Allocations

5.16 The results of the first phase of the SHLAA have been fed into this document and have been included in Table 5.1 of this chapter and in the Map Annex (Section 2). Those sites with planning permission that have not yet been built out have been included in Table 5.2 for information purposes to avoid people submitting sites that already have permission. It should be noted that the sites that have been identified through the SHLAA have not yet undergone viability testing, this will be done following the stage two, call for sites process.

5.17 It should be noted that following this initial consultation work a comprehensive technical exercise will be undertaken to consider all potential sites in detail. This will include an assessment of the sites' compatibility with Core Strategy's spatial approach, viability testing and PPS3 requirements as well as assessments of factors such as the environmental and transport implications of any options.

Rural Exception Sites

5.18 National policy recognises that although new house building in the open countryside should be strictly controlled, there are exceptions where housing may be permitted. These include:

- dwellings for agricultural, forestry, stud and other rural workers, where there is an essential need to live permanently at or near to their place of work in the countryside;
- affordable housing schemes for local people, usually located within existing villages;
- gypsy caravan sites;
- conversion of rural buildings to residential use, where re-use for business is not appropriate or cannot be achieved.

5.19 The Council is aware that an estimated 15% of York residents live outside the urban area of York. Potential rural housing sites submitted through this issues and options process will be assessed against the same criteria as other sites plus their potential to contribute towards rural affordable housing will also be considered.

Key Issue H1

To help us to begin work to identify the location of future potential housing sites we would appreciate your involvement in two ways:

1. Please give us your views on the suitability for housing of the sites we currently know about as identified in Table 5.1 below and in Section 2 of the Map Annex.
2. Please tell us about any additional sites you think we should be considering for housing in the future. Careful consideration should be given to the information on site selection included in this chapter, and section 3 of this document which outline some of the key issues to consider when identifying suitable development sites. (Please use the response form provided)

Table 5.1: Sites Identified through Stage 1 of the Strategic Housing Land Availability Assessment (SHLAA) (2007)

Site Ref	Site Name	Site Size	Potential Use	How site identified
H/001	Castle Piccadilly	0.3ha (res element)	Mixed use inc residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/002	Area North of Trinity Lane	0.23ha	Residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/003	Peel Street / Margaret Street	0.4ha	Residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/004	Bonding Warehouse	0.1ha	Residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/005	Burnholme Working Men's Club	0.4ha	Residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/006	Rosedale Building, Clifton Park	0.7ha	Residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/007	MOD Land, Fulford	1.8ha	Residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/008	Monk Bar Garage	0.1ha	Residential	City of York Local Plan 4 th Set of

				Changes (April 2005) / SHLAA
H/009	Reynard's Garage, Piccadilly	0.1ha	Mixed use inc. residential and/or retail	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/010	15a-c Haxby Road	0.3ha	Residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/011	10-18 Hull Road	0.4ha	Residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA
H/012	York Northwest (York Central site)	35-37ha	Mixed use inc residential	City of York Local Plan 4 th Set of Changes (April 2005) / SHLAA/ YNW AAP
H/013	York Northwest (British Sugar site)	39.5ha	Mixed use inc residential	SHLAA/ York Northwest AAP
H/014	Council Depot, Beckfield Lane, Acomb	0.35ha	Residential	SHLAA
H/015	Shipton Street Primary School	0.4ha	Residential	SHLAA
H/016 ²	Manor CE Secondary School	3.7ha	Residential inc open space	SHLAA
H/017	Lowfield Secondary School	5.7ha	Residential inc open space	SHLAA
H/018	1-9 St Leonard's Place	0.43ha	Residential and/or other town centre uses	SHLAA
H/019	Parkside Commercial	0.38ha	Residential	SHLAA

² This site will potentially be progressed through the York Northwest Area Action Plan

	Centre, Terry Avenue			
H/020	Land at Bootham Crescent	1.66ha	Residential	SHLAA
H/021	Yearsley Bridge Centre	1.47ha	Residential	SHLAA
H/022	Terry's Chocolate Factory	4ha	Mixed use inc residential	SHLAA
H/023	Discus Bungalows – St Anne's Court	0.75ha	Residential	SHLAA
H/024	Discus Bungalows – Regent Street	1.11ha	Residential	SHLAA
H/025	Discus Bungalows – Faber Street / Richmond Street	1.36ha	Residential	SHLAA
H/026	Land around Burdike Avenue, Sutton Way and Lilbourne Drive	0.32ha	Residential	SHLAA
H/027	Land off Water Lane, Clifton	0.3ha	Residential	SHLAA
H/028	Nestle South	5.8ha	Mixed use inc residential	SHLAA
H/029	Land adjacent to 26 and 38 Church Lane, Bishopthorpe	0.55ha	Residential	SHLAA
H/030	Land adjacent to 131 Long Ridge Lane, Poppleton	0.2ha	Residential	SHLAA
H/031	Land rear of surgery at 2a/2b Petercroft Lane, Dunnington	0.23ha	Residential	SHLAA
H/032	22 Princess Road, Strensall	0.5ha	Residential	SHLAA
H/033	Land behind Netherwoods, Strensall	0.98ha	Residential	SHLAA
H/034	Land adjacent to The Brecks /	5ha	Residential	SHLAA

	Green Lane, Strensall			
H/035	Builders Yard, Church Lane, Bishophthorpe	0.33ha	Residential	SHLAA

Table 5.2: Sites with existing planning permission or under construction (FOR INFORMATION ONLY)

Site Name	Reason For Omission from Potential Sites table 5.1	Location (Ward)	Site Size (ha)	Brownfield / Greenfield	Source of site
Metcalfe Lane, Osbaldwick	Has outline permission for 540 dwellings	Osbaldwick	14	Greenfield	Local Plan (Allocation H1.16)
Hungate	Has permission for 720 dwellings as part of mixed use scheme	Guildhall	2	Brownfield	Local Plan (Allocation H1.12)
Germany Beck	Has permission for 700 dwellings	Fulford	18	Greenfield	Local Plan (Allocation H1.24)
Heworth Green	Heworth Green North part completed comprising 172 apartments and 4-storey office with car park. Heworth Green South permission for 158 flats (awaiting S106 agreement).	Heworth	1.3	Brownfield	Local Plan (Allocation H1.35)
Minster Engineering	Permission for 57 dwellings	Guildhall	0.3	Brownfield	Local Plan (Allocation H1.44)
Birch Park, Huntington	Permission for 193 dwellings	Huntington & New Earswick	2.4	Brownfield	Local Plan (Allocation H1.47)
The Croft Campus, Heworth Green	Part Completed. Permission for 144 dwellings	Heworth	1.3	Brownfield	Local Plan (Allocation H1.48)
York College, Tadcaster Road	Permission for 360 dwellings	Dringhouses & Woodthorpe	10.3	Brownfield	Local Plan (Allocation H1.51)
St Barnabus CE Primary School, Bright Street	Reserved Matters pending for 14 apartments	Holgate	0.1	Brownfield	CYC Property
Clifton Family Centre, 107 Burton Green, Clifton	Outline permission for 8 dwellings	Clifton	0.16	Brownfield	CYC Property
Land at 31 Lea Way	Permission granted for 14 dwellings	Huntington & New Earswick	0.44	Brownfield	Alternative Sites at Changes 3 stage of the Local Plan
Derwent Playing Fields,	Permission granted for 24 dwellings	Hull Road	1.2	Greenfield	Joint Housing Inquiry

Site Name	Reason For Omission from Potential Sites table 5.1	Location (Ward)	Site Size (ha)	Brownfield / Greenfield	Source of site
Osbaldwick					(Germany Beck and Derwenthorpe)
Barbican Centre, Paragon Street	Under Construction for redevelopment including 240 apartments, hotel and alterations to Barbican Centre	Fishergate	2	Brownfield	City Development
19 St Edwards Close, Tadcaster Road	Permission for two storey detached dwelling	Dringhouses & Woodthorpe	0.46	Greenfield	Map Survey
South of Monks Cross (Premier Employment Allocation E1a.3)	Existing permission for mixed use including park and ride (completed) and B1, B2 office use	Huntington & New Earswick	11.7	Greenfield	Map Survey
1 Station Cottages, Linley Avenue, Haxby	Permission for erection of 3 detached dwellings	Haxby & Wigginton	0.4	Greenfield	Map Survey
Land R/O 20a & 22 Mill Lane	Permission granted for 5 dwellings	Haxby & Wigginton	0.26	Brownfield	Map Survey
R/O The Lodge, Sandy Lane	Permission granted for 1 dwelling	Stockton-on-the-forest	0.23	Brownfield	Map Survey

6. Employment

Introduction

- 6.1 The importance of York's economy is recognised in both the emerging Regional Spatial Strategy (2005) and the Regional Economic Strategy (2006). York's economy is generally in good health with significant job growth over the last ten years, high rates of economic activity within the working age population, and low rates of unemployment.
- 6.2 The role of York's economy has also been considered recently by the Future York Group, whose task was to carry out an independent review of the York economy. Their recommendations (reported to the Council's Executive in December 2007¹) include that the value of the City's economy (Gross Value Added) should be doubled by 2026 and that the Council ensure a sufficient amount and quality of employment land is identified in the LDF to provide choice, and to support the City's economic development aspirations.

How much employment land do we need?

- 6.3 We are currently considering future employment growth through the LDF Core Strategy. There are two sources of projections on how many jobs will be created in York's economy in the future. Both of these projections will in turn effect how much land we need to identify for employment during the lifetime of the LDF. These two sources and their associated projections are highlighted below.

The Regional Spatial Strategy (RSS)

- 6.4 The emerging RSS for Yorkshire and the Humber was subject to public consultation and a public examination in 2006. This original document forecasts a range in terms of the change in the number of jobs within the period 2006-2016. For York, this ranges from a reduction of 953 full time equivalent jobs to an increase of 5,447 jobs (up to 545 jobs per year). These figures are then used to predict how much additional land York will need for employment (B1, B2 & B8), ranging from -6ha to an increase of 21ha.
- 6.5 Following the examination a report was produced by the independent panel (Report of the Panel (Mar 07)) that recommends changes to be made to the emerging RSS. The Secretary of State has considered this report and published a 'proposed changes' document for consultation in September 2007. This document includes revised employment growth figures for York and indicates that the potential annual job growth in the City is around 2,130. This potential job growth is broken down into different land uses that are relevant to location as highlighted in Table 6.1 below.

¹ Following consultation on the Future York Group findings initially published in June 2007.

Table 6.1: RSS employment growth predictions (September 2007)

Potential Annual Job Growth From 2006 By Different Land Uses						
Main Town Centre Uses		Main Employment Land Uses		Public Services		Other ***
Offices (B1a)	Retail & Leisure	Industry (B1b/c B2)	Storage & Distribution	Health & Education	<u>Other</u>	
480	450	210	180	480	50	230

*** 'Other Uses' include primary/ utilities and some construction, transport, communications and other services

- 6.6 The document also indicates that particular account needs to be taken of the ongoing restructuring and modernisation of the manufacturing sector. More specifically for York the document indicates a potential net change in land in industrial and storage distribution uses between 2006 and 2021 of +90 hectares.
- 6.7 The Council have raised objections to the employment figures set out in the RSS Proposed Changes document (September 2007). Based on evidence from York's Employment Land Review (SQW, 2007 – see below), the Council has objected to the annual job growth figure for York of 2,130 and raised concerns about the identified need for an additional 90 hectares of land for industrial and storage distribution uses.

Employment Land Review

- 6.8 The Council considered that the figures in the original draft of the RSS (December 2005), of up to 545 jobs per year, would undermine York's economic role as a Science City, a sub regional economic centre and as a key economic area of the Leeds City Region. To consider these issues further the Council commissioned economic consultants SQW to undertake the first stage of an Employment Land Review (ELR). The review involved the preparation of forecasts for the York economy from 2006 to 2021 which were essentially trend based and reflected national economic projections adjusted to the specific profile of York's economy. These initial figures were then adjusted to reflect further potential growth in the Science City York knowledge based activities.
- 6.9 The study showed an overall job growth for the period 2006-21 from 90,418 Full Time Equivalent jobs in 2006 to 106,424 jobs in 2021, an increase of 16,006 jobs (1067 per year). It also revealed significant changes in the nature of York's economy. In summary these include:
- a decline in manufacturing;
 - a growth in distribution, hotels and catering (reflecting the importance of tourism industry to York);
 - a growth in financial and business services reflecting York's growing importance as a centre for these services and the spin off benefits of SCY growth; and

- growth in other services and in the construction, transport and other sectors.

6.10 The job growth figure and the change in the type of employment was used to predict the amount of additional land that would be needed for business, general industrial and storage and distribution uses (Use Classes B1, B2 & B8). The Employment Land Review forecasts that between 2006 and 2021, an additional 23 ha of land will be needed. This relatively small overall change disguises an expectation of significant shifts in various employment land categories. For example, Table 6.2 below reveals a need for nearly 40 hectares for high quality office and hi-technology uses, but a decline in the need for land for industry and warehousing. The Employment Land Review also states the need to allocate over and above identified 'requirement' in order to offer choice and flexibility and to take account of potential implementation problems on some sites.

Table 6.2: Employment Land Need (2006 – 2021)

	Estimated Need (hectares)	Additional
A. Offices and high technology (B1(a)/(b)) high quality, city centre	10	
B. Offices and high technology (B1(a)/(b)) high quality, out of centre	27	
C. Offices and high technology (B1(a)/(b)) standard quality, city centre	-8 ¹	
D. Offices and high technology (B1(a)/(b)) standard quality, out of centre	3	
E. Industry and warehousing (B1(c)/B2/B8) standard quality, in/out of centre	-9 ¹	
Total	23	

¹ A negative demand reflects the current position, but change over the timescale identified.

6.11 In terms of the employment figures put forward above, the Council considers the job growth and employment land forecasts set out in the Employment Land Review (SQW, 2007), rather than in RSS, to be correct. The Employment Land Review figures provide a realistic and sustainable figure for York, would reflect past rates of growth, would deliver Science City York aspirations to grow at 5% per year and would allow York to fulfil its important local and regional economic role.

What factors will influence the location of future employment sites?

6.12 It is clear from both the regional perspective and the Employment Land Review (SQW, 2007) that additional land for employment purposes will be required and we therefore need to begin to identify the location of future potential employment sites. Potential employment sites will be assessed in relation to national guidance (in particular PPS6 for offices (B1) and PPG13 regarding transport), the

RSS and the overall development strategy for York as determined through the Core Strategy.

- 6.13 As part of their work on the production of the Employment Land Review for York SQW produced ten selection criteria to be used in assessing potential employment sites. These site selection criteria are a combination of ODPM Employment Land Review Guidance (Site Appraisal Criteria Annex E) (ODPM, December 2004) and ODPM Sustainability Appraisal Guidance (Economic Objectives Appendix 9 (ODPM, April 2005). They were interpreted to suit the local characteristics of the City of York.
- 6.14 The site selection criteria will be considered when assessing future potential employment sites. They are summarized in Table 6.3 overleaf and include a property based assessment, assessment of the physical potential for development and the sustainable development potential of sites.

Table 6.3: Site Selection Criteria

Site Characteristics	<ul style="list-style-type: none"> • Site location • Size & shape of site • Potential for development
Market Demand	<ul style="list-style-type: none"> • Strength of local demand in sector • Availability of pre – let occupiers • Viability of development without intervention
Environmental Quality	<ul style="list-style-type: none"> • Quality of land building and public realm • Green Belt, landscape and heritage conservation • Quality of surrounding area
Site Development Constraints	<ul style="list-style-type: none"> • Ownership and user restraints • Contamination, land stability and flooding • Utilities and services
Site Access & Accessibility	<ul style="list-style-type: none"> • Access to main road and rail network • Access by walking, cycling and public transport • Access to city centre and local facilities
Movement & Commuting	<ul style="list-style-type: none"> • Impact on area traffic congestion • Increase in local area employment • Reduction in local and wider area commuting
Local Regeneration Policy	<ul style="list-style-type: none"> • Reduce community deprivation • Assist economic regeneration programmes • Support local community development
Economic Development Policy	<ul style="list-style-type: none"> • Maintain and increase local employment • Reduce disparities in economic performance • Accommodate indigenous and inward investment
Sequential Development Test (based on PPG3, PPG 6 and RSS YH8)	<ul style="list-style-type: none"> • Urban, urban edge or outer urban location • Use of previously developed land (Brownfield) • Use of previously undeveloped land (Greenfield)
Other Policy Objectives	<ul style="list-style-type: none"> • Assist local economic diversification • Proximity to University and other institutions • Enhance area image as a business location

Sites we currently know about

- 6.15 A number of sites were allocated for employment use in the draft Local Plan (2005). These sites are highlighted in Table 6.4 at the end of this section (updated from the Local Plan to reflect land remaining at April 2007). Plans showing the location of these sites is provided in the Annex (Section 3). As a starting point, we would like your views on the suitability of these sites for employment.
- 6.16 As part of the Employment Land Review (ELR) SQW considered all the sites in Table 6.4 in the context of the 'Site Selection Criteria' highlighted above in Table 6.3. The score achieved by each site is provided in Annex D of the ELR.
- 6.17 The draft Local Plan (2005) classifies the sites into two types: 'Premier' and 'Standard', as set out in Table 6.4. Premier employment sites have been identified for companies in the Science City York sector of the economy. Science City York (SCY) essentially contains three broad components: Information and Communications Technologies, Heritage and Arts Technology and Bioscience and Healthcare.
- 6.18 Local Plan policy states that SCY uses are acceptable on all 'Premier' employment sites. Other high quality B1 uses would only be acceptable on 'Premier' employment sites identified as 'out of centre' where it can be demonstrated that no other suitable highly accessible alternatives could be found, firstly within the city centre, secondly in the York Central area and then thirdly within the rest of the urban area.
- 6.19 The Local Plan identifies 'Standard' employment sites for Business (B1), General Industrial (B2) and Storage or Distribution (B8) uses. High land values in the City make it difficult to maintain a supply of land suitable for B2/B8 uses. To correct this problem certain 'Standard' employment sites are restricted to these land-uses. Such restrictions were made with consideration to site characteristics such as proximity to residential developments and other existing uses on site.

Additional employment sites

- 6.20 In addition to the sites highlighted in Table 6.4, two further sites were identified in the Local Plan for 'Premier' employment; York Central and Heslington East. Since the Local Plan was published the position with these sites has changed considerably, they are therefore described in detail below.

University of York - Heslington East (Map Ref E/015, Annex (Section 3))

- 6.21 Since the 1960s, in line with other similar establishments, the University of York has grown from a primarily teaching institution to one placing an increasing emphasis on funded research and links to external commercial organisations. The University of York is one of the major growth sectors of the City of York's

economy and is establishing a national and international reputation in a number of key fields. More specifically along with the City Council it is a key partner in the Science City York project.

- 6.22 Expansion beyond the boundaries of the original campus has been envisaged for sometime and the draft Local Plan identified a 65 hectare site from the green belt to the south of Field Lane for a second University campus. The Local Plan also provides for up to 25 hectares of the site to be used for Science City York uses and other knowledge based clusters that can demonstrate that they need to be located on the new campus due to sharing of resources or personnel.
- 6.23 On 30 April 2004 the council received an outline planning application for the development of the additional campus for the University. The application was subject to a public inquiry and a decision was issued by the Secretary of State in 2007 which approved the application.

York Northwest (Map Ref E/016, Annex (Section 3))

- 6.24 York Northwest is a major area for regeneration which includes two major development sites, York Central (35-37 ha) and British Sugar (39.5 ha).
- 6.25 In March 2004 the Council adopted a development brief for the York Central site which indicated the potential of the site to provide York with a central office quarter. It indicated that to ensure the site's financial viability and commercial appeal a minimum of 100,000 sq m of office accommodation would need to be provided. This was then reflected in the Local Plan.
- 6.26 Following on from the announcement that British Sugar would close at the end of 2007 it was decided as part of the Local Development Framework to prepare an Area Action Plan (AAP) for the York Central (35-37 ha) and British Sugar (39.5 ha) sites together, referred to as York Northwest AAP. In Autumn 2007 consultation began on the Issues and Option stage of the AAP. The document indicated that given the location of York Northwest - close to the city centre, the railway station and a potential railway halt- and its brownfield status it provides an ideal and sustainable location for a range of employment uses as part of a mixed use development, particularly in the higher skills environment which York has nurtured through the Science City initiative.
- 6.27 The overall levels of development and the type and mix of employment on the York Northwest site will be set through the LDF Core Strategy and the Area Action Plan.

London Bridge (Map Ref E/017, Annex (Section 3))

- 6.28 In addition to the sites set out above, the Employment Land Review (2007) produced by SQW highlights one further site that is not currently in the draft

Local Plan (2005) – an 18.8 hectare site at London Bridge adjacent to the A64. This site was identified in an earlier version of the Local Plan in May 1998 as a site for “inward investment opportunities relating to a prestige B1 or manufacturing use.” It was however de-allocated in March 1999 and the site was designated as green belt. This change was made in response to objections and the overprovision of employment land. The objections raised to the site highlighted its green belt significance and its importance as a visual entrance to the City. In the Council’s own green belt appraisal exercise (The Approach to Green Belt Appraisal, 2003), the site was highlighted as being part of an area of high green belt value, in terms of the historic character and setting of the city, that should be kept open.

Approach to allocations

- 6.29 The Issues and Options consultation seeks your views on the sites we already know about, in terms of their appropriateness for employment use. Another key part of the consultation is to find out about any further sites which you think are appropriate for employment use.
- 6.30 It should be noted that following this initial consultation work a comprehensive technical exercise will be undertaken to consider all potential sites in detail. This assessment of potential sites will consider the factors outlined in paragraphs 6.10 to 6.12 above and the criteria set out in Section 3, as well as factors such as the environmental and transport implications of any options.

Key Issue E1

To help us begin work on identifying the location of future potential employment sites we would appreciate your involvement in two ways:

1. Please give us your views on the suitability for employment of the sites we currently know about as identified in Table 6.4 and the Annex (Section 3).
2. The sites listed in Table 6.4 and the Annex (Section 3) currently focus on B1, B2 and B8² type employment uses. Do you think these sites would be appropriate for any other types of employment?
3. Please tell us about any additional sites you think we should be considering for employment in the future. Careful consideration should be given to the site selection criteria highlighted in Table 6.3. (Please use the response form provided)

² B1: Offices, research and development, light industry. B2: General industry. B8: Storage and distribution.

Table 6.4: Schedule of Employment Sites

Site Ref	Site Name	Site Size	Potential Use	Draft Local Plan Allocation	How site identified
E/001	Northminster Business Park, Poppleton	14ha	Employment	Premier Employment (Out of Centre)	Local Plan/SQW Report
E/002	Monks Cross North	18ha	Employment	Premier Employment (Out of Centre)	Local Plan/SQW Report
E/003	Vangarde site (Monks Cross South) ³	11.7ha	Employment	Premier Employment (Out of Centre)	Local Plan/SQW Report
E/004	Hungate ⁴	1ha	Employment	Premier Employment (Urban Area) – mixed use development	Local Plan/SQW Report
E/005	York Business Park ⁵	5.5ha	Employment	Standard Employment allocation (B1, B2, B8 – split to be decided following further work)	Local Plan/SQW Report
E/006	Airfield Industrial Estate, Elvington	1ha	Employment	Standard Employment allocation (B2, B8)	Local Plan/SQW Report
E/007	Wheldrake (Millfield	2.5ha	Employment	Standard	Local Plan/SQW

³ Outline permission for mixed use including B1, B2 office space

⁴ Outline permission for B1: Business

⁵ Outline permission for various industrial/business uses for whole 16.4ha site, with 5.5ha currently remaining undeveloped

	Industrial Estate)			Employment allocation (B2, B8)	Report
E/008	Holgate Park	2.2ha	This site was identified for employment in the Local Plan and subsequently considered in the SQW Report. However, its use will be determined through the YNW AAP.	Standard Employment allocation (B1, B2, B8)	Local Plan/SQW Report
E/009	Murton Industrial Estate (near Livestock Centre)	0.5ha	Employment	Standard Employment allocation (B2, B8)	Local Plan/SQW Report
E/010	Elvington Industrial Estate	1ha	Employment	Standard Employment allocation (B2, B8)	Local Plan/SQW Report
E/011	The Grainstores	7.6ha	Employment	Standard Employment allocation (B1, B2, B8)	Local Plan/SQW Report
E/012	Land of Tribune Way, Clifton Moorgate	0.4ha	Employment	Standard Employment allocation (B1, B2, B8)	Local Plan/SQW Report
E/013	Annamine Nurseries (Monks Cross Infill)	1ha	Employment	Standard Employment allocation (B2)	Local Plan/SQW Report
E/014	Reynard's Garage, Piccadilly	0.1ha	Employment	N/a	Executive Report 22/11/05

7. Retail

Introduction

- 7.1 Appropriate retail provision is an important part of planning for the future of York. City centre shops are a crucial element of York's economy and its success as a tourist destination, whilst local shops and food stores form an important facility for local communities.
- 7.2 The Core Strategy will identify the overall approach to retail provision over the LDF period, including identifying any need for additional retail provision and setting out the role of different retail locations. The Allocations DPD will need to identify sites to reflect the approach outlined in the Core Strategy. It will consider all types of retail provision, including both food and non-food retail, and different retail locations, including the city centre, local and district centres, local shops and large out-of-centre shops such as food stores and retail warehouses.

How much additional retail will be required?

- 7.3 The total amount of additional retail required during the LDF plan period will depend on the overall approach to retailing taken by the Core Strategy based on information emerging from the evidence base. As the Core Strategy is at an early stage we are still considering options in relation to how much new retail space we will need to allocate in the Allocations DPD. However, existing evidence tells us that there will be a requirement to provide some additional retail space through the LDF.
- 7.4 As outlined in the Core Strategy Issues and Options documents, a retail study was undertaken for the Council by Roger Tym and Partners in 2004 (City of York Retail Study, 2004). The study examined the health of York city centre and the future need for additional retail space. For York to remain competitive with other regional centres such as Leeds and Hull the LDF will need to consider retail growth, i.e. the amount and location of new retail floorspace. The LDF will also consider how we provide for some of the gaps in the types of retail present in York. The retail study suggests that some key omissions include a high-profile department store, a city centre format food store and other high profile fashion outlets.
- 7.5 In terms of food shopping space, the study concludes that given the significant amount of food shopping space in out-of-centre locations and planning permissions for new and extended food stores at Foss Islands and Foss Bank, the Council should take a cautious approach to new food store proposals unless they help meet the need for improved customer choice and access in the city centre.
- 7.6 In addition to looking at retail need specifically within the city centre, the study considers the need for additional retail space (both food and non-food) in York's wider catchment area. The study concludes that there is a need for additional retail space within York's catchment area but outside York city centre, and that this should be directed to district and local centres in accordance with the sequential approach (outlined in paragraph 7.8 below).

- 7.7 The Council is currently in the process of updating the retail study to take account of more recent government guidance on town centres (PPS6) and longer timescales necessary for the LDF. The emerging study will also look in more detail at retail provision in the district and local centres, and out-of-centre retail locations such as Monks Cross, Clifton Moor and McArthurglens Designer Outlet. The results of this study will be available in early 2008 and will inform the preferred approach for the Core Strategy and the sites identified in the next stage of the Allocations DPD.

Where should new retail go?

- 7.8 National planning guidance on town centre uses (PPS6), outlines the key factors which local authorities should consider in allocating sites for retail development. All of the sites suggested at the end of this initial Issues and Options consultation will be considered in light of these factors. Through the Core Strategy we will consider factors such as the amount of additional retail space required and the role of different retail locations. However, factors which you should consider when putting forward sites for retail development include, the general considerations set out in Section 3 'What Makes a Good Development Site?' and the following:

- is the site in an existing centre¹?

The sequential approach requires that locations are considered in the following order: Firstly, retail development should be directed towards locations within existing centres. If this is not possible, then developments should be allocated in edge-of-centre locations, with preference for sites that are or will be well connected to the centre. Only if sites within the centre or on the edge-of-centre are not available should developments be directed to out-of-centre sites. In these cases a preference should be given to sites which are, or will be, well served by a choice of means of transport and which are close to the centre and have a high likelihood of forming links with the centre. The objective of this requirement is to ensure the protection and enhancement of existing centres by focusing development in such centres and improving accessibility by ensuring new development is accessible and well-served by a choice of means of public transport.

- will the site impact negatively on existing centres?

Where a site is in an edge-of-centre or out-of-centre location, you should consider the impact that the development of the site would have on existing centres. For example, an edge-of-centre development could increase the attraction of that centre, having a positive impact, however, this may have a negative impact on other centres in the vicinity.

- 7.9 Over and above these primary considerations, PPS6 also highlights other relevant matters which may be considered in the allocation of retail sites, including: physical regeneration through the redevelopment of previously developed sites; additional employment opportunities, particularly in deprived areas; economic growth as a result of increased investment in an area; and

¹ In York, there are currently three defined retail centres: the city centre; Acomb district centre; and Haxby district centre.

social inclusion, through increasing the accessibility of a range of services and facilities to all groups.

Approach to allocations

- 7.10 The Local Plan identified three sites to meet retail need to 2011. Land at Foss Islands and George Hudson Street have since been developed for retail use, however, the Castle Piccadilly site has not been developed. Castle Piccadilly is a strategic site in the city centre adjacent to Clifford's Tower. Its redevelopment provides the opportunity to create a high quality mixed use development including retail, civic/open space and other appropriate uses. In 2006, the Council adopted a Planning Brief for the site to guide future development. Further details on this site are provided in the Annex (Section 4).
- 7.11 City centre retail issues will also be considered through work on the City Centre Area Action Plan (AAP). The AAP will cover the central area of York including the major mixed use site at Castle Piccadilly. As set out in paragraph 1.8, the preparation of the AAP is still at an early stage and therefore the Allocations DPD can progress with a city-wide call for sites and as the AAP evolves, it will influence and input towards the allocation of city centre sites. It may be considered more appropriate for any city centre retail sites emerging through this process to be progressed through the AAP rather than the Allocations DPD.
- 7.12 As part of the LDF, the Council is also preparing an AAP for York Northwest, which comprises two significant development sites 'York Central' and 'British Sugar' (see paragraphs 1.9-1.10). The York Northwest AAP Issues and Options document (November 2007) highlighted the need to provide an element of retail within York Northwest to support the creation of a new community. The amount of new retail space will be informed by the updated retail study (see paragraph 7.7 above). Once the boundary of the AAP is determined, new retail space within this area will be progressed through the AAP rather than through the Allocations DPD.
- 7.13 As part of preparing the Allocations DPD, we want to know if there are any other sites which you consider would be appropriate for retail development. All of the sites put forward in response to this Issues and Options consultation will be considered in light of the factors outlined above and the overall approach to retail taken in the Core Strategy.

Key Issue R1

1. Castle Piccadilly is currently allocated in the draft Local Plan (2005) as a retail expansion of the city centre. Do you think that this appropriate?
2. Are there any sites that you consider would be appropriate for retail development? (Please use the response form provided)

8. Transport

Introduction

- 8.1 The location and type of new developments will depend on the transport infrastructure, access to public transport, cycle and pedestrian routes. York is well served by buses and has a good network of cycle/pedestrian routes, however, York also has a growing problem of traffic congestion.
- 8.2 The Core Strategy document identifies the key transport issues in York, and the Allocations DPD will identify sites that will lead to the implementation of projects that will address these issues. While our priority will be to direct new development to locations with good public transport access, more growth in York could increase pressure on the existing roads and therefore, this chapter of the Allocations DPD aims to identify potential new transport infrastructure in the form of new and improved park and rides, a new railway station, a new tram-train system and a multi-modal interchange. In addition to these, improvements to the existing road network, for example, the upgrading and/or dualing of the northern outer ring road, will be considered.

What New Transport Infrastructure is Needed?

- 8.3 National guidance in the form of PPG13 and regional guidance set out in the emerging RSS state that York should:
- protect sites and routes which could be critical in developing infrastructure to widen transport choices for both passenger and freight movements;
 - ensure that the allocation of new buildings is linked to the location of existing transport infrastructure and that new transport nodes are positioned in relation to existing and proposed new development; and
 - improve accessibility to and within York, particularly by improved facilities for walking and cycling, increased capacity and quality of public transport, and new park and ride facilities.
- 8.4 York's Local Transport Plan for 2006-2011 (LTP2) outlines how the Council intends to build a sustainable and safe transport network for the City of York. The key aims of LTP2 are to improve accessibility, air quality and safety and ease congestion. Improvements to public transport and to the outer ring road will result in improved accessibility and reduced inner city congestion whilst park and ride remains an essential sustainable alternative to car travel. LTP2 identifies where key improvements are needed and the timescale for delivery.
- 8.5 The LTP2 also makes reference to the "Access York" concept which is a major transport project for York in the future. This project is in response to the likely significant increase in traffic movements within the city, sub-region and Leeds City Region and refers specifically to York Central and other city centre developments. "Access York" covers transport improvement measures including the introduction of further park and rides and a multi-modal transport interchange at York Railway Station.

- 8.6 The LDF Core Strategy issues and options 2 document directly links to LTP2 and addresses the key issues related to reducing the impacts of traffic on the city of York. It looks at the different options in terms of improved public transport, the possibility of dualing the outer ring road and/or improving the junctions along it, ensuring that new development is located in close proximity to services and public transport. The outcome of the core strategy issues and options consultation and approach to the preferred options will set out the general approach to new transport facilities however, the location of allocated sites will be progressed through the Allocations DPD – of which this is the first stage.
- 8.7 The transport section of the Allocations document will aim to implement the transport infrastructure projects identified in LTP2 whilst taking forward the issues identified in the approach to transport in the Core Strategy. Table 8.1 at the end of this chapter sets out the key potential projects where allocations could be made.

Where Should New Transport Infrastructure be Located?

Park and Ride Sites

- 8.8 Currently there are five park and ride facilities operating in the city (Monks Cross, Grimston Bar, Designer Outlet, Askham Bar and Rawcliffe Bar). LTP2 identifies some of these existing sites as requiring expansion and/or relocation (Designer Outlet, Askham Bar and Grimston Bar) and also identifies the need for new facilities at Wigginton Road and on the A59 corridor.
- 8.9 Although two specific site options have been identified for the A59 park and ride, the majority of the potential allocations are just general areas and we ask that you submit potential sites to help deliver these. These potential allocations are shown on the map in Section 5 of the Annex.

Key Issue T1

Park and Ride Facilities

1. Do you agree that the areas and sites identified above, in Table 8.1 and on the map in Section 5 of the Annex, are suitable locations for enhanced or new park and ride facilities?
2. Are you aware of any specific sites that should be allocated for the facilities?

When submitting potential sites, please use the response form provided.

Haxby Railway Station

- 8.10 It has been identified through LTP2 that a new railway station at Haxby, on the York-Scarborough line would have significant local benefits of providing a

fast alternative route into York and would assist in reducing the congestion levels on the Outer Ring Road (A1237).

- 8.11 A specific site has not yet been identified although it would seem appropriate that it would be located near the site of the previous station, just off Station Road. The map in section 5 on the Annex indicates a potential general area.

Key Issue T2

Haxby Railway Station

1. Do you agree that a new station at Haxby is a good idea?
2. Where do you think that a suitable site would be?

When submitting sites, please use the response form provided.

Tram-Train Scheme

- 8.12 Proposals are currently being investigated for a light rail project, utilising the existing Leeds-Harrogate-Knaresborough-York rail line and providing links to Haxby and Copmanthorpe. The nature of tram-trains would allow for an increased number of stops over a short distance as well as allowing for stops off the railway track. Several sites have been identified on and off the line between Poppleton and York, within the British Sugar and York Central sites (York Northwest Area Action Plan area) as well as stops towards Haxby and Copmanthorpe including links to Park and Ride sites. The potential routes and railway halts are shown on the map in section 5 of the Map Annex.
- 8.13 Consultants (Arup) are currently undertaking a joint study on behalf of City of York Council, Metro, and Leeds-Bradford International Airport which will assess the feasibility of implementing a tram-train network. This should be completed by March 2008 and will feed into the preferred options stage of the Allocations DPD.

Key Issue T3

Tram-Train Scheme

1. Do you have any general comments about the proposed Tram-Train routes?
2. Are you aware of any sites that would be suitable for railway halts? These could be immediately adjacent to the track or a short distance away as tram-trains can run on tram tracks on the road.

When submitting sites, please use the response form provided.

Transport Interchanges

- 8.14 The Regional Transport Strategy (RTS) policies focus on the importance of integrating transport planning with land-use planning and other policy areas. In terms of improvements to public transport, York has been identified as a priority to develop and improve sub-regional transport interchanges. It has been identified that the strategic role of the rail network should be developed to provide better integrated and sustainable services using different rail modes and new technology as appropriate (including metro-type services, tram-train, light rail and ultra light rail) consistent with the settlement hierarchy and land use developments
- 8.15 It has been recognised through the Core Strategy that transport interchanges in the form of high quality bus stops at key intersections across the network, (specifically where orbital and radial routes cross) and a public transport (multi-modal) interchange in the vicinity of York railway station would provide an improved public transport system for the city.
- 8.16 The bus interchanges would be on highway land and would not therefore require land to be identified through this document; these will be implemented through alternative methods. The multi-modal interchange however, will require a site which will be allocated through this document. A site near the station would be preferable which could be within the York Northwest Area Action Plan area; several potential sites have been identified within the AAP issues and options document. The map in section 5 of the Annex identifies the general station area as being a potential location area for an interchange, although it is likely that this will be progressed through the York Northwest AAP.

Key Issue T4**Multi-Modal Interchange**

1. Do you think that a transport interchange in the general station area would be a good idea?
2. Are you aware of any specific sites that would be suitable?

When submitting sites, please use the response form provided.

York Outer Ring Road (A1237)

- 8.17 The Outer Ring Road (ORR) is frequently congested. A study was undertaken in 2005 which identifies the extent of pressure and congestion along its length, in order to identify a programme of improvements. This study is currently being revised and will look at the feasibility of dualing the ORR and/or making junction improvements.

- 8.18 The Core Strategy Issues and Options 2 document puts forward an option of including the possible dualing and/or improvement of the ORR in the LDF's approach to addressing transport issues. This Allocations DPD will aim to identify specific land adjacent to the A1237 where these improvements could take place. The map in section 5 of the Annex shows a general indicative line to raise awareness of the general extent of potential future improvements.

Key Issue T5

York Outer Ring Road

1. Do you think that the Outer Ring Road should be upgraded to dual carriageway and/or should the Council continue to make individual junction improvements?
2. Are you aware of any land near the A1237 that could contribute to the improvement of junctions or be used for the dualing of the Outer Ring Road?

Expansion of the walking and cycle route network

- 8.19 The importance of improving and extending cycle and pedestrian routes is addressed in LTP2. LTP2 stopped short of identifying specific routes due to the process for prioritizing scheme requests being undertaken on an annual basis and the difficulty in predicting which schemes will top the list for inclusion in future capital programmes as many schemes are suggested by members of the public each year which need to be fed into the prioritization process. Existing proposals for extensions to both the cycling and walking networks, as previously adopted by the Council, will be dealt with through this Allocations document. Extensions and improvements to the pedestrian priority zones will be investigated and implemented where appropriate. Although this document will not address routes that are within the existing adopted highway network, it will allocate land or protect alignments for new cycle and pedestrian routes, especially where there are missing links in the existing network.
- 8.20 The map in section 5 of the Map Annex shows indicative locations where the Council proposes to expand the existing cycle and pedestrian networks.

Key Issue T6

Proposed Cycle Routes

1. Do you think that the map in Section 5 of the Annex identifies suitable proposed routes to expand the cycle and walking networks?
2. Are there any other potential routes which you would like to see added?
3. Are you aware of any sites which could help deliver these proposed networks, this includes sites that would be suitable for other uses but where a cycle routes could be incorporated?

Table 8.1: Potential Locations for Transport Allocations

Reference Number	Site/Area	Potential allocation	Source
T/001	Station Road, Haxby	New railway station on York-Scarborough line	LTP2
T/002	Leeds-Harrogate-York line. Between York and Haxby. Between York and Copmanthorpe.	Tram-train route and railway halts	LTP2
T/003	Wigginton Road	New Park and Ride	LTP2
T/004	Grimston Bar P&R	Expansion of existing site	LTP2
T/005	Designer Outlet	Relocation of P&R within the current vicinity	LTP2
T/006	Askam Bar Park and Ride	Relocation of P&R within the current vicinity	LTP2
T/007	A59	New Park and Ride	LTP2
T/008	York Station	Multi-modal Interchange	LTP2
T/009	Northern Outer Ring Road	Dualing and/or junction improvements	LTP2

9. Waste and Minerals

Introduction

- 9.1 The purpose of this section of the Allocations DPD is to provide a degree of certainty to local residents, the minerals and waste industry, and other interested parties, about where future minerals and waste development is likely to take place. After sites have been formally identified, site specific policies will be drafted to help mitigate any potential negative impacts that could result from the development.
- 9.2 Potential locations for future minerals workings are inevitably limited by geological factors, particularly the distribution of economically viable resources. Potential locations for waste related development are less constrained than minerals as they are not reliant on geological considerations. Many modern waste management facilities are developments of general industrial character which can potentially be sited in a range of locations where other industrial development would be appropriate.

What Needs to be Allocated for Waste Facilities?

- 9.3 The emerging Regional Spatial Strategy for Yorkshire and the Humber (RSS) states that waste planning authorities should ensure that adequate sites and facilities are available to manage the quantities of municipal, commercial and industrial, construction and demolition, agricultural, and hazardous waste shown by the benchmark figures set out in the RSS as set out in tables 9.1 and 9.2 below. It goes on to state that sites should be allocated for specific types of waste management facility to ensure that facilities are appropriately located.

Table 9.1: Municipal Solid Waste Forecasts for York (thousand tonnes per year)

Year	Tonnes to be managed	<u>Maximum</u> landfill capacity	<u>Minimum</u> treatment capacity	<u>Minimum</u> tonnage to be recycled
2005	119	87 (73%)	32 (27%)	32 (27%)
2010	127	60 (47%)	67 (53%)	51 (40%)
2015	135	45 (33%)	91 (67%)	61 (45%)
2021	146	37 (25%)	110 (75%)	73 (55%)

Table 9.2: Commercial and Industrial Waste Forecasts for York (thousands tonnes per year)

Year	Tonnes to be managed	<u>Maximum</u> landfill capacity	<u>Minimum</u> treatment capacity
2005	276	91 (33%)	185 (67%)
2010	281	93 (33%)	188 (67%)
2015	289	95 (33%)	194 (67%)
2021	299	99 (33%)	200 (67%)

- 9.4 These figures shows that we need to increase the level of alternative waste management facilities (non-landfill) between now and 2021 whilst reducing the amount of waste that goes to landfill. To meet these RSS targets, we must allocate additional land for new waste facilities. In addition, the Household Waste Recycling Centre (HWRC) at Beckfield Lane in Acomb has reached its capacity and needs to be relocated to a new site.
- 9.5 York is working jointly with North Yorkshire County Council to identify suitable sites for a large waste treatment plant (energy from waste plant/incinerator) and it has been agreed that the facility will be located within the North Yorkshire County Council area and not within York. However, the City of York Council is still required to identify suitable sites for potential Waste Transfer Stations (where waste is delivered for separation or bulking up before being removed for recycling, treatment or disposal), and HWRCs (like the one at Beckfield Lane). The different types of waste facility are set out in Table 9.3 below.
- 9.6 The specific site for the large waste treatment plant in North Yorkshire will not be decided until after December 2010 when the preferred bidder is awarded a contract. As the preferred locations of waste transfer stations in York will be dependent on the location of the large facility, we should allocate a range of alternative sites for smaller waste transfer stations through this Allocations DPD.

Table 9.3: Types of Waste Facility

Scale of Facility	Approximate size	Examples
Large-scale	>4ha	Mechanical biological treatment (MBT) facility or a facility generating energy from waste (EfW)
Mid-scale	2.5-4ha	Large materials recycling facility (MRF) or transfer station
Small-scale	0.5-2.5ha	MRF or Household Waste Recycling Centre (HWRC)

Where Should New Waste Facilities be Located?

- 9.7 Section 13 of the Core Strategy Issues and Options 2 report deals with waste management and minerals in York. Key Issue 13a asks the general question “Where to locate new waste facilities in York?” The options cover the different factors that should be used to direct York’s approach to identifying future waste sites through the LDF, these are contained in Appendix 3. It is anticipated that the responses to the Core Strategy consultation will result in general areas being identified which will feed into the Allocations DPD process in terms of identifying individual sites within these areas.

- 9.8 As mentioned previously, a site for a new HWRC is required to replace the one at Beckfield Lane in Acomb. The Council has identified two potential site options adjacent to Harewood Whin, an existing Landfill and Recycling site near Rufforth. These sites are shown indicatively on Maps WM/001 and WM/002 in section 5 on the Map Annex. The selection of sites were based on internal discussions and will be assessed against the PPS10 criteria set out below.

What Should be Considered when Allocating New Sites?

- 9.9 National government planning guidance on sustainable waste management is set out in PPS10. In accordance with the guidance, the Council will assess the suitability of sites and areas for new or enhanced waste management facilities, against each of the following criteria:
- the extent to which they support the policies in PPS10;
 - the physical and environmental constraints on development, including existing and proposed neighbouring land uses;
 - the cumulative effect of previous waste disposal facilities on the well-being of the local community, including any significant adverse impacts on environmental quality, social cohesion and inclusion or economic potential;
 - the capacity of existing and potential transport infrastructure to support the sustainable movement of waste, and products arising from resource recovery, seeking where practicable and beneficial to use modes other than road transport; and
 - to give priority to the re-use of previously developed land, and redundant agricultural and forestry buildings and their curtilages.
- 9.10 Annex E of PPS10 sets out locational factors that should be used alongside the criteria above to test the suitability of sites and areas for new or improved waste facilities, this criteria is summarized below.

Table 9.4: Locational factors to consider when allocating waste sites

Criteria	The Council will consider:
Protection of water resources	The proximity of vulnerable surface and groundwater and the suitability of locations subject to flooding.
Land instability	Locations liable to be affected by land instability will not normally be suitable.
Visual intrusion	The setting of the proposed location and the potential for design-led solutions to produce acceptable development
Nature conservation	Any adverse effect on a site of international or national importance for nature conservation
Historic environment and built heritage	Any adverse effect on a site of international importance or a site or

	building with a nationally recognized designation
Traffic and access	The suitability of the road network and the extent to which access would require reliance on local roads
Air emissions, including dust	The proximity of sensitive receptors and the extent to which adverse emissions can be controlled
Odours	The proximity of sensitive receptors and the extent to which adverse odours can be controlled
Vermin and birds	The proximity of sensitive receptors. Some waste management facilities can attract vermin and birds.
Noise and vibration	The proximity of sensitive receptors. The operation of large waste management facilities in particular can produce noise both inside and outside buildings.
Litter	Litter can be a concern at some facilities.
Potential land use conflict	Likely proposed development in the vicinity of the location under consideration should be taken into account.

Key Issue WM1

Based on the guidance and targets set out above;

1. Do you think that either Option A or B set out in section 5 of the Map Annex would be a suitable replacement site for the existing Household Waste Recycling Centre at Beckfield Lane in Acomb?
2. Are you aware of any alternative suitable sites for Household Waste Recycling Centres?
3. Are you aware of any sites that might be suitable for Waste Transfer Stations?
4. Are you aware of any sites that might be suitable for any other type of waste facility?

What Needs to be Allocated for Mineral Development?

- 9.11 The sub-regional apportionments set out in the RSS proposed changes document does not identify York as needing to produce aggregates in the period 2001 to 2016. Therefore, at this stage, the Council will not be identifying specific sites and areas for future working. However, national guidance on Planning and Minerals as set out in Minerals Policy Statement

1(MPS1) requires that Mineral Safeguarding Areas (MSAs) are defined in Local Development Documents to ensure that proven resources are not needlessly sterilized by non-mineral development, although there is no presumption that resources defined in MSAs will be worked.

- 9.12 The North Yorkshire County Council's Mineral and Waste Local Plan (1995) identified a large area of land to the north of the B1224 and west of Poppleton as an "Area of Search for Minerals". See Map WM/003 in section 5 of the Map Annex which shows the full extent of the area. The Council identified this area on the Local Plan proposals map to ensure that the land is safeguarded from sterilization as the area is intended to assist in meeting any shortfall in the availability of aggregate minerals in the future and to provide flexibility in meeting demand should any of the preferred areas (not in York) not come forward.
- 9.13 In 2001, the British Geological Survey were commissioned by Yorkshire and Humber Regional Aggregates Working Party to produce a Sand and Gravel Study to identify the broad areas of sand and gravel resources in the region and to further identify potentially suitable resources for use as concrete aggregate. Phase 1 of this study examines the broad areas of potential reserves of sand and gravel suitable for use as a concrete aggregate. The results of this study confirmed areas within York which offer potential reserves of sand and gravel. Phase 2 of the study will assess the likely social, economic and environmental impacts of extraction and will be published in the new year. Also in 2008, a building materials study will be commissioned to assess the levels and location of brick clay and other minerals in Yorkshire and the Humber. This information will be used to inform the preferred options stage of the Allocations DPD.

Key Issue WM2

How should we address minerals allocations?

1. Do you think that the existing boundaries of the Area of Search identified on Map WM/003 should be retained and allocated as a Mineral Safeguarding Area, or
2. Do you think that the Council should wait to see the outcome of the Yorkshire and Humber Regional Aggregates Working Party Study Stage 2 which might identify more specific sites/areas?

10. Other Uses

Introduction

- 10.1 In addition to the types of uses identified in the previous sections, there may be a need to identify sites for other uses such as those identified below. At this initial stage whilst the Core Strategy approach is being considered and in some cases the full evidence base is emerging, it is not possible to be specific about the requirements for the uses identified in this section and whether there is a definite need to allocate sites for these uses. In the majority of cases, the future scale and location of new housing and employment allocations will be a major factor in determining where new facilities are needed. However, we would like to know your views on our proposed approach to the following uses and whether there are any other types of development which you think we should be allocating sites for.

Education

- 10.2 The latest Authority-wide pupil level forecasts indicate that rising birth rates will begin to affect an increase in children on roll at City of York Council primary schools from academic year 2009/10. The number of children in City of York secondary schools is predicted to continue falling until around 2018/19, when the larger primary cohorts will have moved through into the secondary sector.
- 10.3 Based on current evidence it appears unlikely that we will need to find land for new schools in the immediate short term, however, figures from the Office of National Statistics show that birth rates within the City of York area are increasing so as a result of this, and dependent on the scale and location of future development, we may need to find sites for new education developments in the medium to longer term. This could be the case for the York Northwest area in particular, given the likely scale of new development. We are working with the Council's Learning, Culture and Children's Services directorate to monitor this need, and to make sure that our approach to education through the Allocations DPD and through Area Action Plans meets future needs.
- 10.4 In addition to the provision of appropriate primary and secondary education, the Council will seek through the Core Strategy to establish an approach which meets the requirements of further and higher education facilities in the city. As a result of the Core Strategy approach, there may be a need to identify sites for these uses in the Allocations DPD.
- 10.5 Land for the expansion of the University of York was allocated in the Draft Local Plan 2005. The University of York currently occupies an 85 hectare parkland campus on the south eastern edge of York. Since the 1960s, in line with other similar establishments, the University of York has grown from a primarily teaching institution to one placing an increasing emphasis on funded research and links to external commercial organisations.

- 10.6 Expansion beyond the boundaries of the current campus has been envisaged for sometime and the draft Local Plan identified a 65 hectare site from the green belt to the south of Field Lane for a second University campus. In April 2004 the council received a planning application for the development of the additional campus for the University. The proposed development includes a range of academic and research facilities, research and development jobs connected with the University, housing, transport links, and landscaping. The application was subject to a public inquiry and a decision was issued by the Secretary of State in May 2007 which approved the application. The site is scheduled to be developed over the next 20 years.

Health

- 10.7 The scale and location of future housing provision as developed through the Core Strategy will inform the approach to identifying sites for health facilities. Information available at this stage does not clearly indicate the amount and type of facilities which may be required in the future. However, we are currently working with the North Yorkshire and York Primary Care Trust to develop the LDF approach to the provision of health facilities. This will ensure that if required appropriate sites are identified to meet future health needs.

Key Issue O1

Do you agree with our proposed approach to education and health facilities? Do you think we should be allocating sites for these types of uses? If so, are there any sites which you think would be appropriate? (Please use the response form provided)

Built Sports Facilities

- 10.8 As set out in the Core Strategy Issues and Options 2 document, information on built sports facilities is available in the Sport and Active Leisure Strategy for York, which has been produced by the Active York Partnership. Chapter 4 of the Strategy, entitled Excellent Facilities identifies current gaps in provision which include a shortage of:
- indoor flexible multi sports space (equating to 24 badminton courts);
 - public swimming space (equating to 12 x 25m lanes of pool space);
 - an artificial turf competition hockey facility; and
 - a professional sports stadium catering for community sports development.
- 10.9 Depending on the approach to the provision of built sports facilities taken through the Core Strategy we may need to identify particular sites to meet the gaps in provision identified above.
- 10.10 National Planning Guidance set out in PPG17 (Planning for Open Space, Sport and Recreation) sets out the principles which should be considered when identifying where to locate new sports facilities:

- promote accessibility by walking, cycling and public transport, and ensure that facilities are accessible for people with disabilities;
- locate more intensive recreational uses in sites where they can contribute to town centre vitality and viability;
- avoid any significant loss of amenity to residents, neighbouring uses or biodiversity;
- look to provide areas of open space in commercial and industrial areas;
- meet the regeneration needs of areas, using brownfield in preference to greenfield sites; and
- consider the scope for using any surplus land for open space, sport or recreational use, weighing this against alternative uses.

Key Issue O2

Do you think we should be allocating sites for built sports facilities? Are there any sites which you consider are appropriate for the built sports facilities identified above? (Please use the response form provided)

Open Space

10.11 At present the key method for providing new open space is through provision linked to new housing and commercial developments. However, there may be opportunities to allocate specific sites through the Allocations DPD in order to address open space priorities, both in terms of the quantity and accessibility of provision. A study on open space is being carried out for the Council by consultants PMP. The study will set local standards for open space provision and identify areas which have deficiencies of the following types of open space:

- parks and gardens;
- natural and semi-natural greenspaces;
- amenity greenspaces;
- provision for children;
- provision for teenagers;
- outdoor sports provision; and
- allotments.

10.12 As a starting point we would like to know if there are any areas which you think would be appropriate for new open space provision. Should any new open space sites be identified through the Allocations DPD they will be judged against the findings of the open space study once it is complete. The Council's approach to the protection of existing open spaces is outlined in paragraph 1.17.

Key Issue O3

Do you think we should be allocating sites for new open space provision? Are there any sites which you think should be allocated for new open space? (Please use the response form provided)

Community and Leisure Facilities

- 10.13 The Core Strategy Issues and Options (June 2006) highlights the LDF's role in encouraging suitable and accessible community facilities. These facilities are seen as covering a wide range of uses, including community halls, venues for clubs and societies to meet, libraries, youth facilities and public houses. At this stage it is not anticipated that we will allocate specific sites for community facilities in the Allocations DPD. Although, they will be considered as part of large scale schemes, such as York Northwest. Instead through the LDF we will seek to ensure that existing facilities are protected and set out criteria to ensure that any proposals for new facilities are appropriate and are developed in accessible locations.
- 10.14 The Council are currently carrying out an up to date retail study which will consider both retail and leisure provision in York. This study may identify a need for further leisure provision and therefore there may be a need to identify new sites for leisure use through the Allocations DPD.

Key Issue O4

Do you think we should be allocating sites for community and leisure facilities? If so, tell us why and let us know if there are any sites which you think would be appropriate and for what use. (Please use the response form provided)

Renewable Energy

- 10.15 As highlighted in the Core Strategy Issues and Options 2 document, in order to meet the targets for renewable energy generation set out in the Regional Spatial Strategy (RSS), it may be necessary to consider large-scale renewable energy generation. These could include stand-alone renewable energy facilities, such as wind, biomass, hydro and photovoltaics. The Proposed Changes to RSS (2007), sets local targets for installed renewable energy. For York, the target is 11MW by 2010 and 31 MW by 2021.

Key Issue O5

Do you think that we should be identifying sites for large scale renewable energy installations? If you think we should identify sites, are there any sites which you think would be appropriate? (Please use the response form provided)

Key Issue O6

Are there any other types of development which you think we should be identifying sites for? If so, are there any particular sites which you consider appropriate for these types of development? (Please use the response form provided)

Glossary

Area Action Plan: Used to provide a planning framework for areas of change and areas of conservation. Area Action Plans will have the status of *Development Plan Documents*

Biomass: The shared description for the controlled release and use of the energy potential locked up in trees and plants – straw, reeds or willow - or created as a part of regularly recurring natural processes – the bi-products of the process of decomposition or the bacterial digestion of natural things i.e. sewerage, various farm wastes or decaying material such as garden clippings and/or other largely natural materials such as paper.

Core Strategy: This will set out the long-term spatial vision for the City of York authority area, the spatial objectives and strategic policies to deliver that vision. The Core Strategy will have the status of a Development Plan Document. York's Core Strategy is currently being prepared and is at the Issues and Options stage.

Development Plan Documents (DPDs): Spatial planning documents that are subject to independent examination, and together with the relevant Regional Spatial Strategy, will form the *Development Plan* for a local authority area for the purpose of the Act. They can include a *Core Strategy*, Site Specific Allocations of land, and *Area Action Plans* (where needed). Other Development Plan Documents, including generic *Development Control Policies*, can be produced. Individual Development Plan Documents or part of a document can be reviewed independently from other Development Plan Documents. Each authority must set out the programme for preparing its *Development Plan Documents* in the *Local Development Scheme*.

Development Control Policies: These will be a suite of criteria-based policies which are required to ensure that all development within the area meets the spatial vision and spatial objectives set out in the *Core Strategy*. They may be included in any *Development Plan Document* or may form a standalone document, such as a Development Control DPD.

Edge-of-Centre: For retail purposes, this is defined by PPS6 as a location that is well connected to and within easy walking distance (i.e. Up to 300 metres) of the primary shopping area. For all other main town centre uses, this is likely to be within 300 metres of a town centre boundary. As well as distance, assessments should also take account of barriers such as crossing major roads and the perceived safety of the route, in determining whether the site could be considered edge of centre.

Energy from Waste: This is the production of energy from waste. This can be in the form of burning solid waste in an incinerator or collecting gases such as methane from landfill sites. The heat produced is used to make electricity.

House Waste Recycling Centres (HWRC): A local amenity site used to dispose and recycle refuse.

Hydro: Hydroelectric power is electricity produced from the energy of falling water. The basic theory of hydroelectricity is to harness the potential energy within falling water. The potential energy is harnessed with the same principles used by a water wheel, the force of gravity makes the water fall making the wheel turn.

Infilling: The use of vacant/underused land and property within a built-up area boundary for further construction or development.

Issues and Options: Produced during the early production stage of the preparation of *Development Plan Documents* and may be issued for consultation.

Local Development Document (LDDs): The collective term in the Act for *Development Plan Documents*, *Supplementary Planning Documents* and the *Statement of Community Involvement*.

Local Development Framework (LDFs): The name for the portfolio of *Local Development Documents*. It consists of *Development Plan Documents*, *Supplementary Planning documents*, a *Statement of Community Involvement*, the *Local Development Scheme* and *Annual Monitoring Reports*. Together these documents will provide the framework for delivering the spatial planning strategy for a local authority area and may also include local development orders and simplified planning zones.

Local Development Scheme (LDS): Sets out the programme for preparing *Local Development Documents*. All authorities must submit a Local Development Scheme to the Secretary of State for approval within six months of the commencement of the Act.

Local Plan: A document which, together with the *Structure Plan*, forms part of the *Development Plan* for a specified area. The Local Plan consists of a Written Statement and a Proposals Map. It sets out detailed policies and proposals for the development and use of the land within the District. Local Plans are prepared by local planning authorities at District level, following statutory procedures, including public consultation exercises and if necessary, a Local Plan Inquiry. The Planning and Compensation Act 1991, requires that new Local Plans provide district wide coverage.

Local Transport Plan (LTP): A 5-year Strategy prepared by each local authority for the development of local, integrated transport, supported by a programme of transport improvements. It is used as a bid to Government for funding transport improvements.

Out-of-Centre: A location which is not in or on the edge of a centre but not necessarily outside the urban area.

Out of Town: An out of centre development outside the existing urban area.

Photovoltaics: Solar cells which directly convert sunlight into electricity, are made of semi conducting materials.

Planning Policy Guidance Notes and Planning Policy Statements: These are prepared by the government after public consultation to explain statutory provisions and provide guidance to local authorities and others on planning policy and the operation of the planning system. They also explain the relationship between planning policies and other policies which have an important bearing on issues of development and land use. Planning Policy Statements replace Planning Policy Guidance Notes.

Primary Shopping Area: This is a defined area (currently defined in draft in the draft Local Plan) within the city centre where retail development is concentrated.

Proposals Map: The adopted proposals map illustrates on a base map, (reproduced from, or based upon a map to a registered scale) all the policies contained in the *Development Plan Documents*, together with any saved policies. It must be revised each time a new *Development Plan Document* is adopted, and it should always reflect the up-to-date planning strategy for the area. Proposals for changes to the adopted proposals map accompany submitted *Development Plan Documents* in the form of a submission proposals map. The Proposals Map will be prepared for the first time as part of the Allocations DPD.

Regional Spatial Strategy (RSS): Sets out the region's policies in relation to the development and use of land and forms part of the development plan for local planning authorities. Planning Policy Statement 11 'Regional Spatial Strategies' provides detailed guidance on the function and preparation of Regional Spatial Strategies.

Safeguarded Land: comprises areas and sites which may be required to serve development needs in the longer term, i.e. well beyond the plan period. It should be clear that the land is not allocated for development at the present time, and it should be kept free to fulfil its purpose of meeting possible longer-term development needs. No development which would prejudice later comprehensive development should be permitted.

Statement of Community Involvement (SCI): Sets out the standards which authorities will achieve with regard to involving local communities in the preparation of local development documents and development control decisions. The Statement of Community Involvement is not a *Development Plan Document* but is subject to an independent examination. York's SCI was adopted in November 2007.

Strategic Environmental Assessment (SEA): A generic term used to describe environmental assessment as applied to policies, plans and programmes. The European ‘SEA Directive’ (2001/42/EC) requires a formal ‘environmental assessment of certain plans and programmes, including those in the field of planning and land use’.

Sustainability Appraisal (SA): Tool for appraising policies to ensure they reflect sustainable development objectives (i.e. social, environmental and economic factors) and required in the Act to be undertaken for all local development documents.

Supplementary Planning Documents (SPDs): Provide supplementary information in respect of the policies in the *Development Plan Documents*. They do not form part of the *Development Plan* and are not subject to independent examination.

Waste Transfer station: Facility at which solid waste trucks dump their loads in a pit. The garbage is then compacted and pushed into large tractor trailers for transportation to a landfill site or waste to energy plant.

Waste Treatment Plants:

Windfalls: Windfall sites, as defined by PPS3, are those, which have not been specifically identified as available in the development plan process through land use allocations. They comprise previously developed sites that have become unexpectedly available. These could include for example, large sites such as might result from a factory closure or very small changes to the built environment, such as a residential conversion or a new flat over a shop.

Wind Turbines: Convert power in the wind into electrical energy using rotating wing-like blades which drive a generator.

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City of York Retail Study (Roger Tym & Partners, 2004)

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Core Strategy Issues and Options 2 (CYC, 2007)

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Regional Spatial Strategy incorporating the Secretary of State Proposed Changes (Government Office of Yorkshire and the Humber, 2007)

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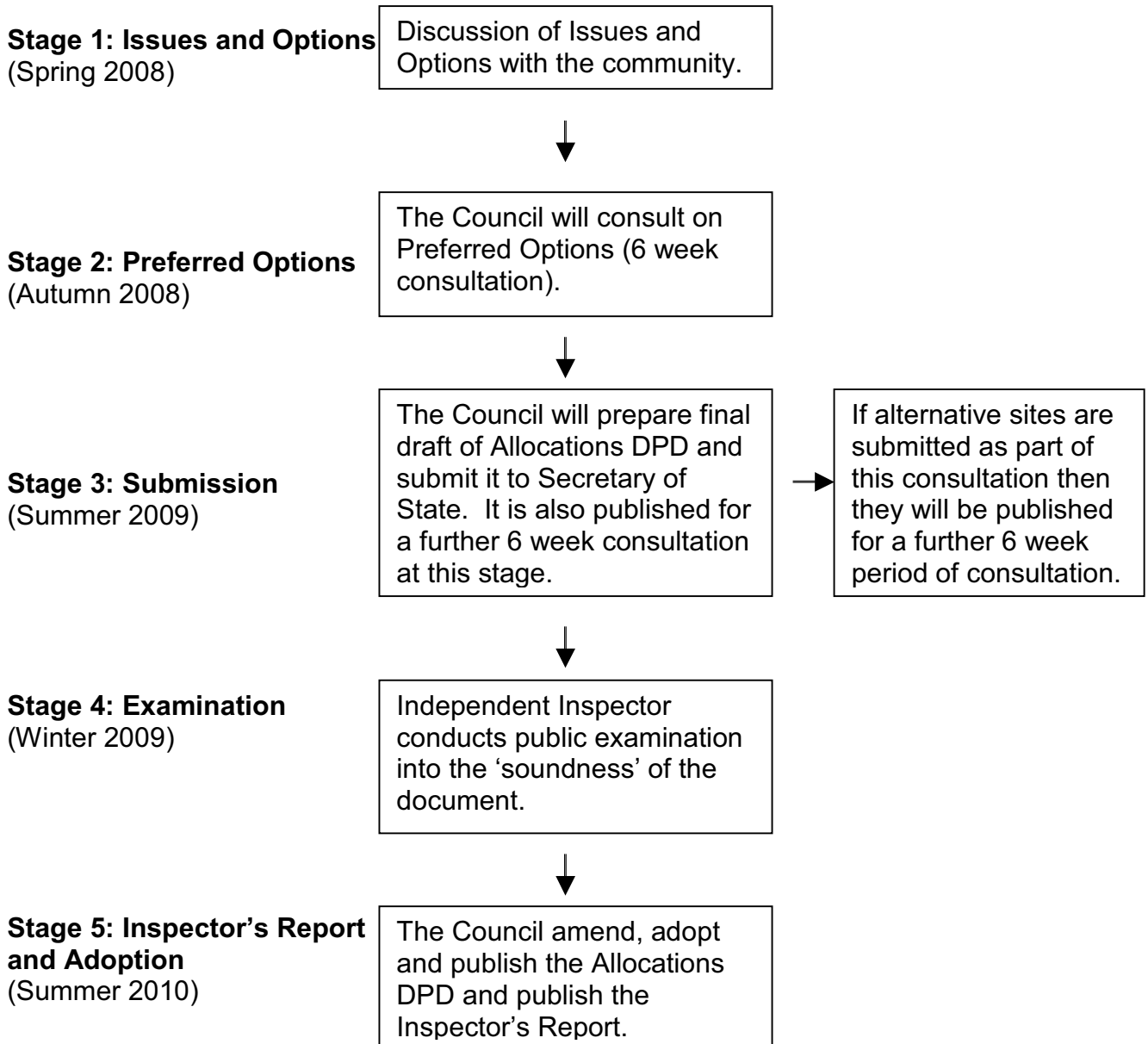
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York Northwest Area Action Plan: Issues and Options Report (CYC, Nathaniel Lichfield and Partners, November 2007)

Appendix 1 – Allocations DPD Process



Appendix 2 – Major developed sites in the green belt

Table A2.1 Major developed sites as identified in the draft Local Plan (2005)

Site	Preferred Use
Askham Bryan College	Education
Bull Commercial Centre	Employment
Clifton Hospital	Laundry Building – employment Rosedale Building – residential
Designer Outlet	Retailing/employment
Elvington Water Treatment Works	Water treatment operations
Hessay Depot	Employment
The Retreat	Health facilities
Stockton Hall Hospital	Health facilities
York Law College	Education
York Racecourse	Racecourse related uses

Appendix 3 – Where to Locate New Waste Facilities in York - Factors to Consider

The Core Strategy Issues and Options 2 document asked:

“Which of the following factors should be used to direct York’s approach to identifying future waste sites through the LDF:

Environmental Factors

1. Environmentally sensitive areas (i.e. SSSIs, residential, flood risk, historic and built heritage, nature conservation, archaeology); or
2. Environmental impacts (i.e. air emissions including dust, litter, noise, odour, land instability, protection of ground and surface water, visual intrusion and compatibility with adjacent development); or
3. Location in regard to Green Belt (inside or outside existing draft Green Belt?); or
4. Brownfield land (i.e. previously developed land); or

Operational Factors

5. The waste stream (type of waste i.e. industrial, commercial, recycled, green, hazardous, household) being dealt with; or
6. Technology and design of waste facility; or
7. Co-location with existing facilities (including industrial sites); or

Transportation Factors

8. The total distance from waste generator to new waste facility; or
9. Waste transportation modes (i.e. motor vehicular, rail, river); or
10. Access networks (i.e. Major road systems, other traffic issues).

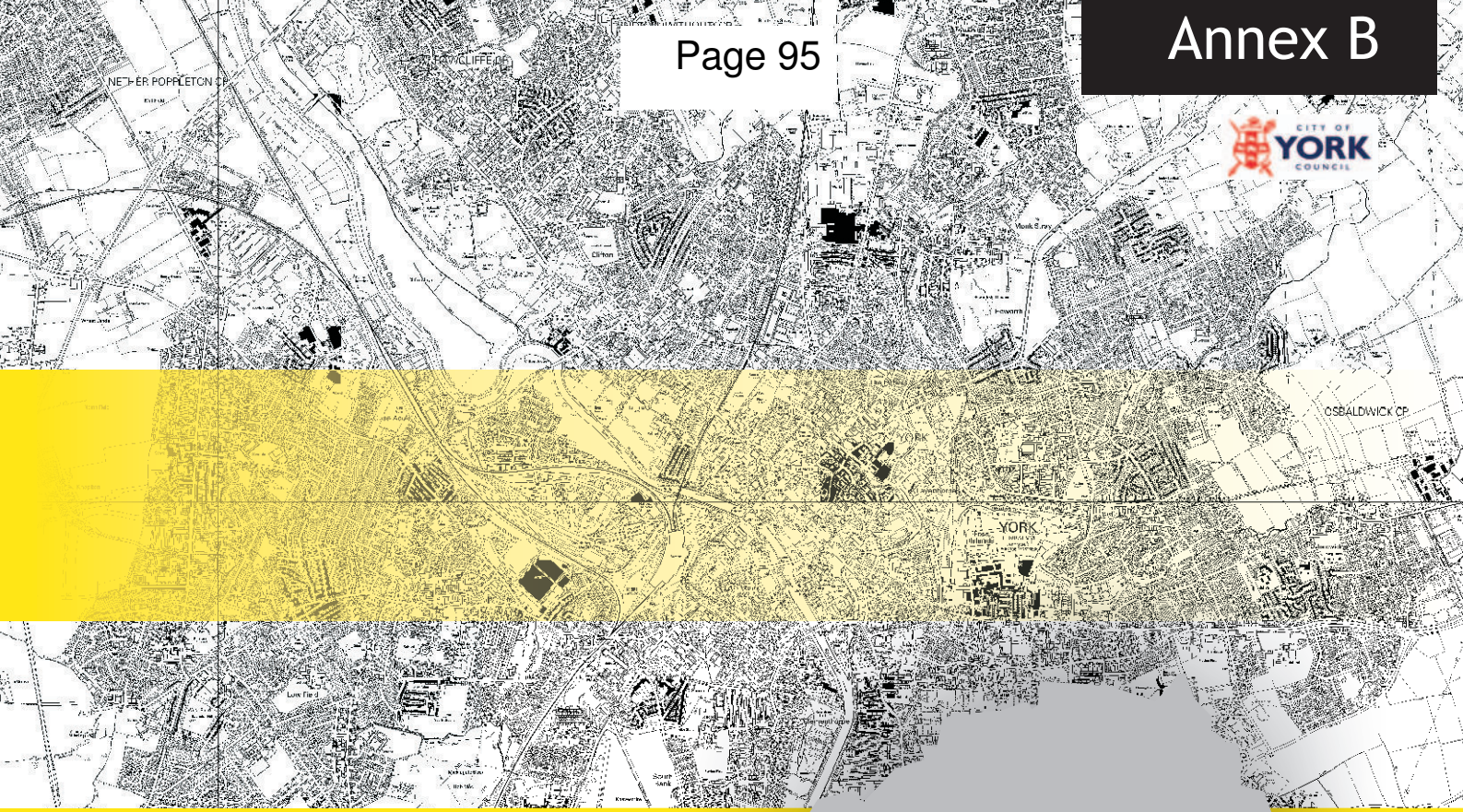
Please prioritise or provide any further comments where appropriate”.

Appendix 4: National Planning Documents

- Planning Policy Statement 1: Delivering Sustainable Development
- Planning Policy Guidance 2: Green Belts
- Planning Policy Statement 3: Housing
- Planning Policy Guidance 4: Industrial, Commercial Development and Small Firms
- Planning Policy Guidance 5: Simplified Planning Zones
- Planning Policy Statement 6: Planning for Town Centres
- Planning Policy Statement 7: Sustainable Development in Rural Areas
- Planning Policy Guidance 8: Telecommunications
- Planning Policy Statement 9: Biodiversity and Geological Conservation
- Planning Policy Statement 10: Planning for Sustainable Waste Management
- Planning Policy Statement 11: Regional Spatial Strategies
- Planning Policy Statement 12: Local Development Frameworks
- Planning Policy Guidance 13: Transport
- Planning Policy Guidance 14: Development on Unstable Land
- Planning Policy Guidance 15: Planning and the Historic Environment
- Planning Policy Guidance 16: Archaeology and Planning
- Planning Policy Guidance 17: Planning for Open Space, Sport and Recreation
- Planning Policy Guidance 18: Enforcing Planning Control
- Planning Policy Guidance 19: Outdoor Advertisement Control
- Planning Policy Guidance 20: Coastal Planning
- Planning Policy Statement 22: Renewable Energy (includes a companion guide)
- Planning Policy Statement 23: Planning and Pollution Control
- Planning Policy Guidance 24: Planning and Noise
- Planning Policy Statement 25: Development and Flood Risk

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City of York

LDF

Local
Development
Framework

Allocations DPD
Issues and Options

Annex - Map document

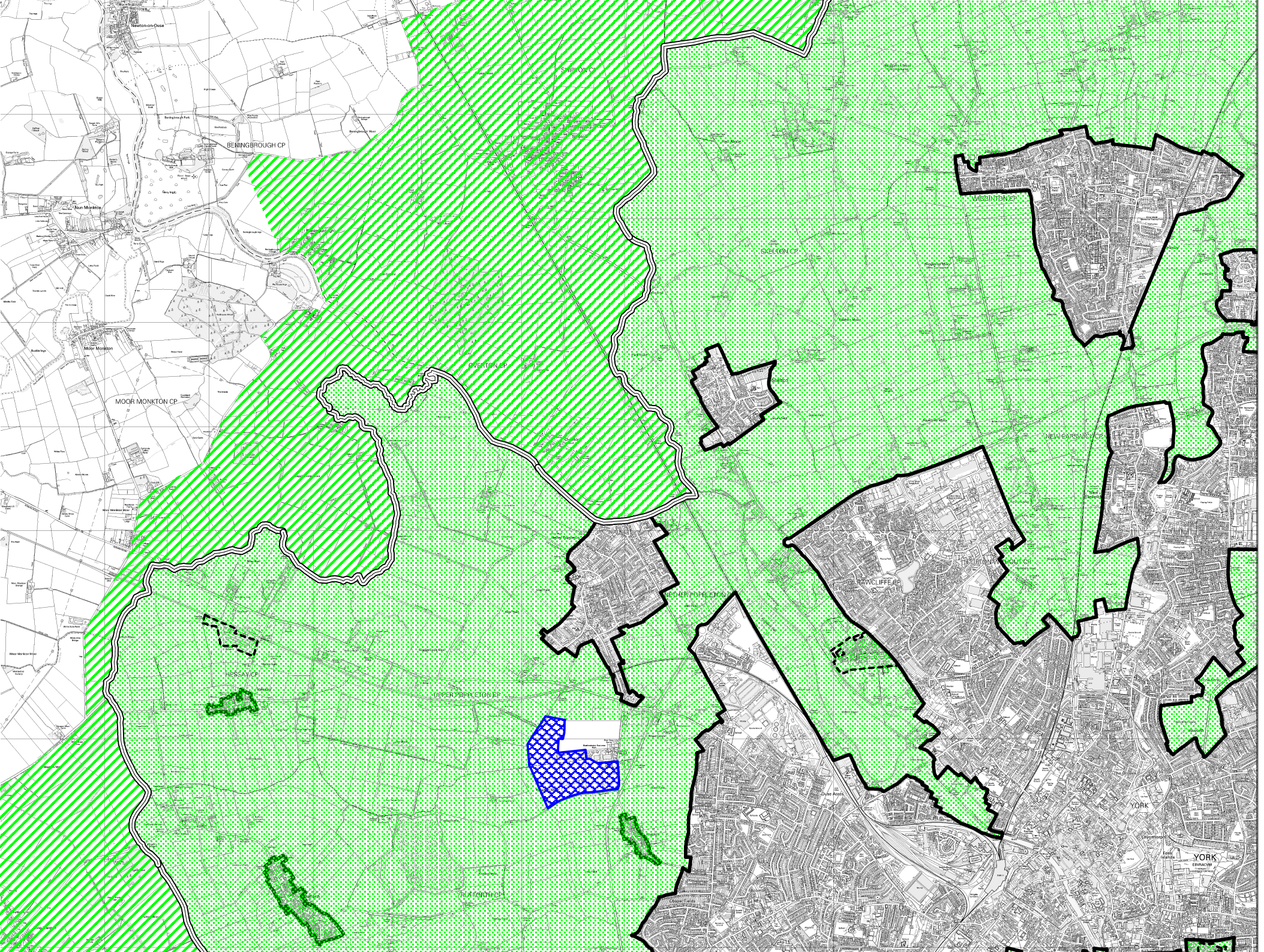
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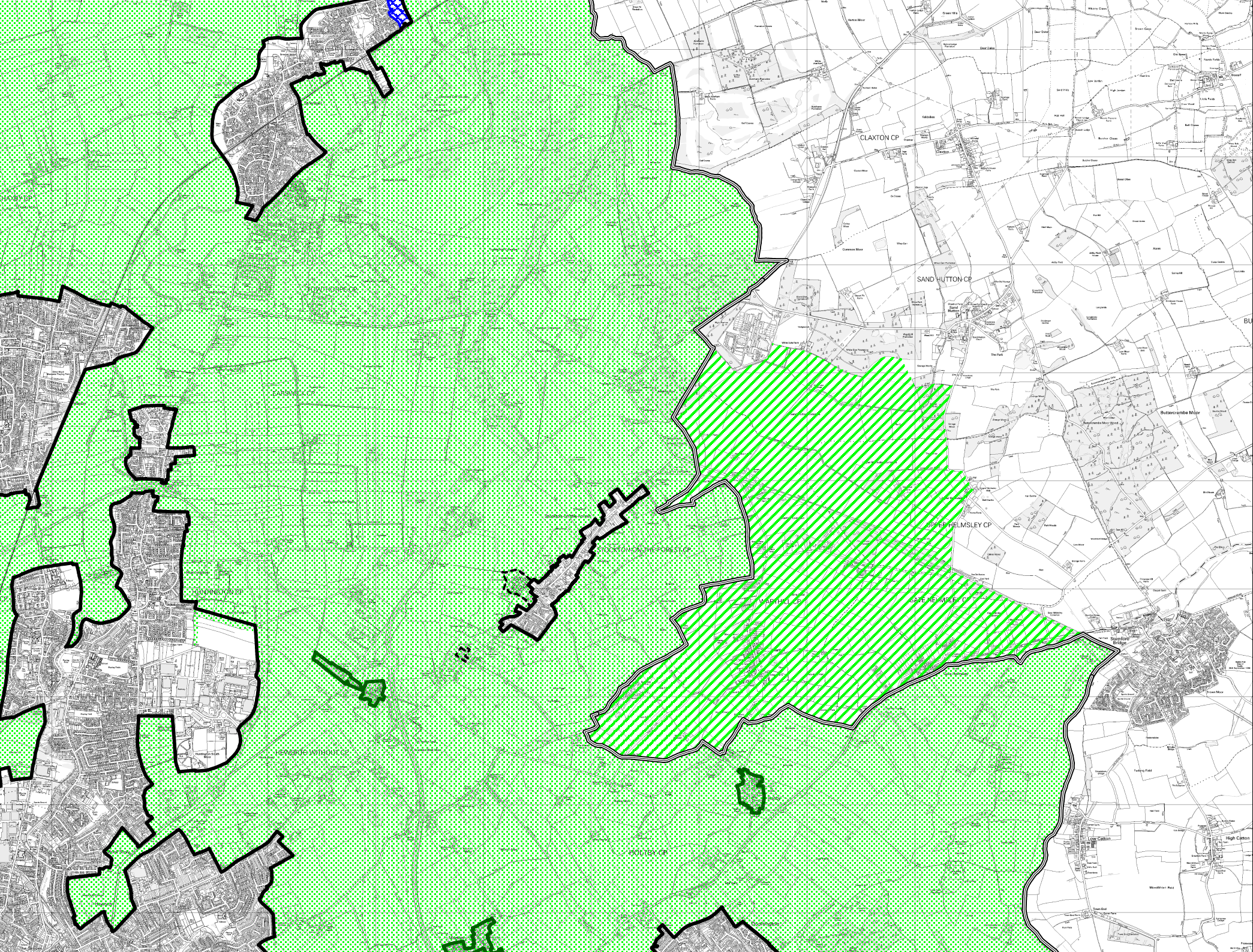
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Section 1

Draft green belt and settlement limits maps





York's Northern Districts

Legend



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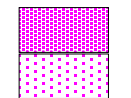
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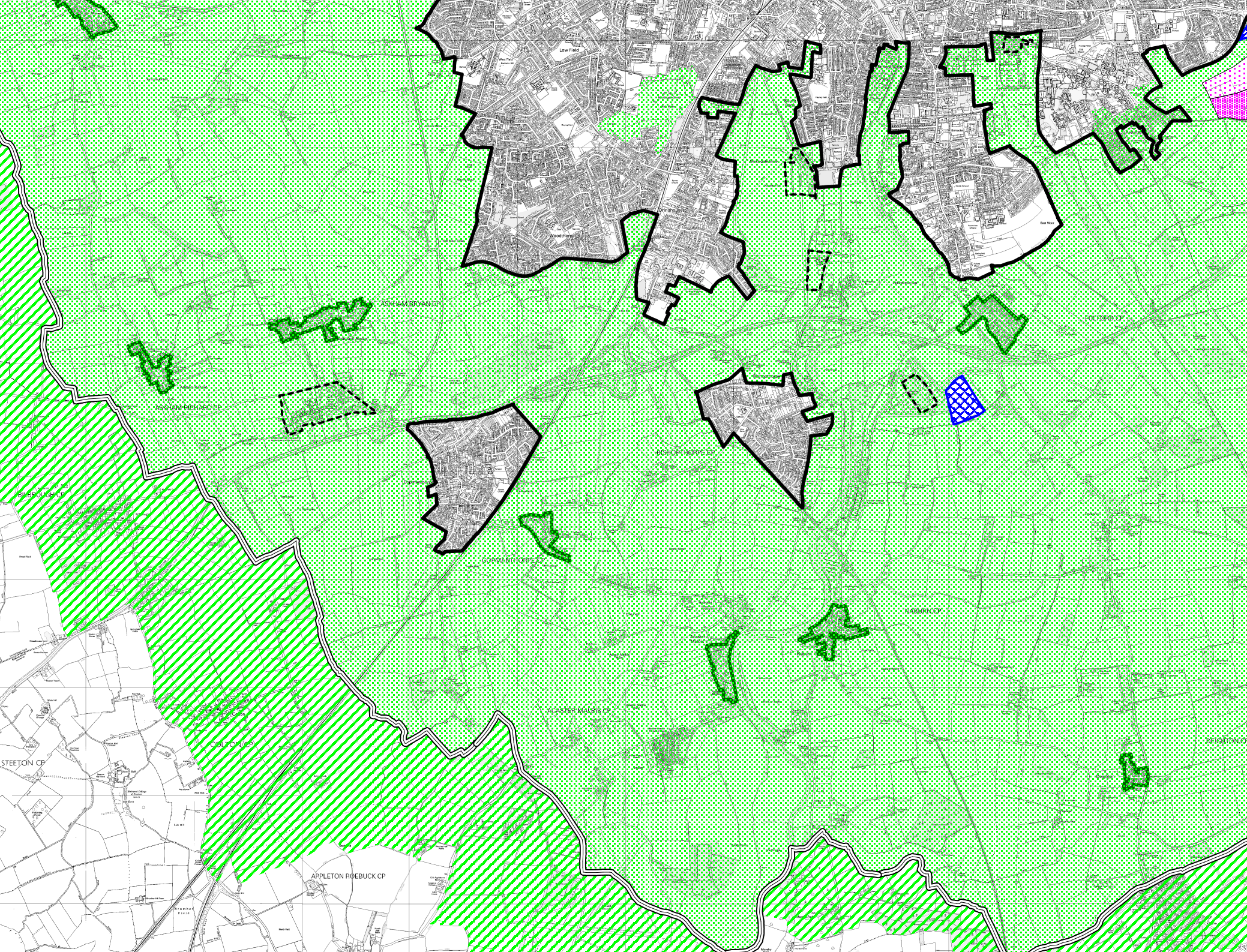
Draft Local



Draft Local

Heslington



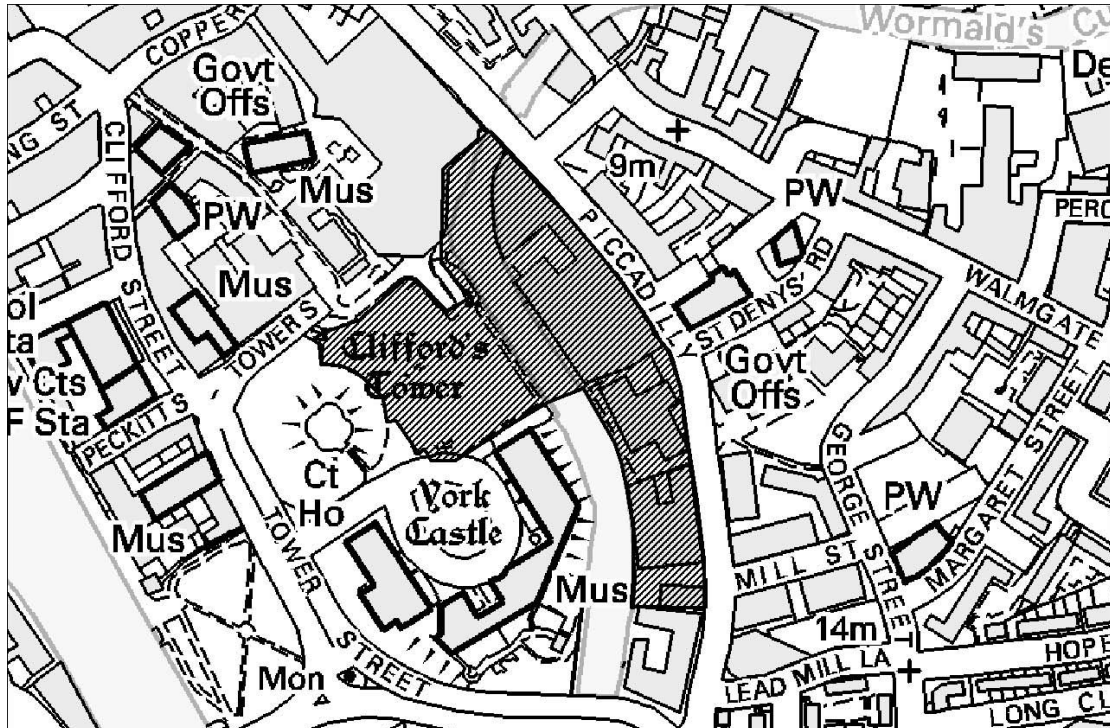


Section 2

Potential housing sites

Site Reference	Site Name
H/001	Castle Piccadilly
H/002	Area North of Trinity Lane
H/003	Peel Street/Margaret Street
H/004	Bonding Warehouse
H/005	Burnholme Working Men's Club
H/006	Rosedale Building, Clifton Park
H/007	MOD Land, Fulford
H/008	Monk Bar Garage
H/009	Reynard's Garage, Piccailly
H/010	15a-c, Haxby Road
H/011	10-18, Hull Road
H/012	York Northwest (York Central site)
H/013	York Northwest (British Sugar site)
H/014	Council Depot, Beckfield Lane, Acomb
H/015	Shipton Street Primary School
H/016	Manor CE School
H/017	Lowfield Secondary School
H/018	1-9, St Leonard's Place
H/019	Parkside Commercial Centre, Terry Avenue
H/020	Land at Bootham Crescent
H/021	Yearsley Bridge Centre
H/022	Terry's Chocolate Factory
H/023	Discus Bungalows – St Anne's Court
H/024	Discus Bungalows – Regent Street
H/025	Discus Bungalows – Faber Street/Richmond Street
H/026	Land around Burdike Avenue, Sutton Way & Lilbourne Drive
H/027	Land of Water Lane, Clifton
H/028	Nestle South
H/029	Land adjacent to 26 & 38 Church Lane, Bishopthorpe
H/030	Land adjacent to 131 Long Ridge Lane, Poppleton
H/031	Land to the rear of surgery at 2a/2b Petercroft Lane, Dunnington
H/032	22, Princess Road, Strensall
H/033	Land behind Netherwoods, Strensall
H/034	Land adjacent to the Brecks/Green Lane, Strensall
H/035	Builders Yard, Church Yard, Bishopthorpe

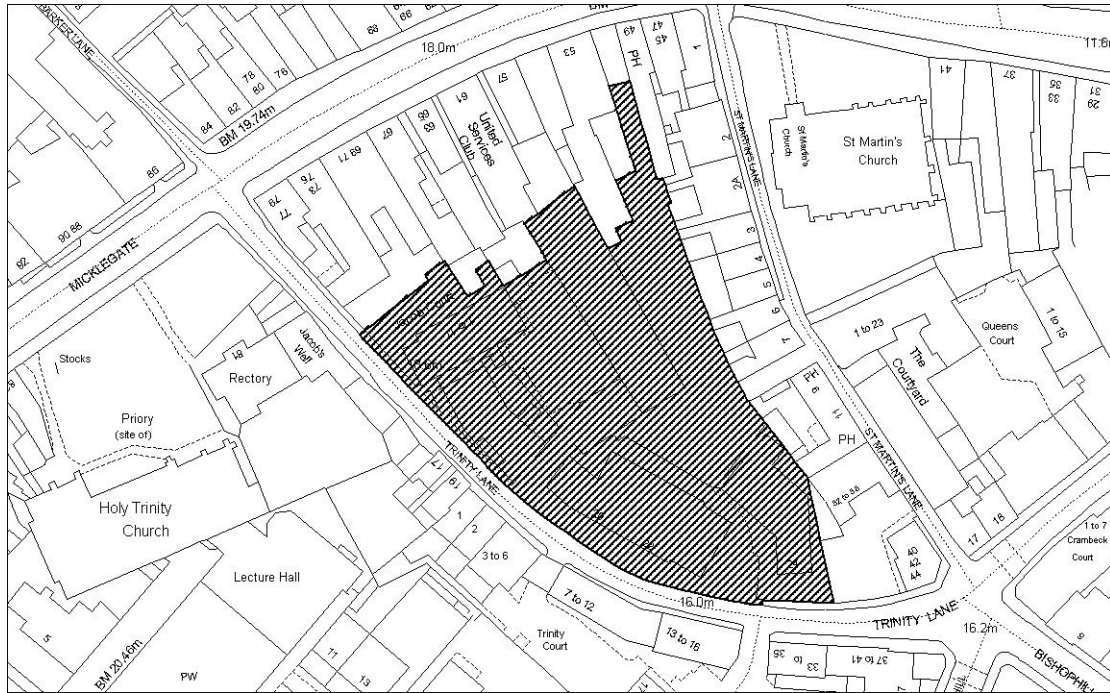
Site: Castle Piccadilly
Site Reference: H/001
Potential Use: Housing (Mixed use)



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Site address:	Castle Piccadilly, Piccadilly, York
Site size (ha):	2.2ha (Total Site area) / 0.3ha (residential element)
Land Owner (if known):	Land Securities, City of York Council and Northminster Properties
Site availability:	CYC land available immediately. Land Securities and Northminster land will need to be secured as part of comprehensive development of area.
Existing use:	Mixture of furniture / second-hand warehouses, offices and car park
Potential use:	Retail-led mixed use development, inc residential (Local Plan allocation included 27 dwellings (90dw/ha).
How site identified:	Through 'City of York Local Plan - 4 th Set of Changes – April 2005' (H1.17) / SHLAA (SHLAA Evidence Base ref: 3)

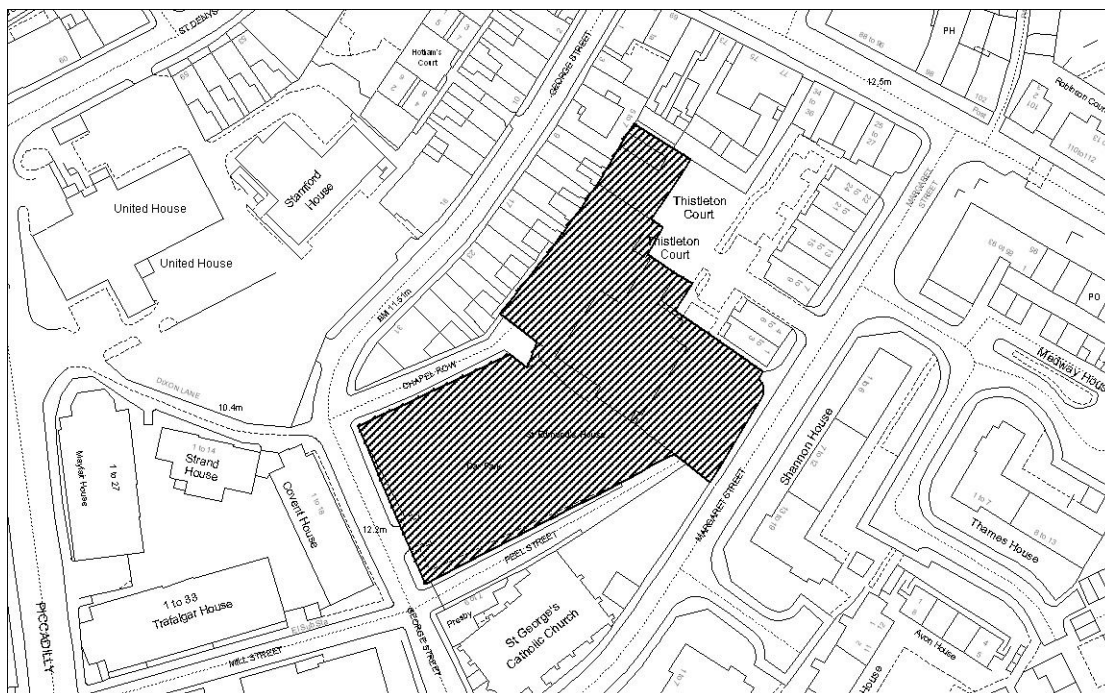
Site: Area North of Trinity Lane
Site Reference: H/002
Potential Use: Housing



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Site address:	Trinity Lane, Micklegate, York
Site size (ha):	0.4 (Total Site area) / 0.23 (remaining undeveloped)
Land Owner (if known):	
Site availability:	
Existing use:	Part developed for residential / mixed use.
Potential use:	Local Plan Allocation (H1.18) was for estimated 27 dwellings (68 dw/ha)
How site identified:	Through 'City of York Local Plan - 4 th Set of Changes – April 2005' (H1.18) / SHLAA (SHLAA Evidence Base ref: 4)

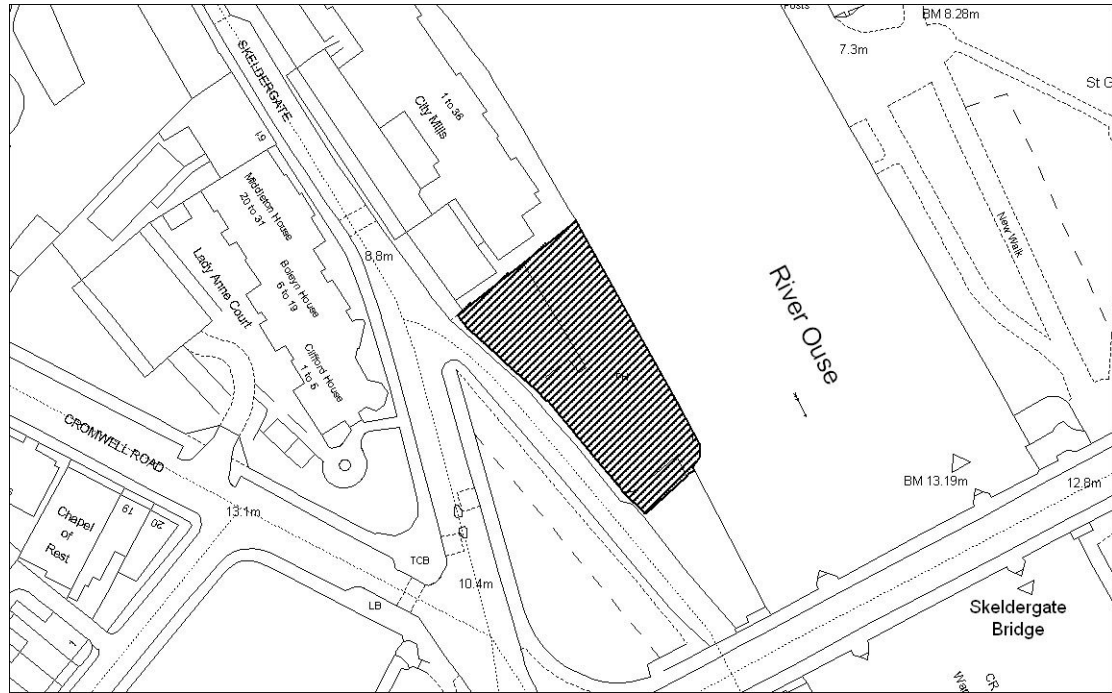
Site: Peel Street / Margaret Street
Site Reference: H/003
Potential Use: Housing



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Site address:	Peel Street / Margaret Street, Walmgate, York
Site size (ha):	0.4ha
Land Owner (if known):	
Site availability:	
Existing use:	Car park
Potential use:	Local Plan Allocation (H1.22) was for estimated 30 dwellings (75 dw/ha)
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.22) / SLHAA (SHLAA Evidence Base ref: 5)

Site: Bonding Warehouse, Skeldergate
Site Reference: H/004
Potential Use: Housing



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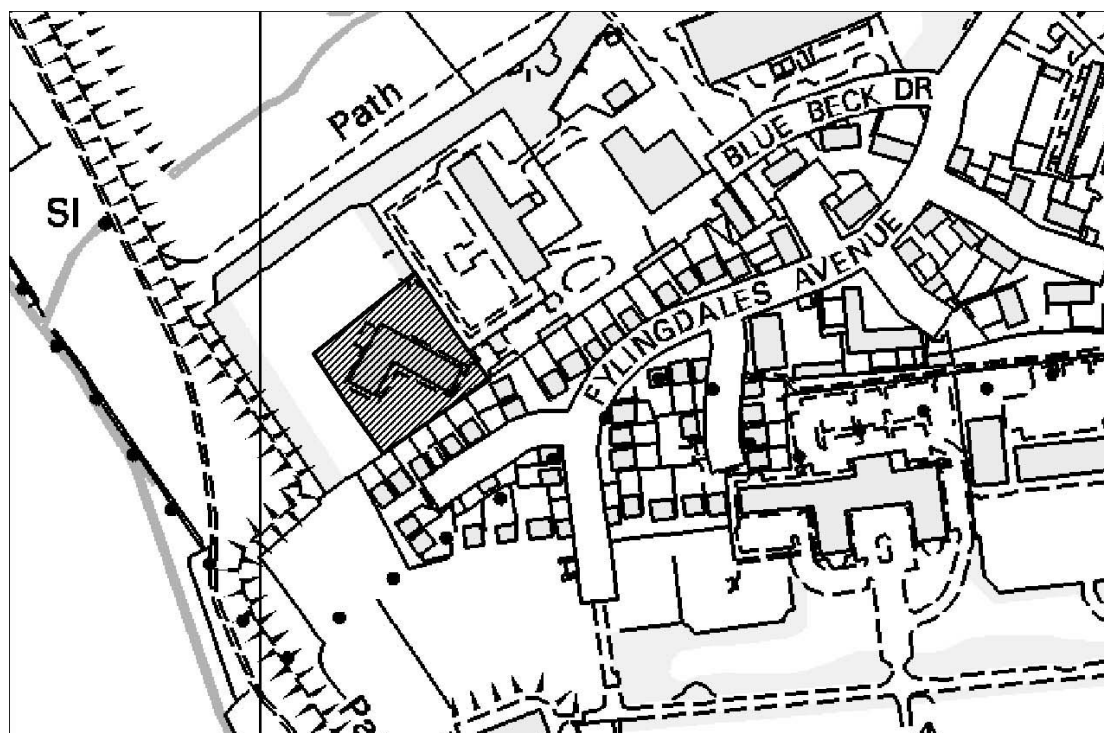
Site address:	The Bonding Warehouse, Skeldergate, York
Site size (ha):	0.1ha
Land Owner (if known):	Waterfront Developments
Site availability:	
Existing use:	Vacant / derelict – former public house / restaurant.
Potential use:	Local Plan Allocation (H1.30) was for estimated 20 dwellings (200 dw/ha).
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.30) / SHLAA (SHLAA Evidence Base ref: 7)

Site: Burnholme Working Men's Club
Site Reference: H/005
Potential Use: Housing



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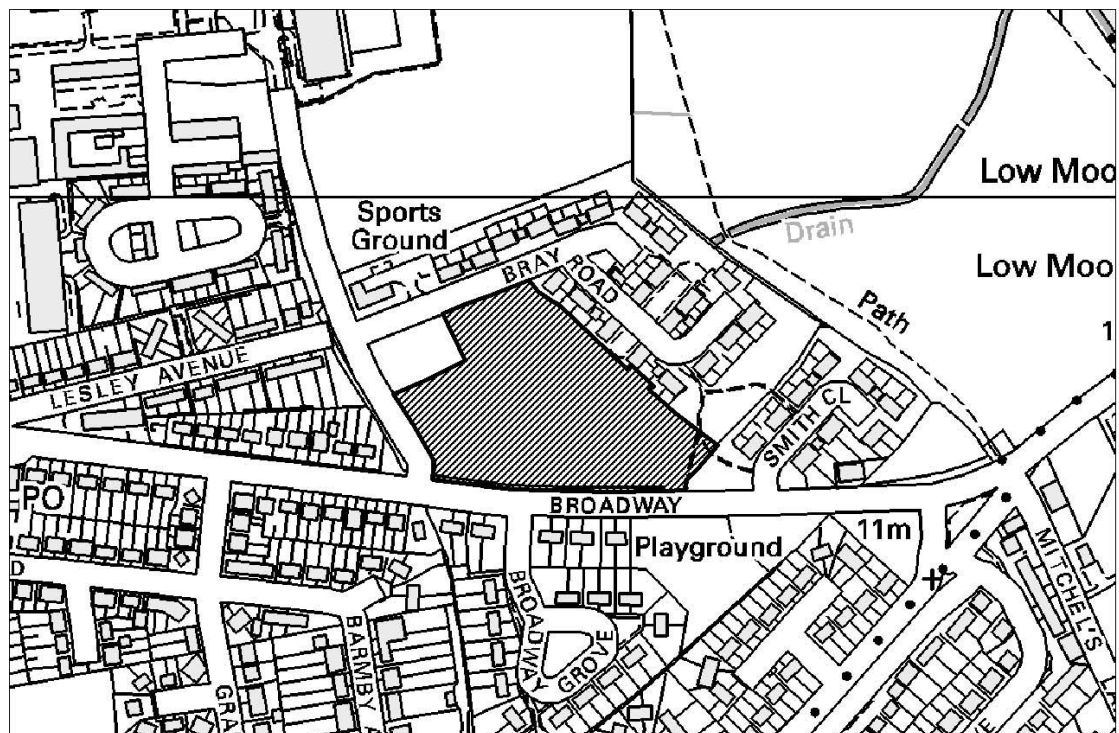
Site address:	Burnholme WMC, Burnholme Drive, Heworth, York
Site size (ha):	0.4ha
Land Owner (if known):	
Site availability:	
Existing use:	Grounds of Working Men's Club
Potential use:	Local Plan Allocation (H1.32) was for estimated 16 dwellings (40 dw/ha)
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.32) / SHLAA (SHLAA Evidence Base ref: 8)

Site: Rosedale, Clifton Park**Site Reference: H/006****Potential Use: Housing**

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Site address:	Rosedale Building, Clifton Park, Shipton Road, York
Site size (ha):	0.7ha
Land Owner (if known):	
Site availability:	
Existing use:	Former hospital building
Potential use:	Local Plan Allocation (H1.33) was for estimated 8 dwellings (11 dw/ha)
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.33) / SHLAA (SHLAA Evidence Base ref: 9)

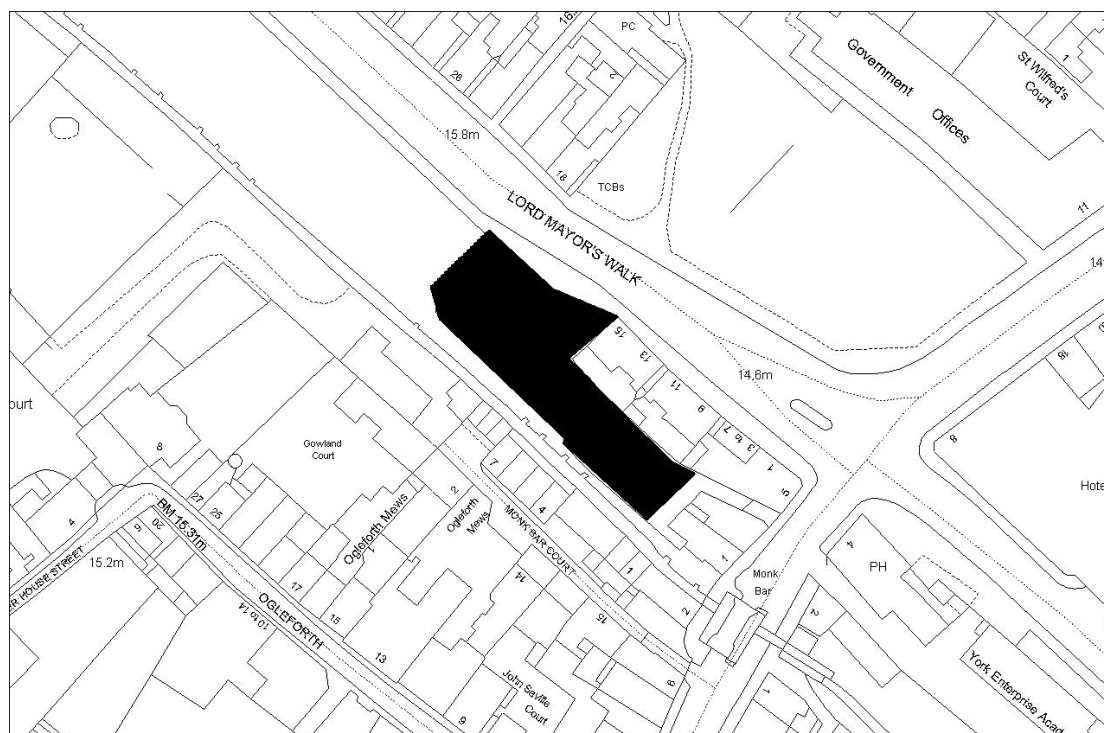
Site: MOD Land, Fulford
Site Reference: H/007
Potential Use: Housing



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Site address:	MOD Land, Broadway, Fulford, York
Site size (ha):	1.8ha
Land Owner (if known):	
Site availability:	
Existing use:	Grassed area
Potential use:	Local Plan Allocation (H1.37) was for estimated 72 dwellings (40 dw/ha)
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.37) / SHLAA (SHLAA Evidence Base ref: 11)

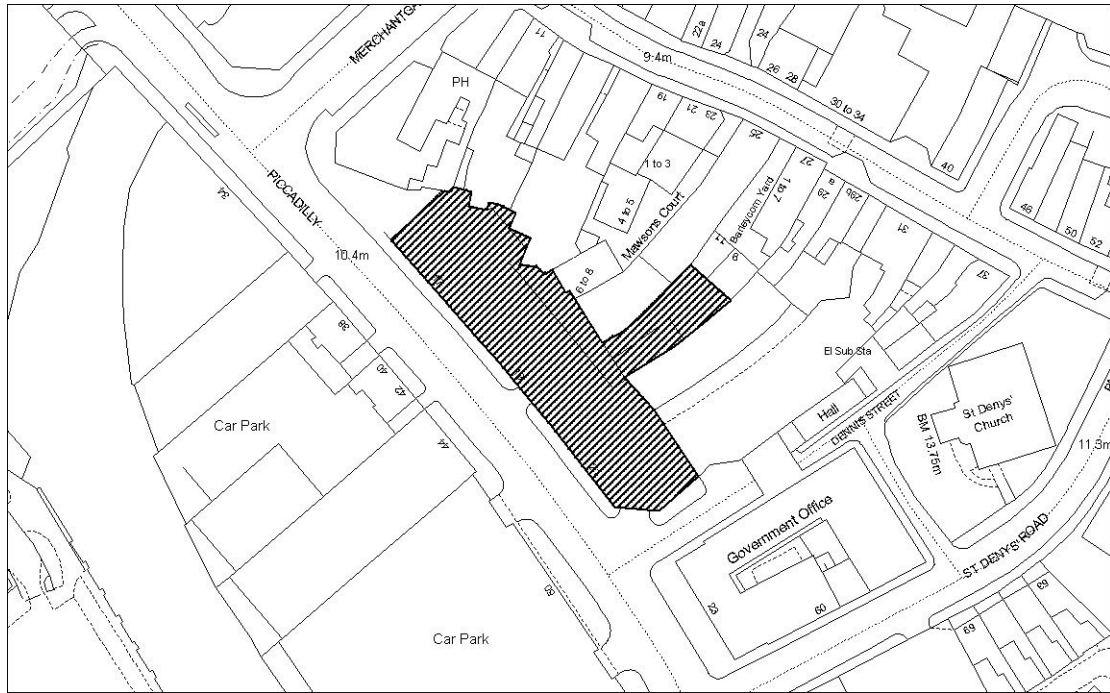
Site: Monk Bar Garage
Site Reference: H/008
Potential Use: Housing



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Site address:	Monk Bar Garage, Lord Mayors Walk, York
Site size (ha):	0.1ha
Land Owner (if known):	City of York Council
Site availability:	
Existing use:	Commercial / Car repair garage
Potential use:	Local Plan Allocation (H1.38) was for estimated 10 dwellings (100 dw/ha)
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.38) / SHLAA (SHLAA Evidence Base ref: 12)

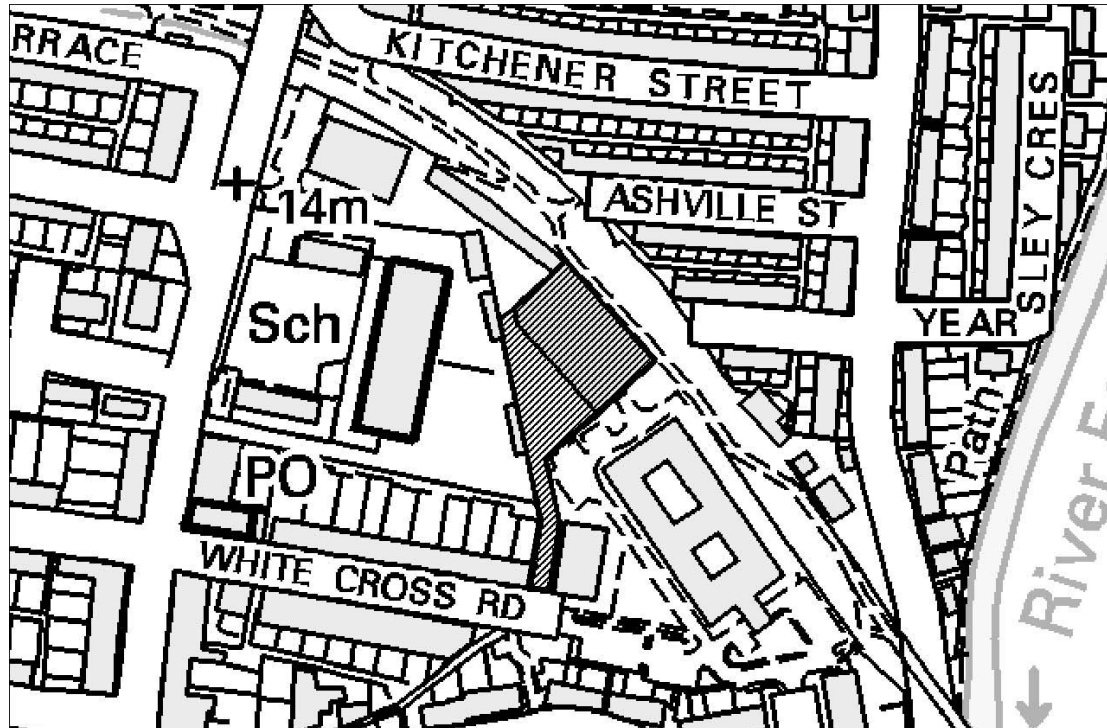
Site: Reynards Garage, Piccadilly
Site Reference: H/009
Potential Use: Housing



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Site address:	Reynards Garage, Piccadilly, York
Site size (ha):	0.10ha
Land Owner (if known):	City of York Council
Site availability:	
Existing use:	Former engineering workshop – very run down possibly still in use for storage.
Potential use:	Mixed use including residential and/or retail. Local Plan Allocation (H1.42) was for estimated 10 dwellings (100 dw/ha).
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.42) / SHLAA (SHLAA Evidence Base ref: 13)

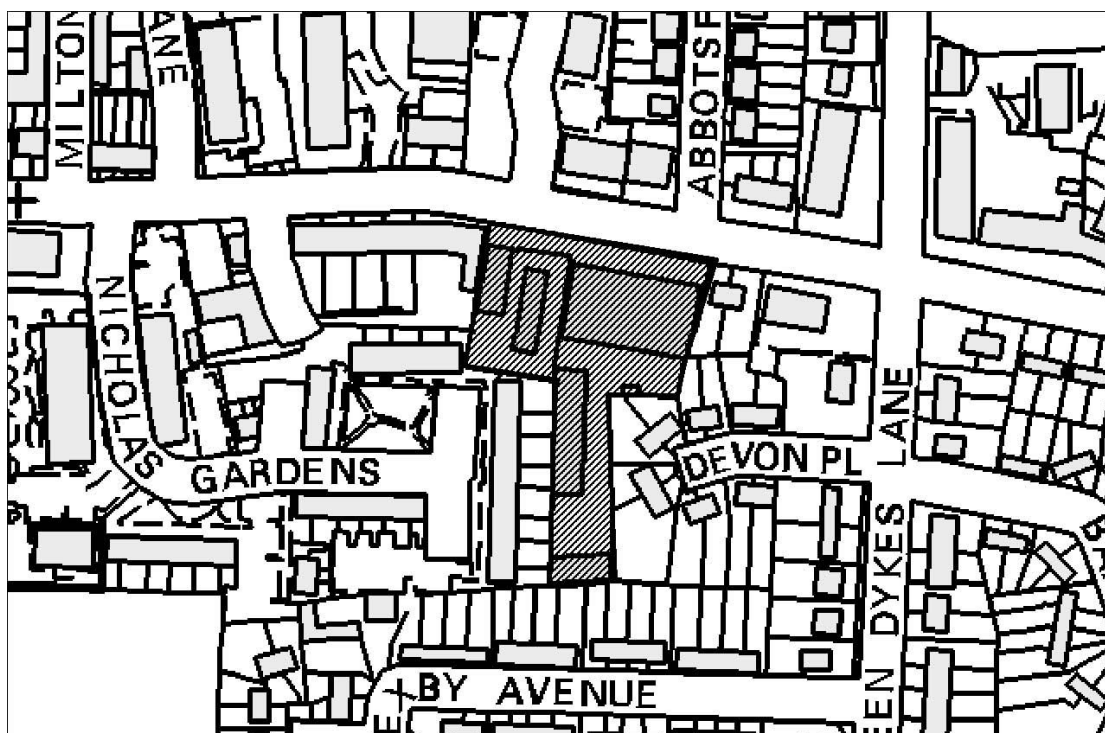
Site: 15a-c Haxby Road
Site Reference: H/010
Potential Use: Housing



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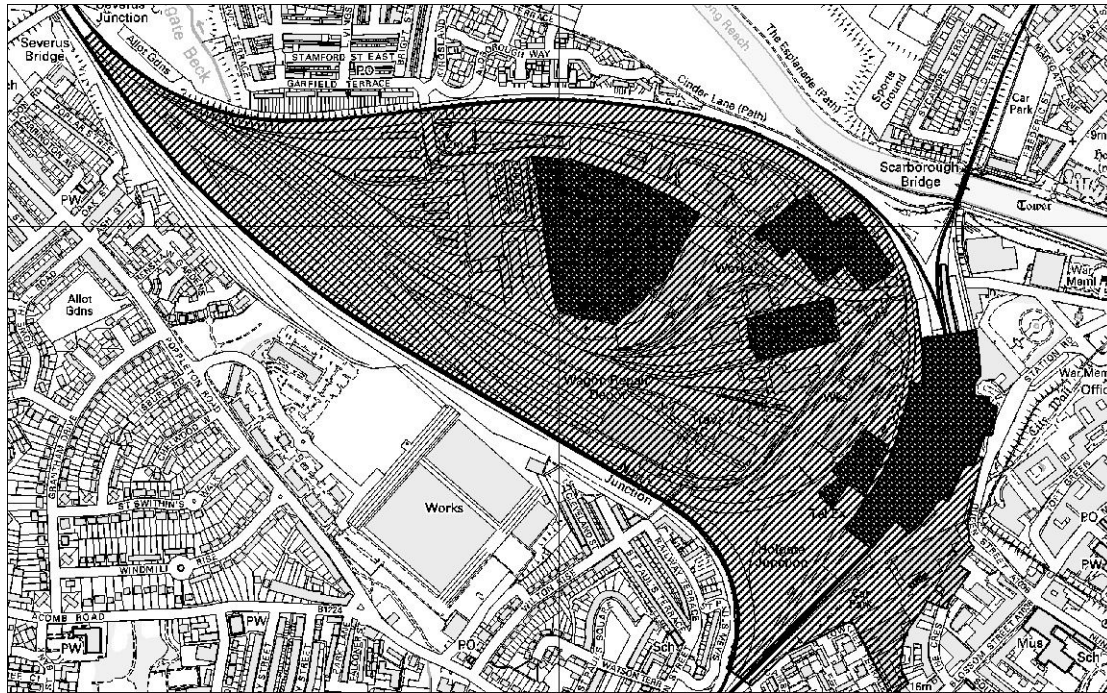
Site address:	15 A-C Haxby Road, York
Site size (ha):	0.30ha
Land Owner (if known):	
Site availability:	
Existing use:	Derelict factory buildings, parking and garaging
Potential use:	Local Plan Allocation (H1.49) was for estimated 10 dwellings (33dw / ha)
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.49) / SHLAA (SHLAA Evidence Base ref: 17)

Site: 10-18 Hull Road
Site Reference: H/011
Potential Use: Housing



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Site address:	10-18 Hull Road, York
Site size (ha):	0.4ha
Land Owner (if known):	
Site availability:	
Existing use:	Former dairies site (part still in use)
Potential use:	Local Plan Allocation (H1.50) was for estimated 17 dwellings (43 dw/ha).
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (H1.50) / SHLAA (SHLAA Evidence Base ref: 18)

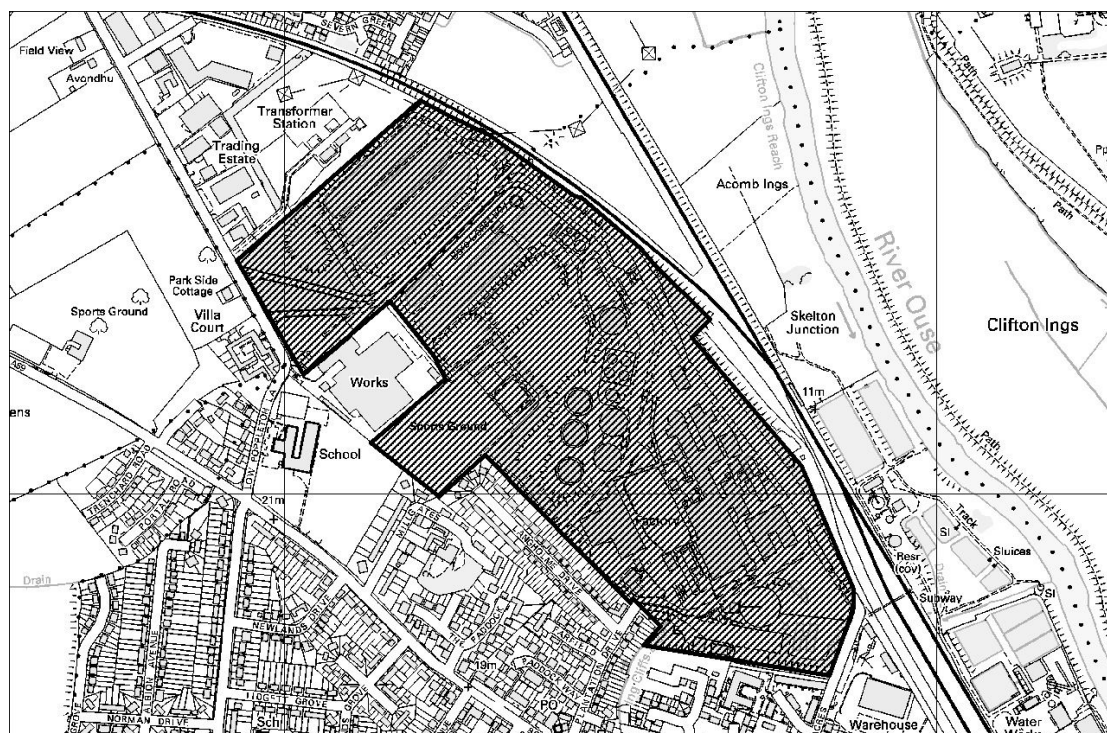
Site: York Northwest (York Central part of site)**Site Reference: H/012****Potential Use: Housing (Mixed use)**

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Existing areas to be retained

Site address:	York North West (York Central Site) York
Site size (ha):	35 – 37ha
Land Owner (if known):	Approx 20 different owners including Network Rail & National Museum of Science and Industry (National Railway Museum)
Site availability:	
Existing use:	Mixture of uses, inc railway land, business, residential and National Railway Museum
Potential use:	Mixed use with potential for up to a maximum 3000 dwellings. This was an estimated figure in the York Central Planning Brief, March 2004. It does not take into account subsequent emerging site constraints and will be subject to re-assessment as work on the Area Action Plan progresses.
How site identified:	Through 'City of York Local Plan - 4 th Set of Changes – April 2005' (H1.52) / SHLAA (SHLAA Evidence Base ref: 20a)

Site: York Northwest (British Sugar part of site)**Site Reference: H/013****Potential Use: Housing (Mixed use)**

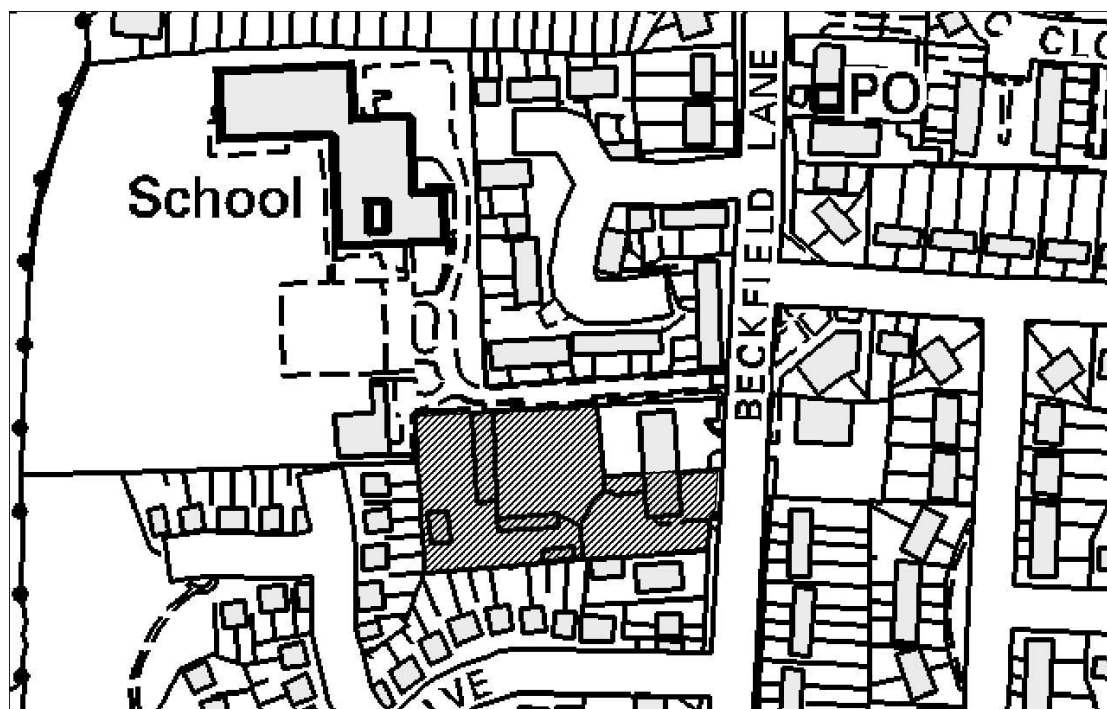
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Site address:	York North West (British Sugar Site), Boroughbridge Road, York
Site size (ha):	39.5ha
Land Owner (if known):	Associated British Foods (British Sugar)
Site availability:	
Existing use:	Sugar beet processing plant
Potential use:	Mixed use with a broad indicative figure of up to 1325 dwellings assumes 50-75% of the site being used for residential development. The land requirements for housing and other uses will emerge as work on the Area Action Plan progresses. This yield assumption will be reviewed to reflect
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 20b)

Site: Council Depot, Beckfield Lane, Acomb

Site Reference: H/014

Potential Use: Housing



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Site address:	Council Depot, Beckfield Lane, Acomb, York
Site size (ha):	0.4ha
Land Owner (if known):	City of York Council
Site availability:	
Existing use:	Recycling centre (to be relocated)
Potential use:	Application pending for residential development. This is dependent on the relocation of the existing depot.
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 26)

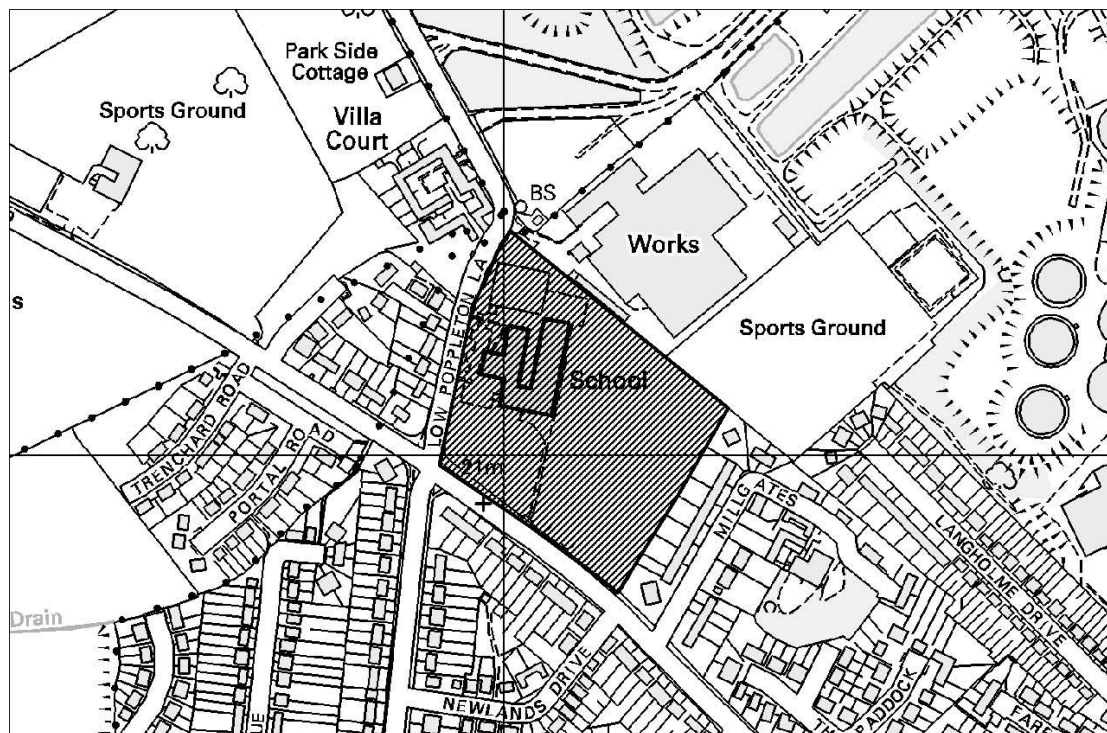
Site: Shipton Street Primary School
Site Reference: H/015
Potential Use: Housing



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Site address:	Shipton Street Primary School, Off Burton Stone Lane, York
Site size (ha):	0.4ha
Land Owner (if known):	Advent Developments
Site availability:	
Existing use:	Former school and playground.
Potential use:	Application pending for 38 dwellings
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 35)

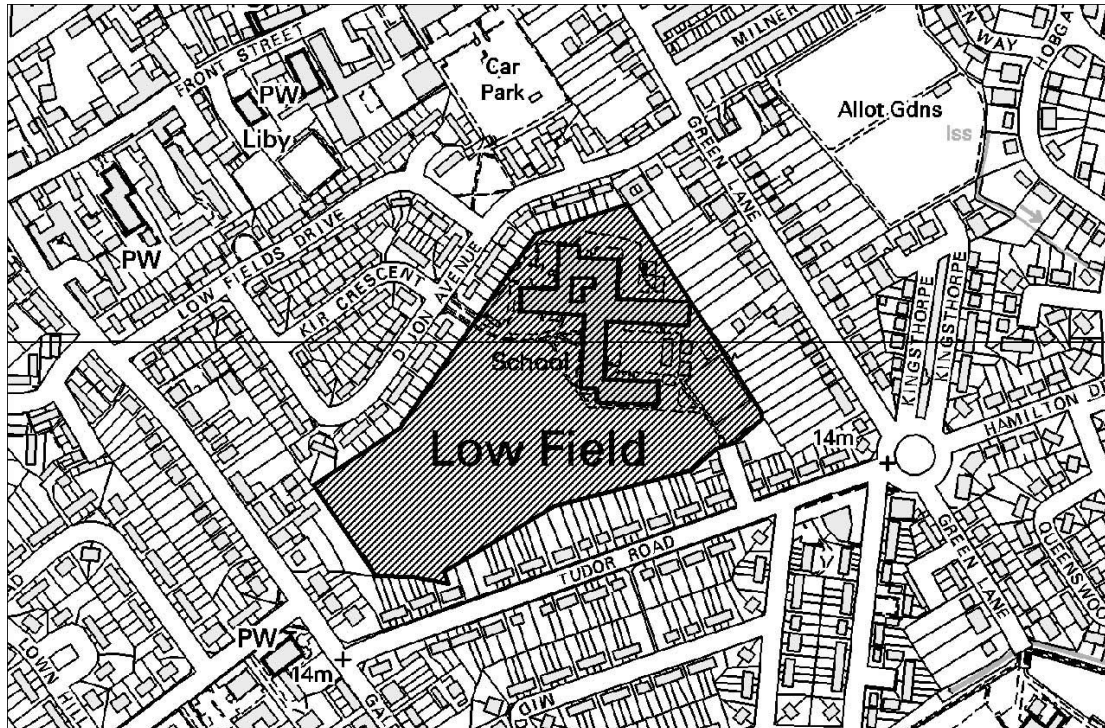
Site: Manor CE Secondary School
Site Reference: H/016
Potential Use: Housing



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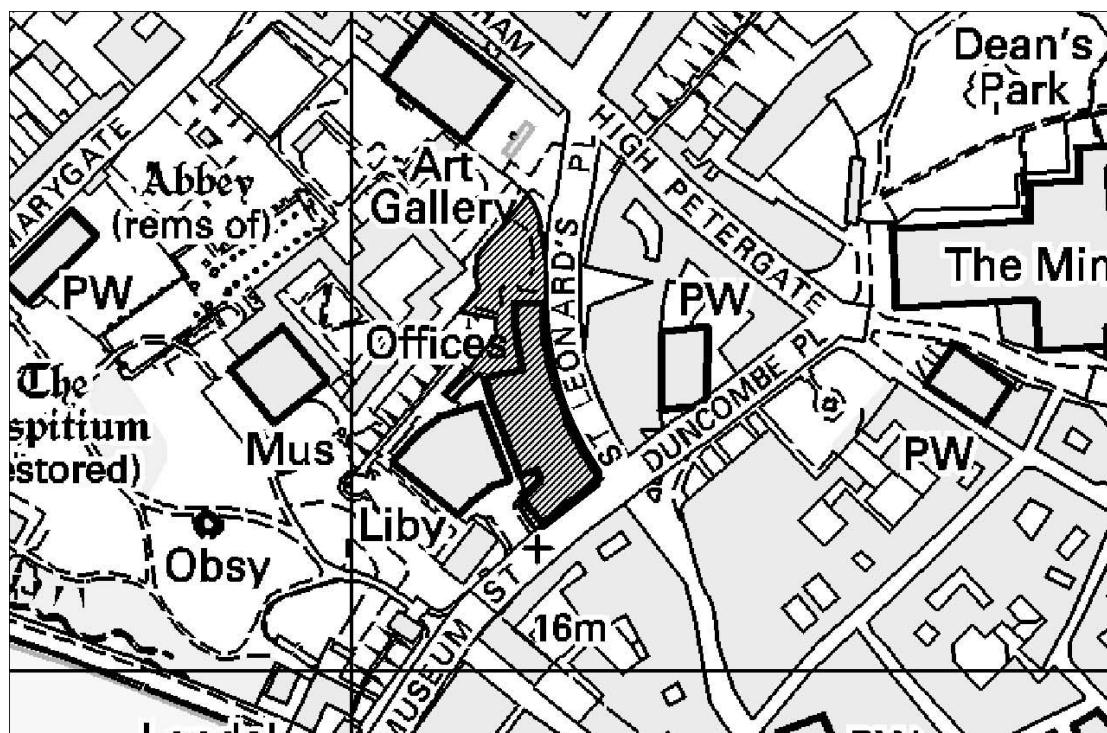
Site address:	Manor CE Secondary School, Boroughbridge Road, York
Site size (ha):	3.7ha (Built footprint 0.87ha)
Land Owner (if known):	Diocese of York/CYC
Site availability:	
Existing use:	Existing school site will be vacated by Summer 2009. Replacement school to be built on Millfield Lane.
Potential use:	Residential inc open space – this site could potentially be progressed through the York Northwest Area Action Plan
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 50)

Housing – Lowfields Secondary School
Site Reference: H/017
Potential Use: Housing



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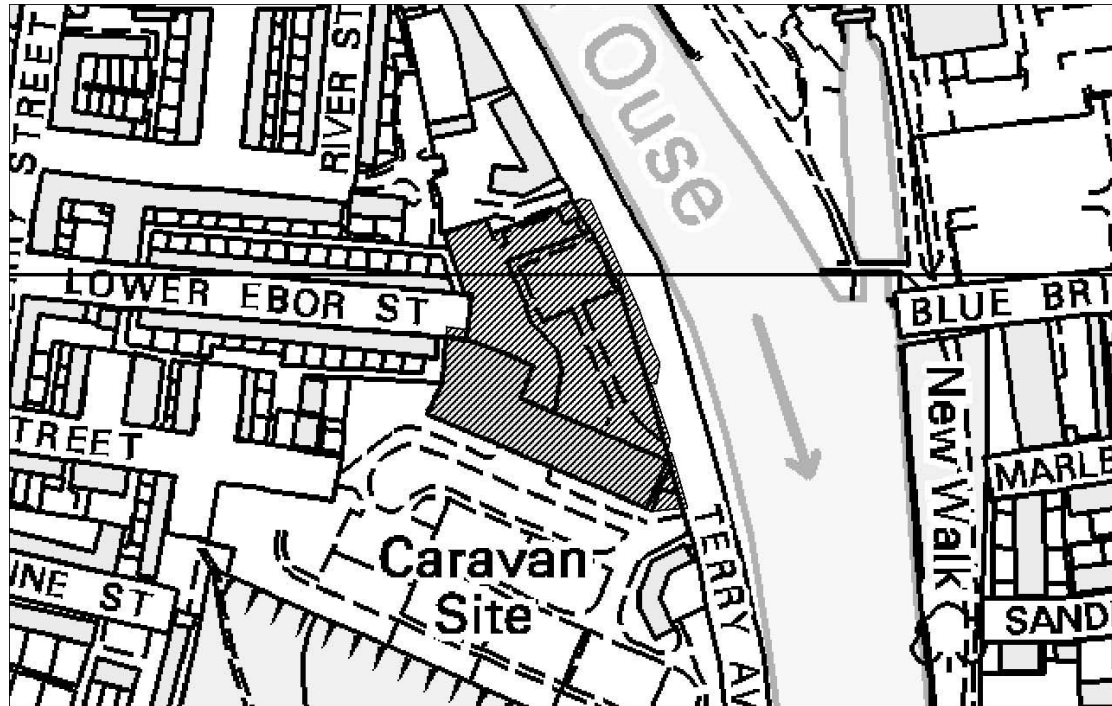
Site address:	Lowfield Secondary School, Dijon Avenue, Acomb, York
Site size (ha):	5.7ha (Built footprint 1.75ha)
Land Owner (if known):	City of York Council
Site availability:	
Existing use:	Existing school to be vacated by Summer 2009 (School to merge with Oaklands)
Potential use:	Residential inc open space
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 51)

Site: 1-9 St Leonard's Place**Site Reference: H/018****Potential Use: Housing**

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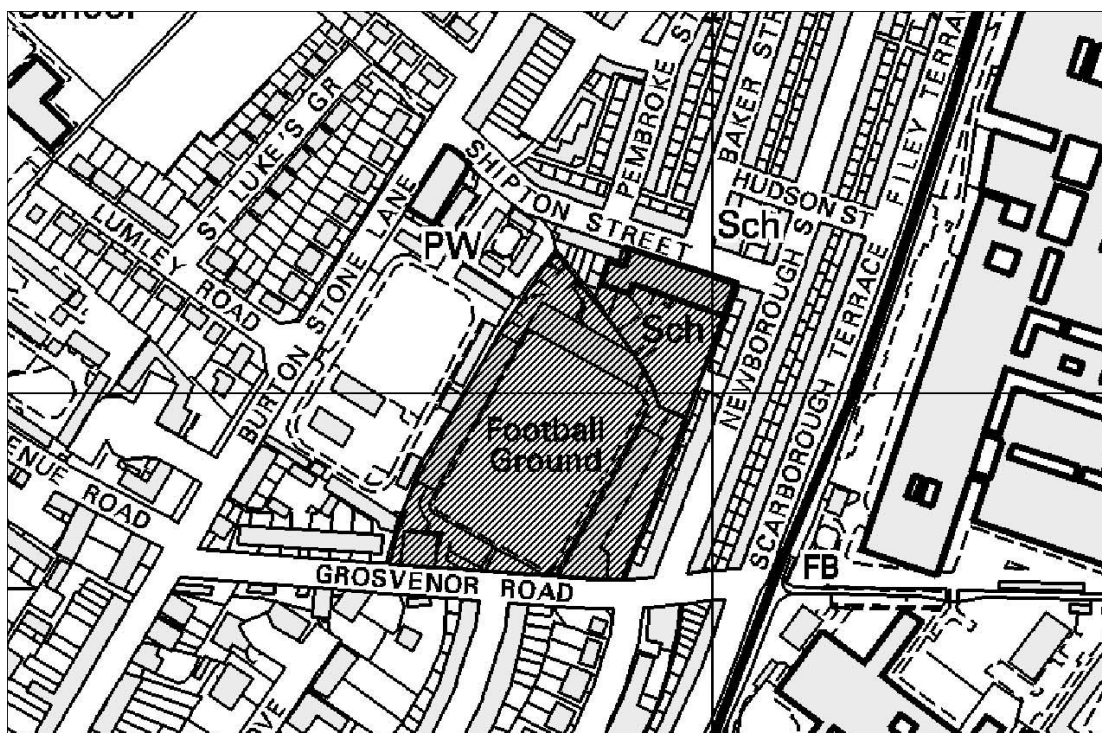
Site address:	1-9 St Leonard's Place, York
Site size (ha):	0.43ha
Land Owner (if known):	Rushbond PLC
Site availability:	
Existing use:	Council offices – now sold to Rushbond PLC and leased back to City of York Council until 2009/10
Potential use:	Residential and town centre related uses
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 57)

Site: Parkside Commercial Centre, Terry Avenue
Site Reference: H/019
Potential Use: Housing



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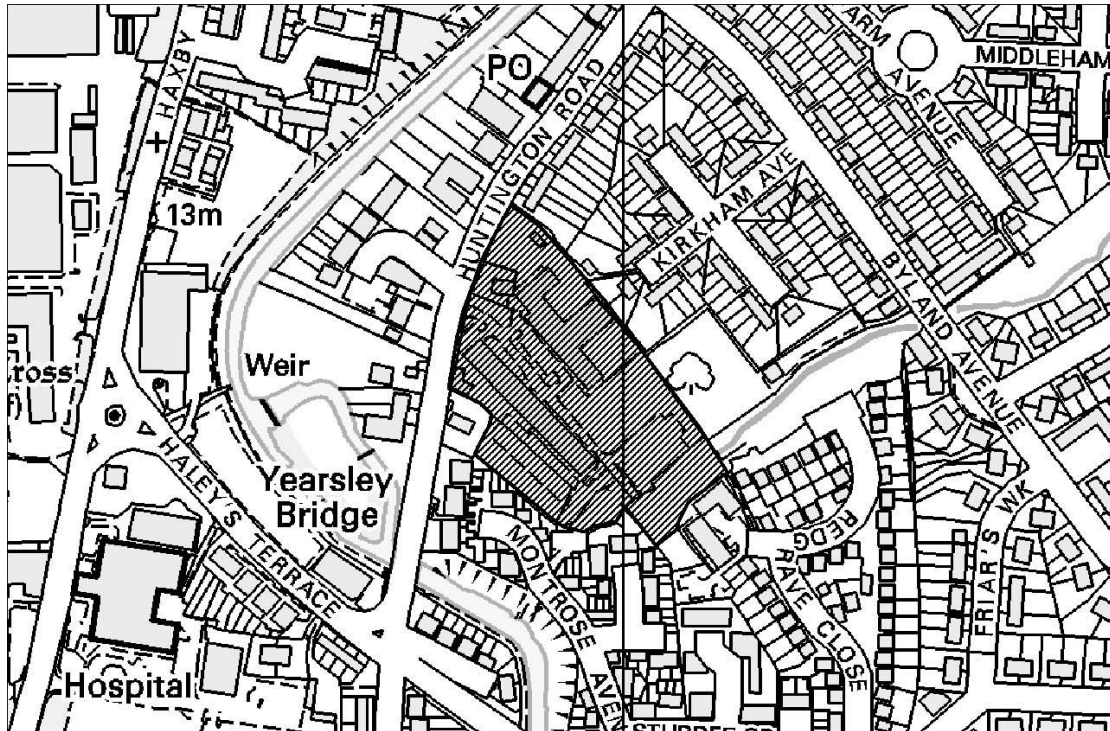
Site address:	Parkside Commercial Centre, Terry Avenue, York.
Site size (ha):	0.58ha
Land Owner (if known):	City of York Council
Site availability:	
Existing use:	Existing commercial uses.
Potential use:	Application pending for residential development (no numbers). Existing commercial uses to be relocated.
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 58)

Site: Land at Bootham Crescent**Site Reference: H/020****Potential Use: Housing**

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Site address:	Bootham Crescent, Grosvenor Road, Bootham, York
Site size (ha):	1.66ha
Land Owner (if known):	
Site availability:	
Existing use:	Football Stadium
Potential use:	Application pending for 93 dwellings. Application will need to run parallel with an application for an alternative suitable site for football stadium.
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 60)

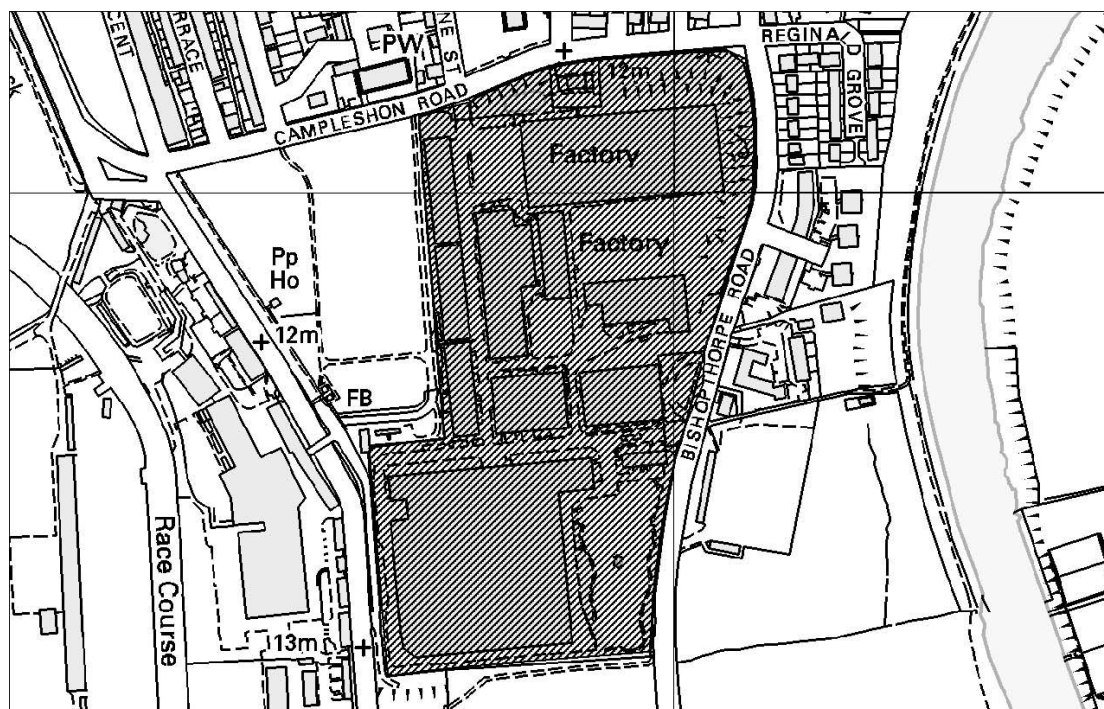
Site: Yearsley Bridge Centre
Site Reference: H/021
Potential Use: Housing



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Site address:	Yearsley Bridge Centre, Huntington Road, York
Site size (ha):	1.47ha
Land Owner (if known):	City of York Council
Site availability:	
Existing use:	Day Care Centre for people with mental handicaps
Potential use:	Feasibility work under way . Possible residential.
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 104)

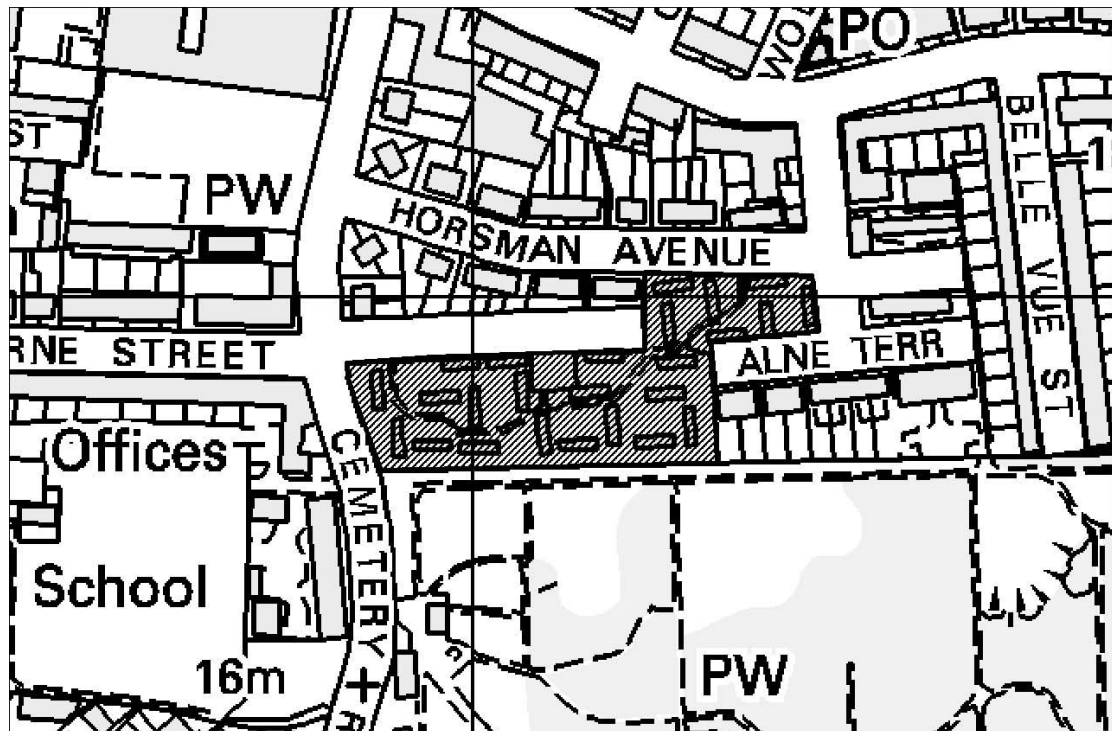
Site: Terry's Factory, Bishopthorpe Road
Site Reference: H/022
Potential Use: Housing (Mixed use development)



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Site address:	Terry's Chocolate Factory, Bishopthorpe Road, York
Site size (ha):	4ha
Land Owner (if known):	Grantside Ltd
Site availability:	
Existing use:	Former chocolate factory
Potential use:	Application pending for mixed use development inc 225 residential dwellings.
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 119)

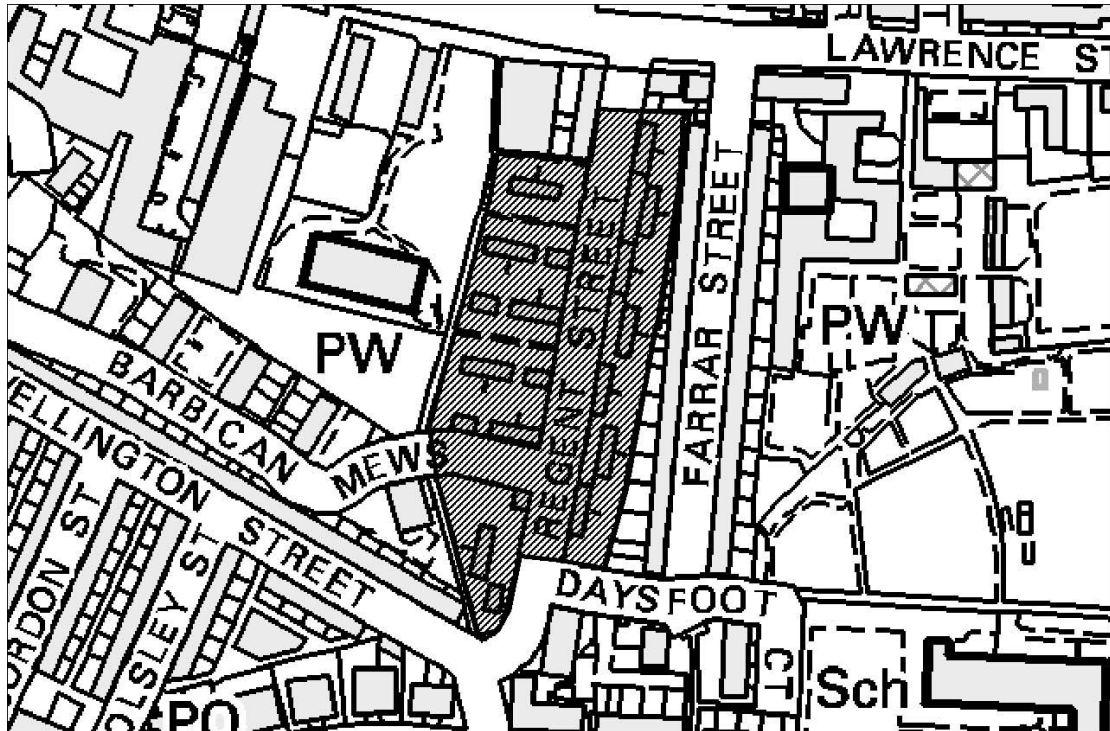
Site: Discus Bungalows, St Anne's Court
Site Reference: H/023
Potential Use: Housing



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Site address:	Discus Bungalows, St Annes Court, York
Site size (ha):	0.75ha
Land Owner (if known):	Tees Valley Housing Group, Southdale Homes and York Housing Association
Site availability:	
Existing use:	Prefab bungalows
Potential use:	Redevelopment for residential use. To be developed by Tees Valley Housing Group, Southdale Homes and York Housing Association
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 122)

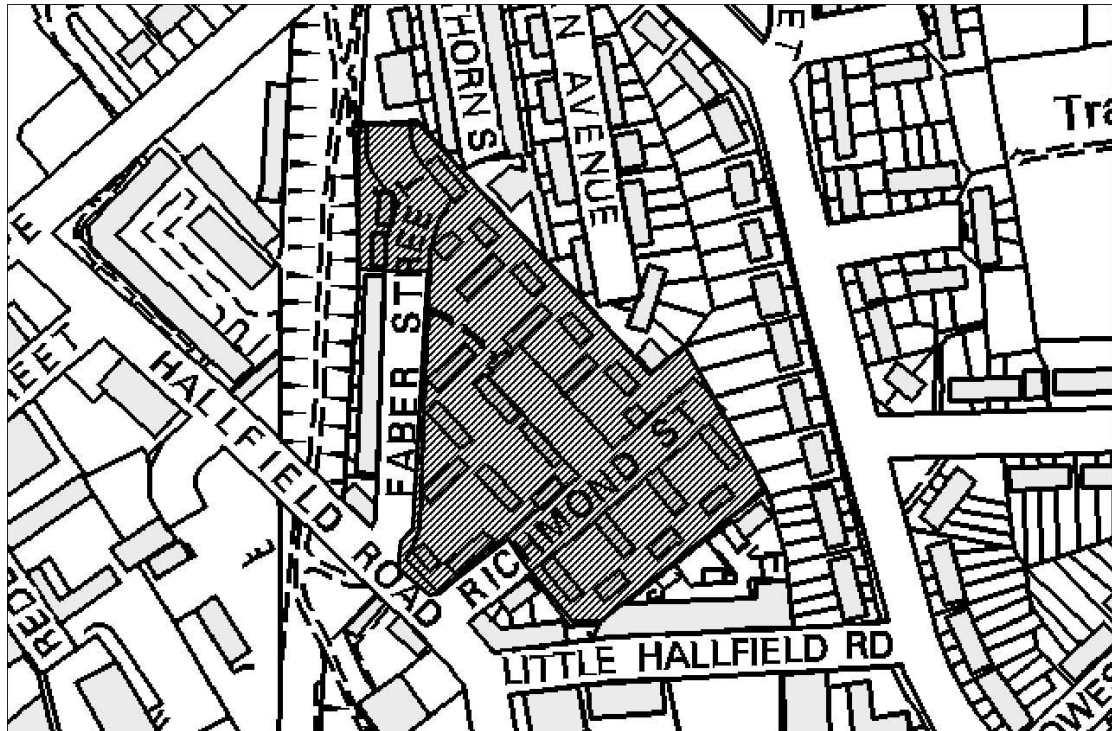
Site: Discus Bungalows, Regent Street
Site Reference: H/024
Potential Use: Housing



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Site address:	Discus Bungalows, Regent Street, York
Site size (ha):	1.11ha
Land Owner (if known):	Tees Valley Housing Group, Southdale Homes and York Housing Association
Site availability:	
Existing use:	Prefab bungalows
Potential use:	Redevelopment for residential use. To be developed by Tees Valley Housing Group, Southdale Homes and York Housing Association
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 123)

Site: Discus Bungalows, Faber Street / Richmond Street
Site Reference: H/025
Potential Use: Housing



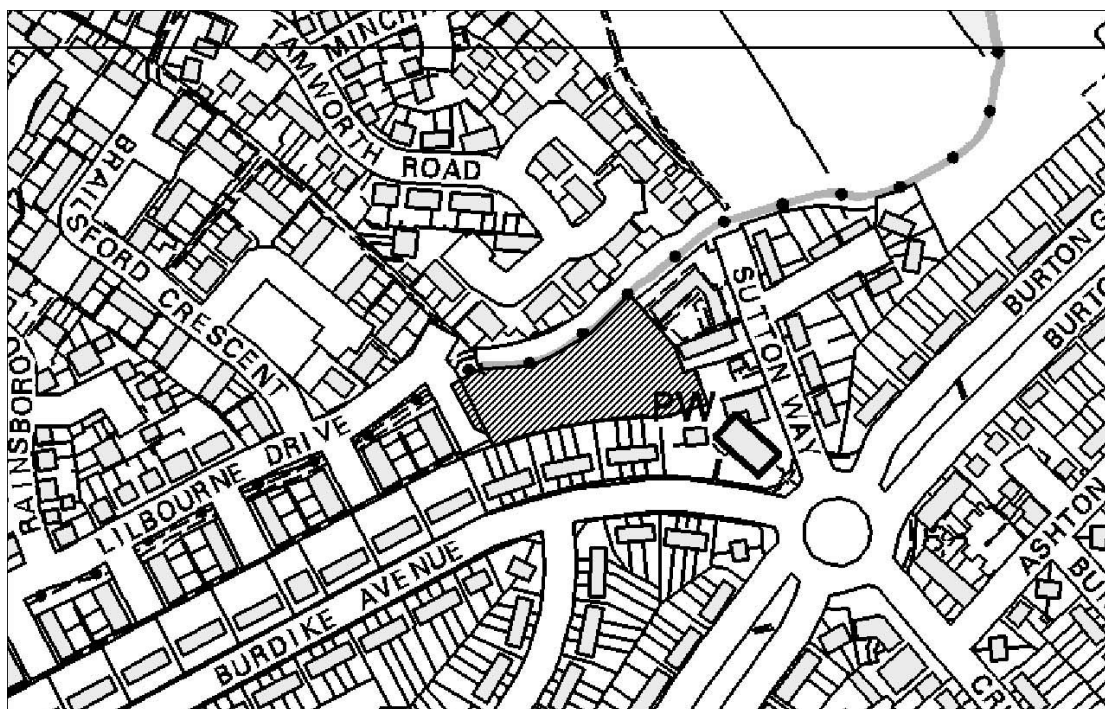
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Site address:	Discus Bungalows, Faber Street / Richmond Street, York
Site size (ha):	1.36ha
Land Owner (if known):	Tees Valley Housing Group, Southdale Homes and York Housing Association
Site availability:	
Existing use:	Prefab bungalows
Potential use:	Redevelopment for residential use. To be developed by Tees Valley Housing Group, Southdale Homes and York Housing Association
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 124)

Site: Land around Burdike between Sutton Way and Lilbourne Drive

Site Reference: H/026

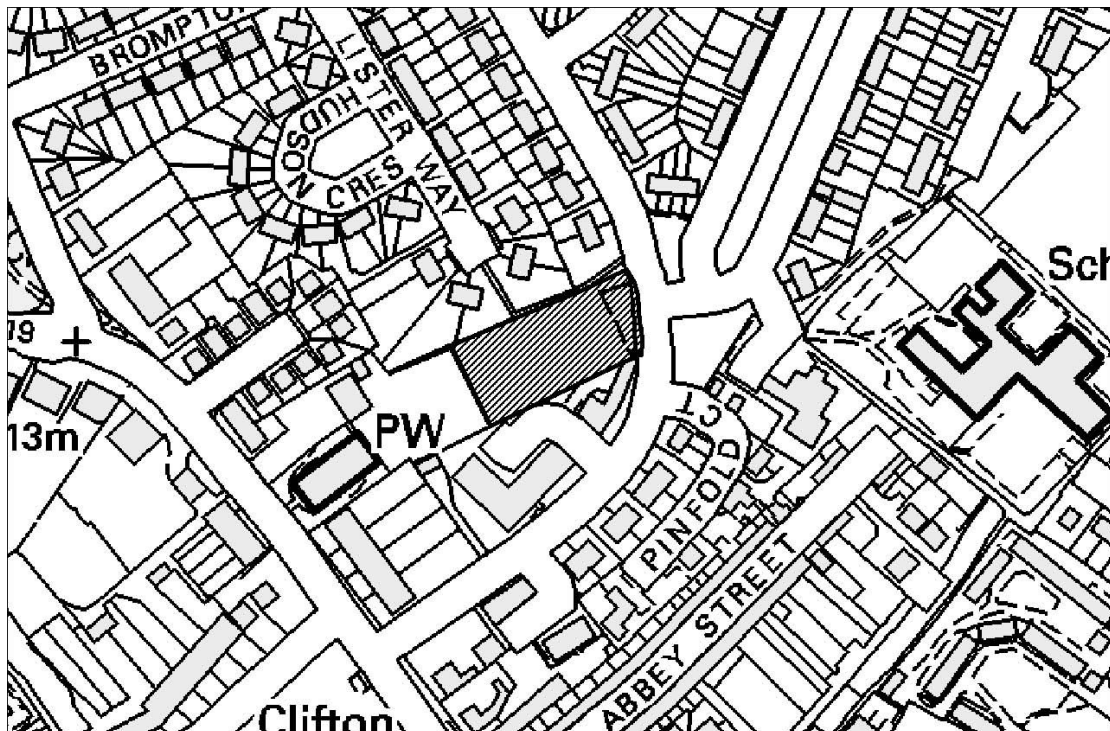
Potential Use: Housing



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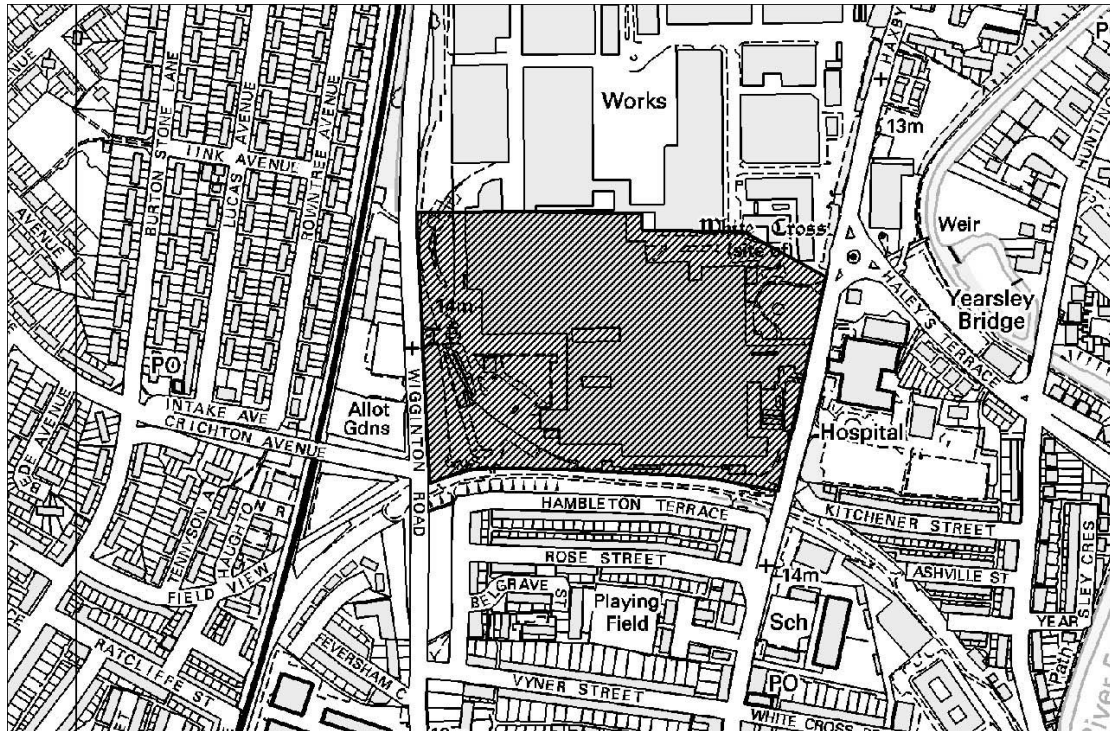
Site address:	Land around Burdike Ave, Sutton Way and Lilbourne Drive, Clifton, York
Site size (ha):	0.32ha
Land Owner (if known):	
Site availability:	
Existing use:	Informal open space/grassed area
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 163)

Site: Land off Water Lane, Clifton**Site Reference: H/027****Potential Use: Housing**

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Site address:	Site off Water Lane, Clifton, York
Site size (ha):	0.3ha
Land Owner (if known):	
Site availability:	
Existing use:	Derelict land with some hardstanding
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 166)

Site: Nestle South
Site Reference: H/028
Potential: Housing Allocation



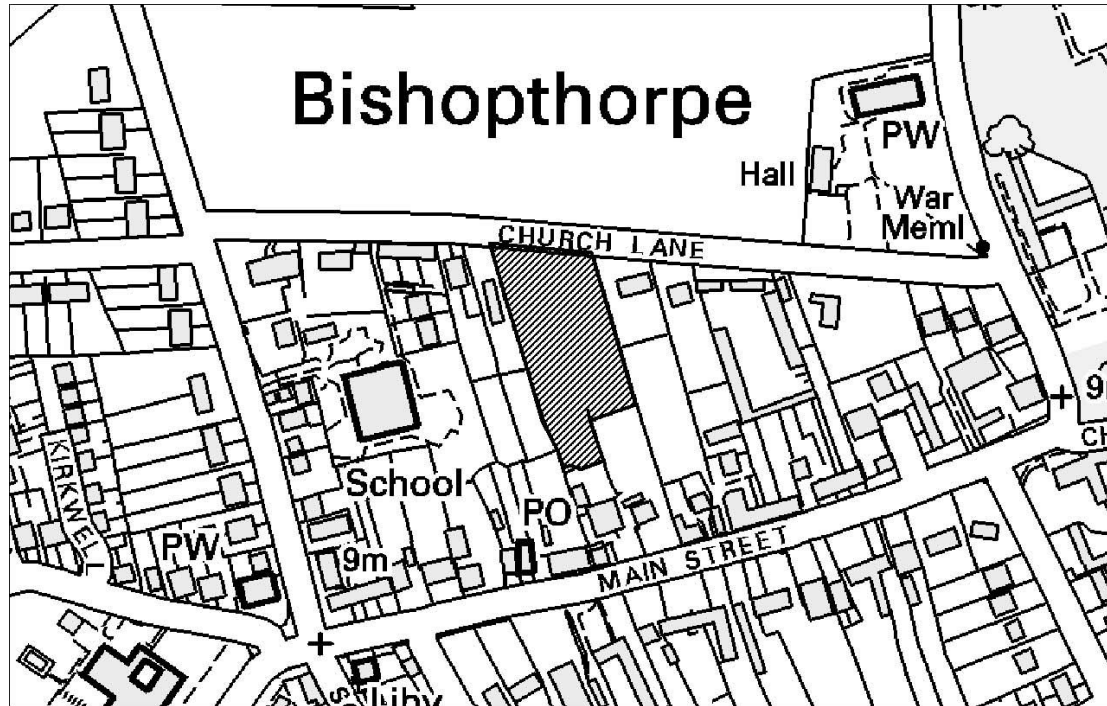
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Site address:	Nestle South, Haxby Road, York
Site size (ha):	5.8ha
Land Owner (if known):	Nestle
Site availability:	
Existing use:	Chocolate factory buildings
Potential use:	Mixed use including residential (assumption of 350 dwellings but this may vary as it will depend upon the detailed work on the mix, density and layout of uses on the sites)
How site identified:	Through SHLAA (SHLAA Evidence Base ref: 183)

Site: Land adjacent to 26 and 38 Church Lane, Bishopthorpe

Site Reference: H/029

Potential Use: Housing



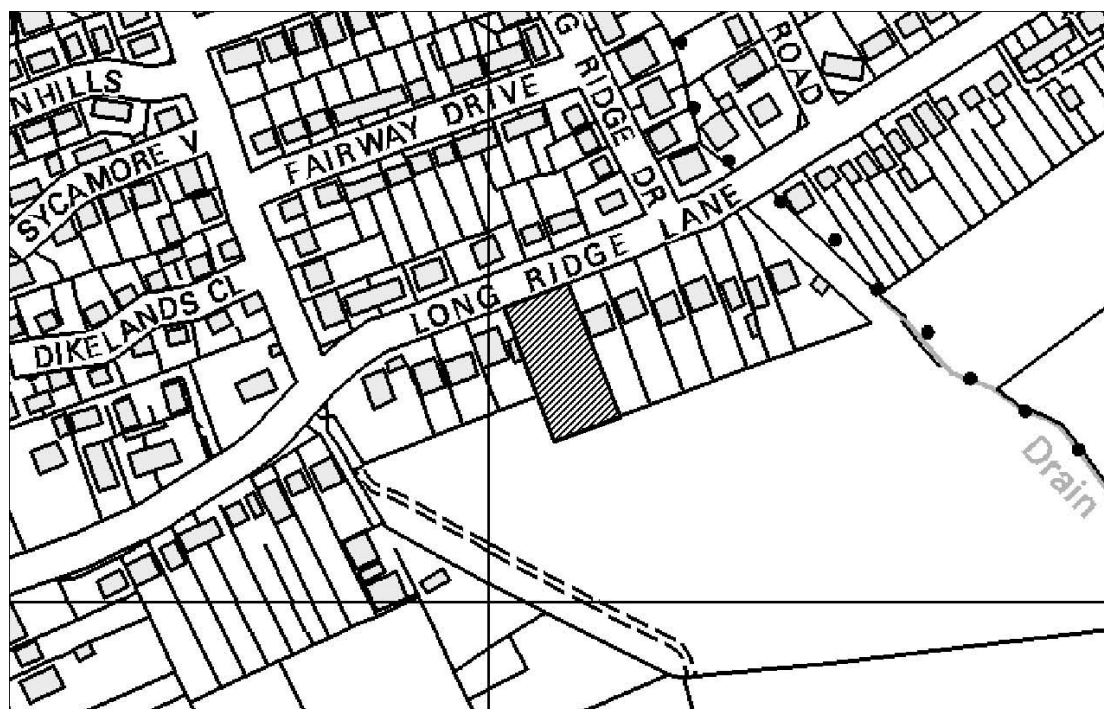
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Site address:	Land adjacent to 26 and 38 Church lane, Bishopthorpe, York.
Site size (ha):	0.55ha
Land Owner (if known):	
Site availability:	
Existing use:	Orchard
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: LSC 14)

Site: Land adjacent to 131 Long Ridge Lane, Poppleton

Site Reference: H/030

Potential Use: Housing



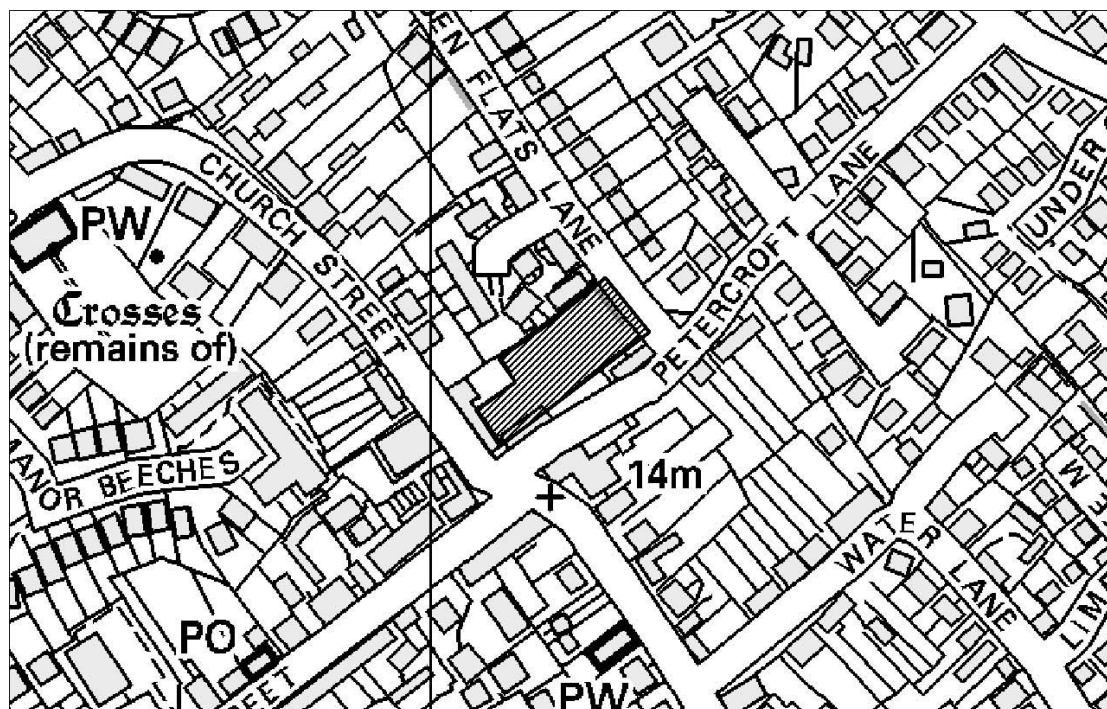
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Site address:	Land adjacent to 131 Long Ridge Lane, Poppleton, York
Site size (ha):	0.2ha
Land Owner (if known):	
Site availability:	
Existing use:	Field / vacant
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: LSC 19)

Site: Land rear of Surgery & 2a/2b Petercroft Lane, Dunnington

Site Reference: H/031

Potential Use: Housing



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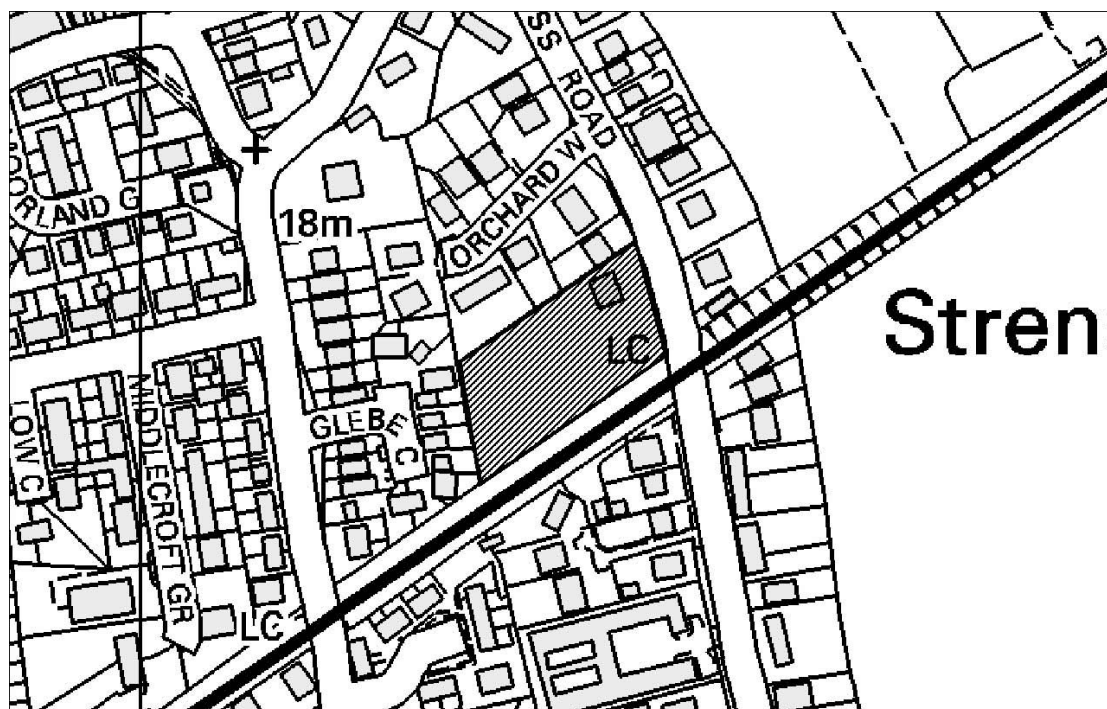
Licence number: LA09067L. 2007

Site address:	Land rear of surgery and 2a/2b Petercroft Lane, Dunnington, York
Site size (ha):	0.23ha
Land Owner (if known):	
Site availability:	
Existing use:	Grassed open area
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: LSC 23)

Site: 22 Princess Road, Strensall

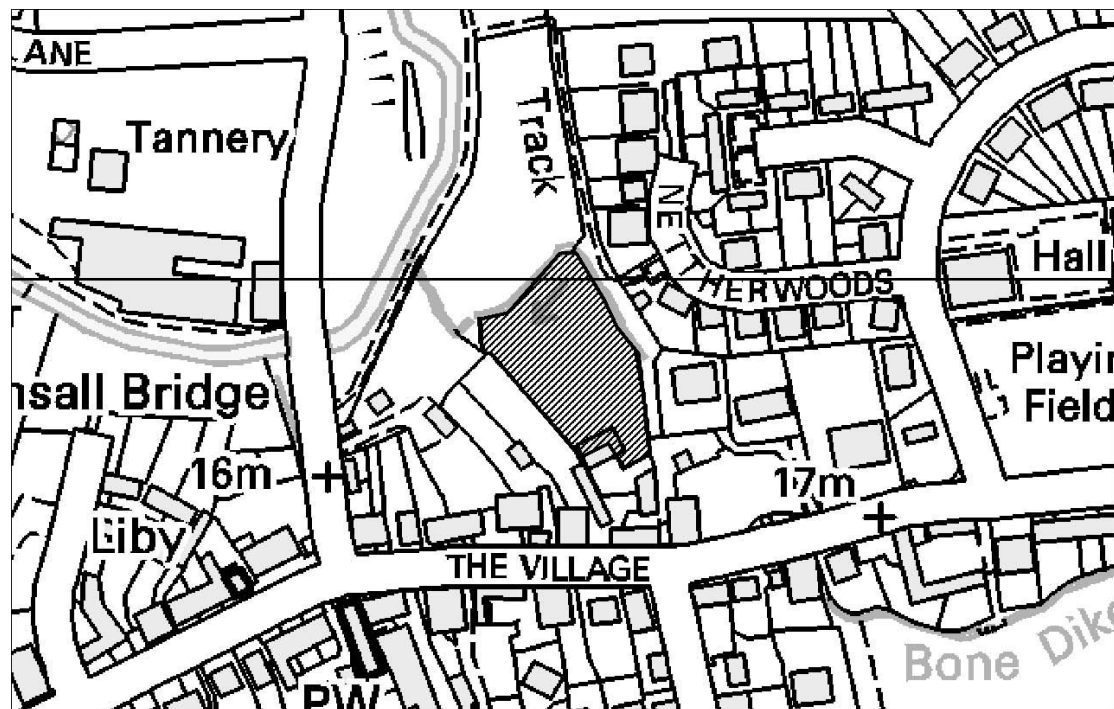
Site Reference: H/032

Potential Use: Housing



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Site address:	22 Princess Road, Strensall, York
Site size (ha):	0.5ha
Land Owner (if known):	
Site availability:	
Existing use:	Derelict bungalow and gardens
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: LSC 27)

Site: Land behind Netherwoods, Strensall**Site Reference: H/033****Potential Use: Housing**

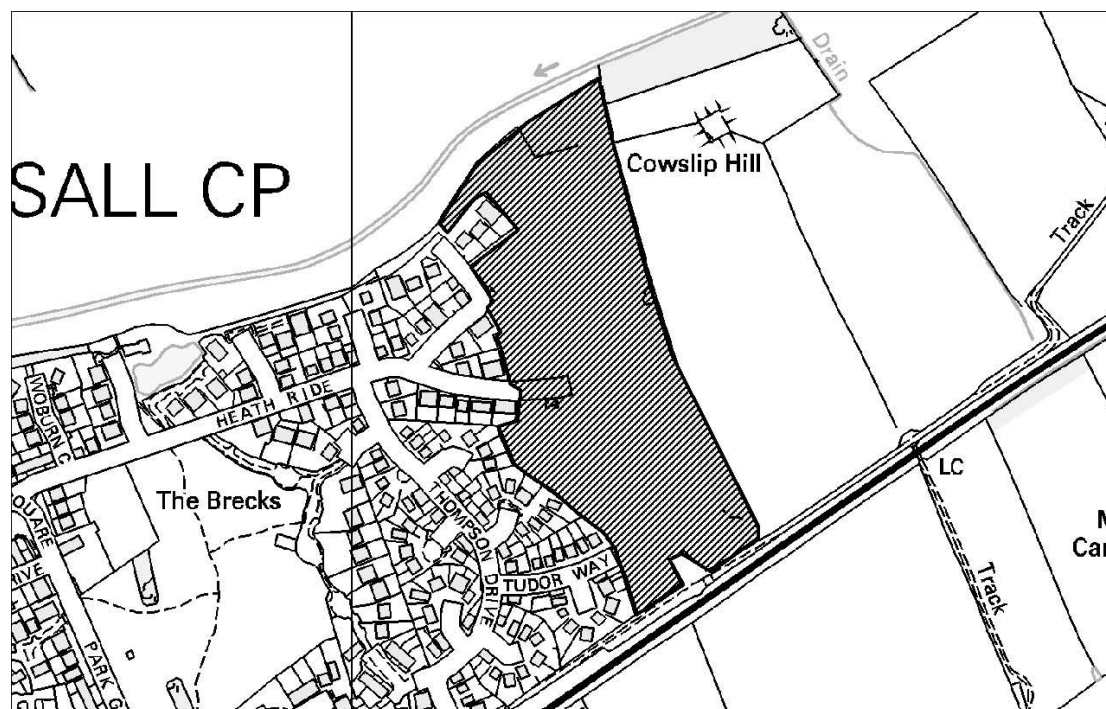
Crown Copyright. City of York Council.
Licence number: LA09067L. 2007

Site address:	Land behind Netherwoods, Strensall, York.
Site size (ha):	0.34ha
Land Owner (if known):	
Site availability:	
Existing use:	Grazing / pasture / field
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: LSC 32)

Site: Land adjacent to The Brecks / Green Lane, Strensall

Site Reference: H/034

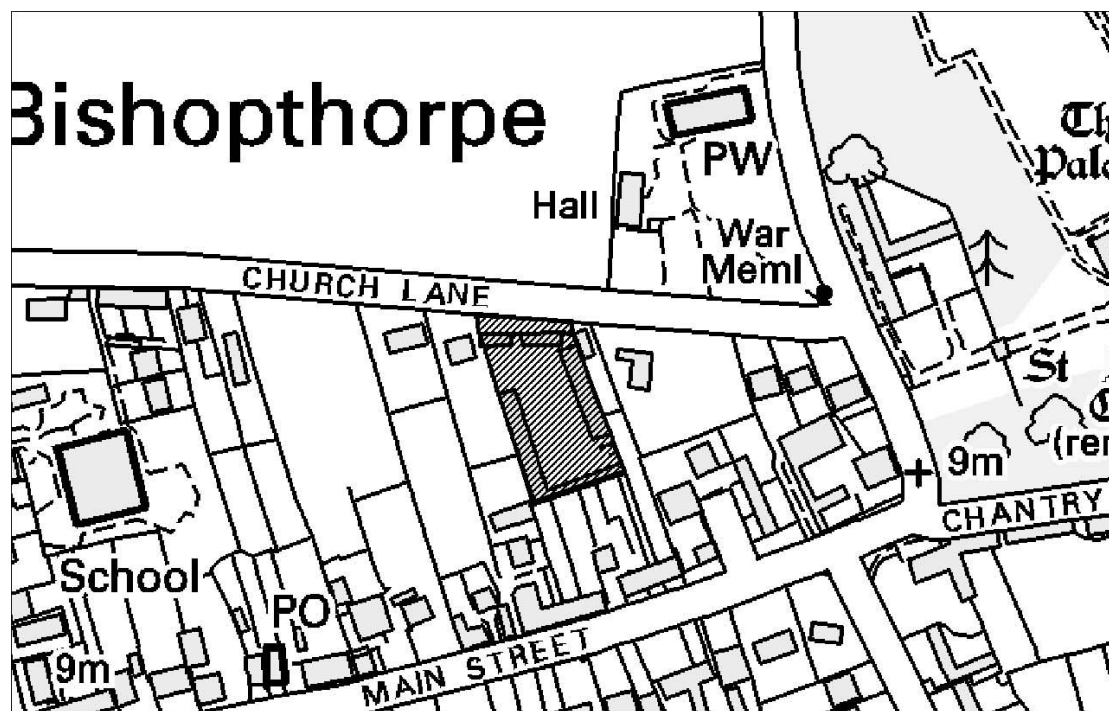
Potential Use: Housing



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Site address:	Land adjacent to The Brecks / Green Lane, Strensall, York
Site size (ha):	5ha
Land Owner (if known):	
Site availability:	
Existing use:	Field / open land
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: LSC 36)

Site: Builders Yard, Church Lane, Bishopthorpe
Site Reference: H/035
Potential Use: Housing



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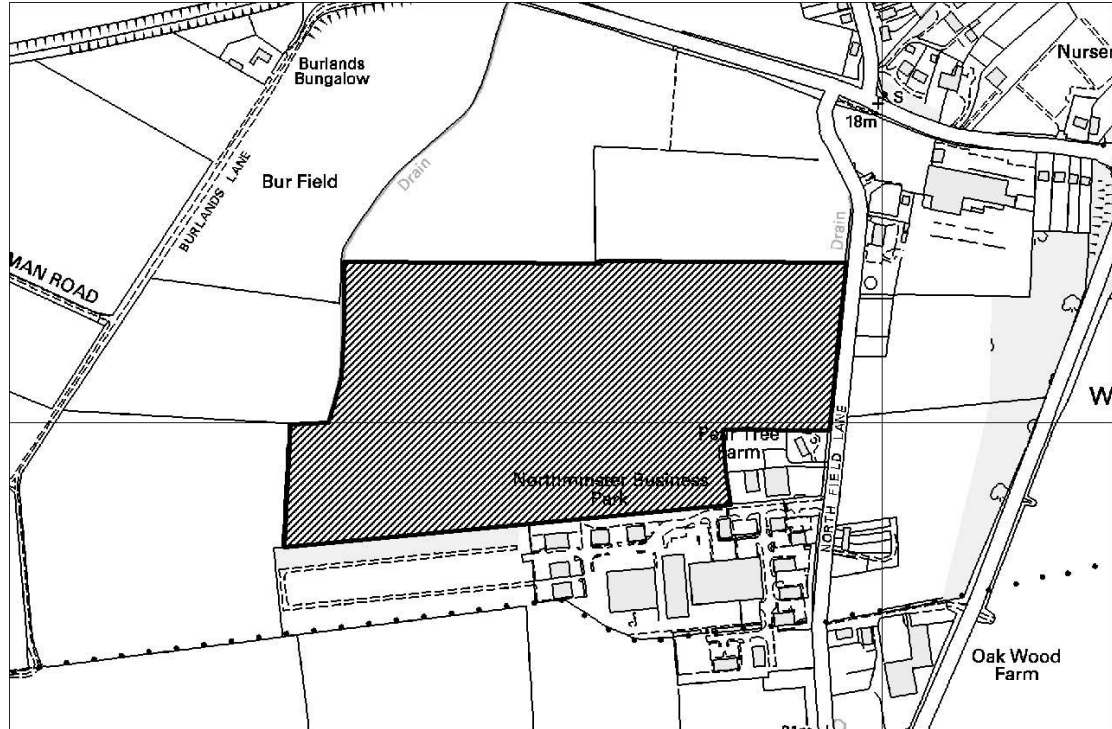
Site address:	Builders Yard, Church Lane, Bishopthorpe, York
Site size (ha):	0.33ha
Land Owner (if known):	
Site availability:	
Existing use:	Slating / tiling merchants (with buildings)
Potential use:	Residential
How site identified:	Through SHLAA (SHLAA Evidence Base ref: LSC 42)

Section 3

Potential employment sites

Site Reference	Site Name
E/001	Northminster Business Park, Poppleton
E/002	Monks Cross North
E/003	Vangarde site (Monks Cross Site)
E/004	Hungate
E/005	York Business Park
E/006	Airfield Industrial Estate, Elvington
E/007	Wheldrake (Millfield Industrial Estate)
E/008	Holgate Park
E/009	Murton Industrial Estate (near Livestock Centre)
E/010	Elvington Industrial Estate
E/011	The Grainstores
E/012	Audax Road and Stirling Road
E/013	Annamine Nurseries (Monks Cross Infill)
E/014	Reynard's Garage, Piccadilly
E/015	University of York – Heslington East
E/016a & b	York Northwest
E/017	London Bridge

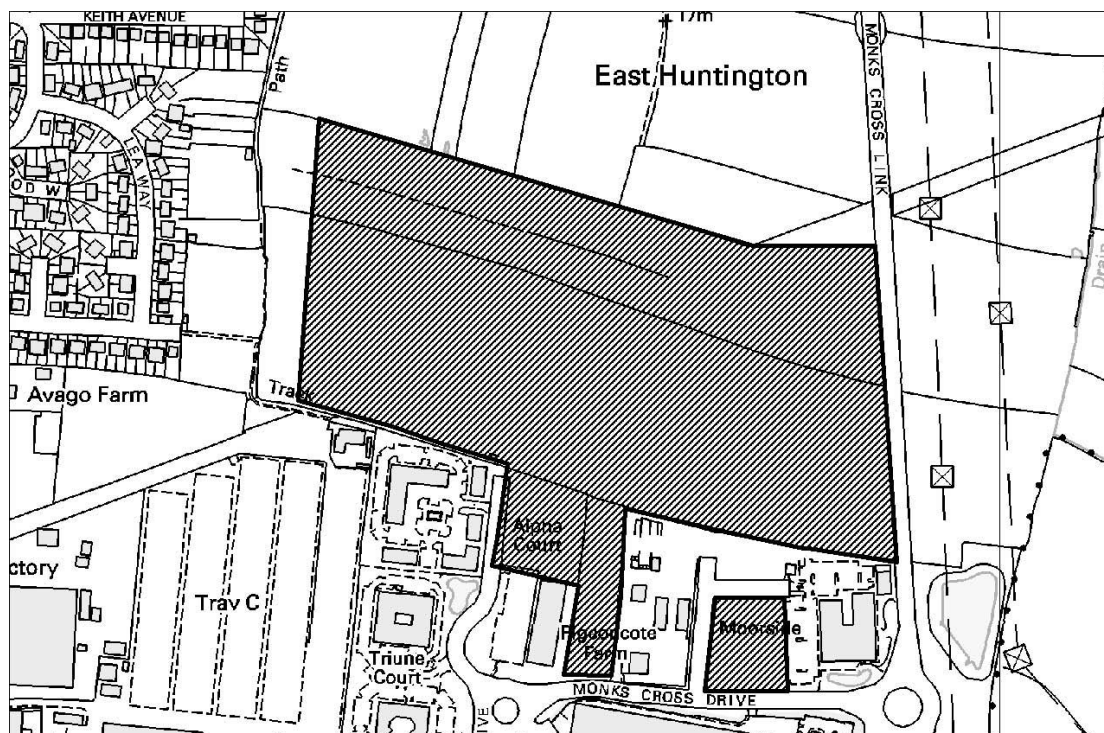
Site: Northminster Business Park
Site Reference: E/001
Potential Use: Employment



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 Licence number: LA09067L. 2007

Site address:	Northminster Business Park, Northfield Lane, Poppleton, York
Site size (ha):	14ha
Land Owner (if known):	
Site availability:	
Existing use:	Agricultural (currently allocated for premier employment in City of York Local Plan – 4 th Set of Changes – April 2005)
Potential use:	Premier Employment (Out of Centre)
How site identified:	Through SQW report (SQW Evidence Base ref: 27) and City of York Local Plan – 4 th Set of Changes – April 2005' (E1a.1)

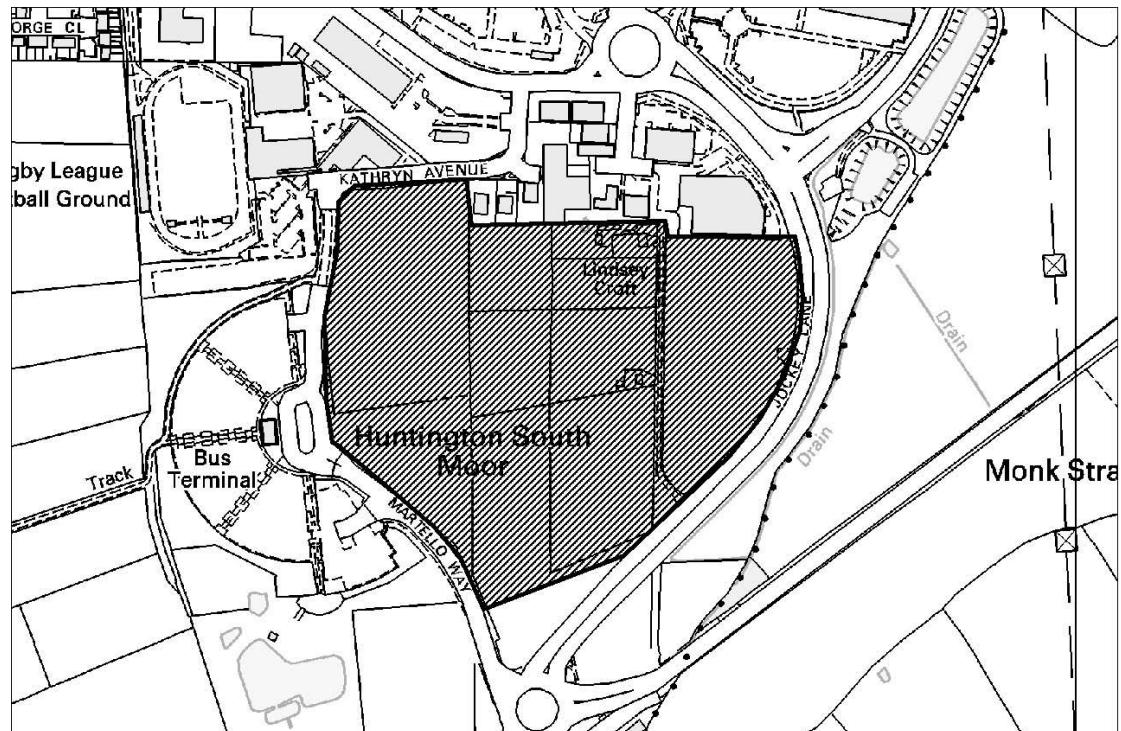
Site: Monks Cross North
Site Reference: E/002
Potential Use: Employment



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 Licence number: LA09067L. 2007

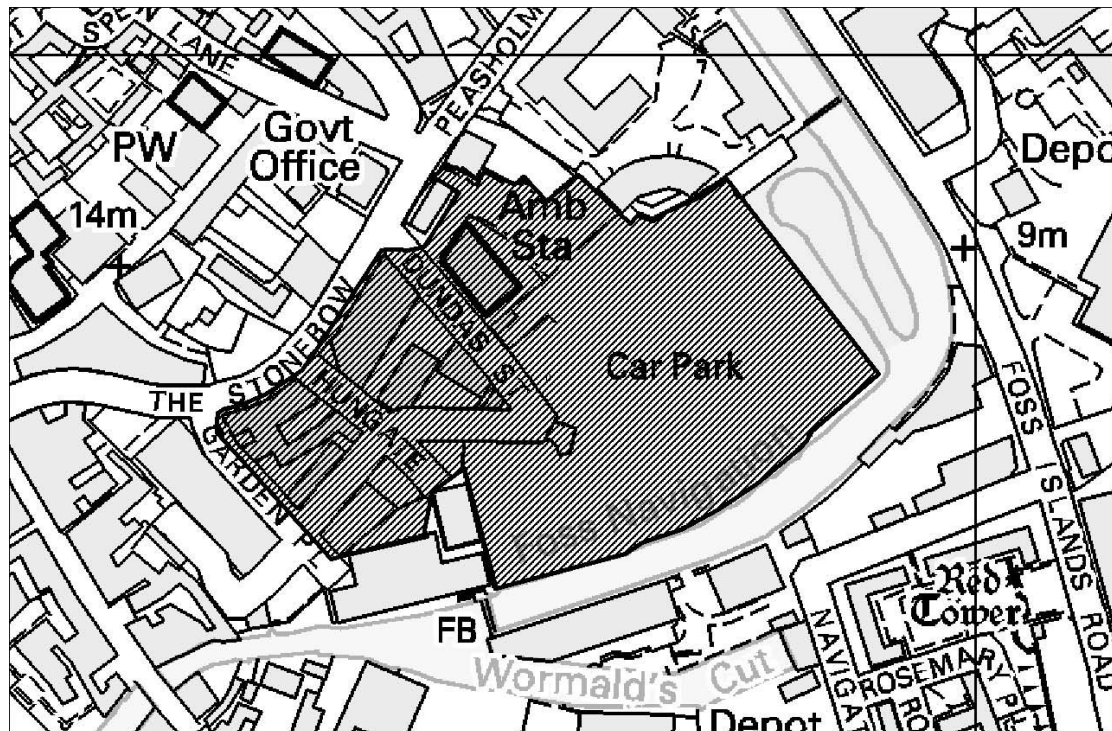
Site address:	Monks Cross North, Monks Cross Drive, Huntington, York.
Site size (ha):	18ha
Land Owner (if known):	
Site availability:	
Existing use:	Vacant, except for part of site currently occupied by the concrete batching plant. Previous proposal refused on appeal as premature. Outline permission granted for B1 offices.
Potential use:	Employment (Out of Centre)
How site identified:	Through SQW Report (SQW Evidence Base ref: 15C) and City of York Local Plan – 4 th Set of Changes – April 2005' (E1a.2)

Site: Vangarde Site (Monks Cross South)
Site Reference: E/003
Potential Use: Employment



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 Licence number: LA09067L. 2007

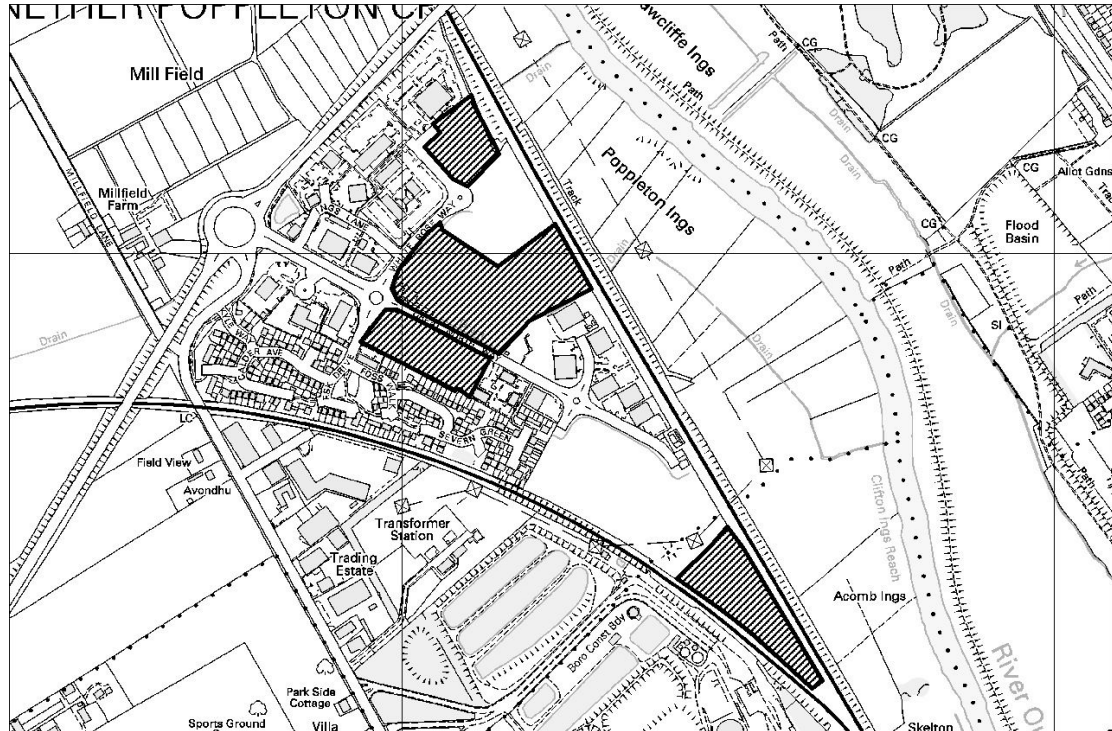
Site address:	Vangarde Site (Monks Cross South), Jockey Lane, Huntington, York
Site size (ha):	11.70ha
Land Owner (if known):	
Site availability:	
Existing use:	Predominantly agricultural.
Potential use:	Premier Employment (Out of Centre)
How site identified:	Through SQW Report (SQW Evidence Base ref: 15A) and City of York Local Plan – 4 th Set of Changes – April 2005' (E1a.3)

Site: Hungate**Site Reference: E/004****Potential Use: Employment (mixed use development)**

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Site address:	Hungate, Stonebow, York
Site size (ha):	4.1ha (Total) – employment element 1ha.
Land Owner (if known):	
Site availability:	Has outline planning permission for mixed use development, inc Class B1 business
Existing use:	Previous development now demolished / cleared.
Potential use:	Mixed use development including premier employment (urban area)
How site identified:	City of York Local Plan – 4 th Set of Changes – April 2005' (E1a.5)

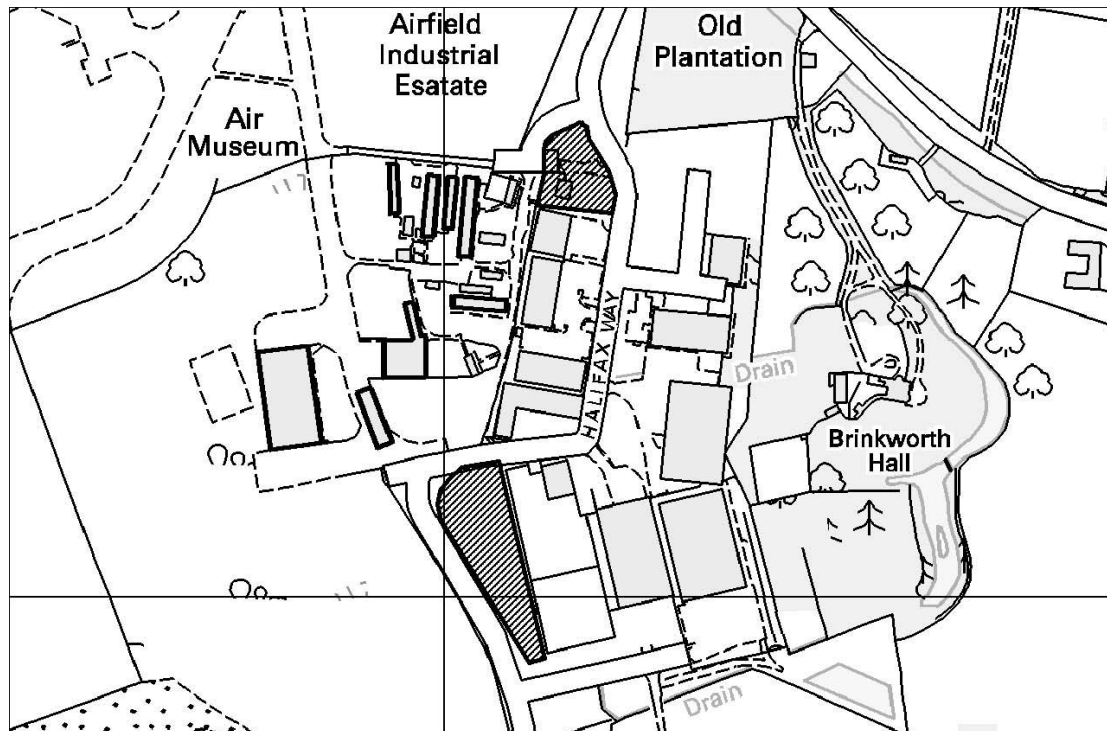
Site: York Business Park
Site Reference: E/005
Potential Use: Employment



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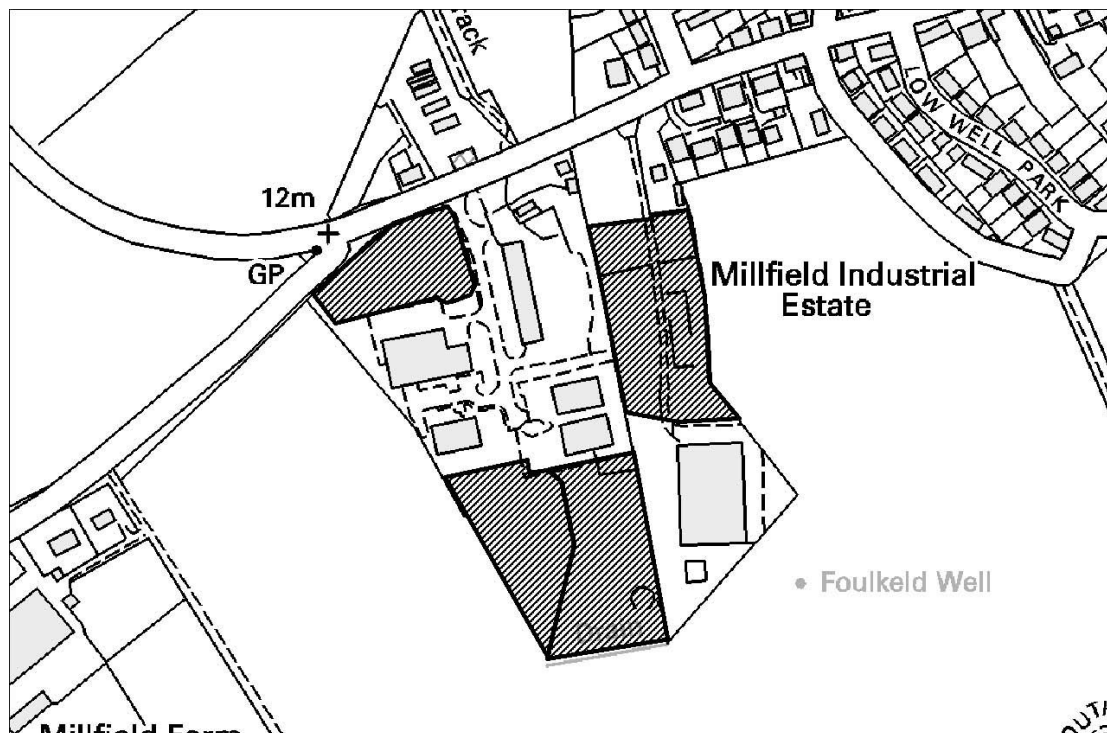
Site address:	York Business Park, Poppleton, York
Site size (ha):	5.5ha (Total remaining)
Land Owner (if known):	
Site availability:	Split into 4 plots within existing employment site.
Existing use:	Vacant plots within existing business park
Potential use:	Employment - B1, B2, B8 (Split to be decided following further work)
How site identified:	Through SQW Report (SQW Evidence Base ref: 24) and City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.1)

Site: Airfield Industrial Estate
Site Reference: E/006
Potential Use: Employment



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 Licence number: LA09067L. 2007

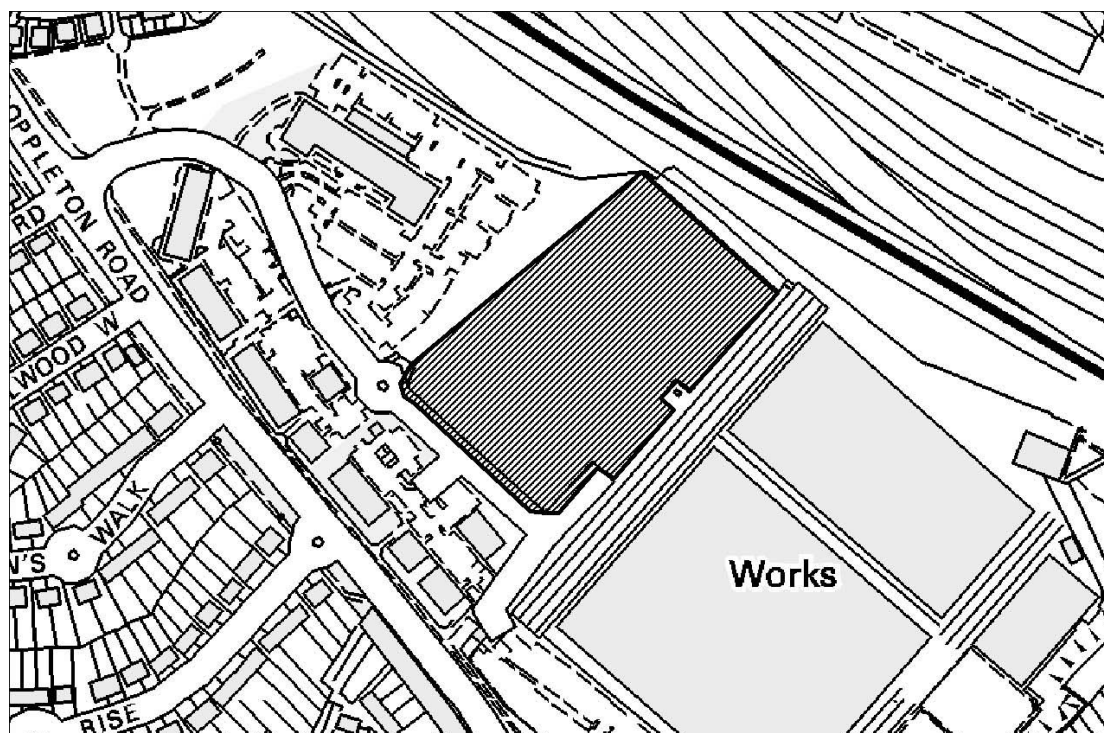
Site address:	Halifax Way, Elvington Lane, York
Site size (ha):	0.3ha and 0.9ha
Land Owner (if known):	
Site availability:	
Existing use:	Undeveloped / former perimeter area of Elvington Airfield, mixture of brownfield / greenfield. Both sites would need clearance.
Potential use:	Employment – B2, B8
How site identified:	Through SQW Report (SQW Evidence Base ref: 5) and City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.2)

Site: Wheldrake (Millfield Industrial Estate)**Site Reference: E/007****Potential Use: Employment**

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Site address:	Wheldrake (Millfield Industrial Estate), Main Street, Wheldrake, York
Site size (ha):	Plot A - 0.5ha; Plot C - 0.8ha; Plot D - 0.7ha; Plot E - 0.4ha
Land Owner (if known):	
Site availability:	
Existing use:	Vacant plots within existing industrial estate.
Potential use:	Employment - B2, B8
How site identified:	Through SQW Report (SQW Evidence Base ref: 3) and City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.3)

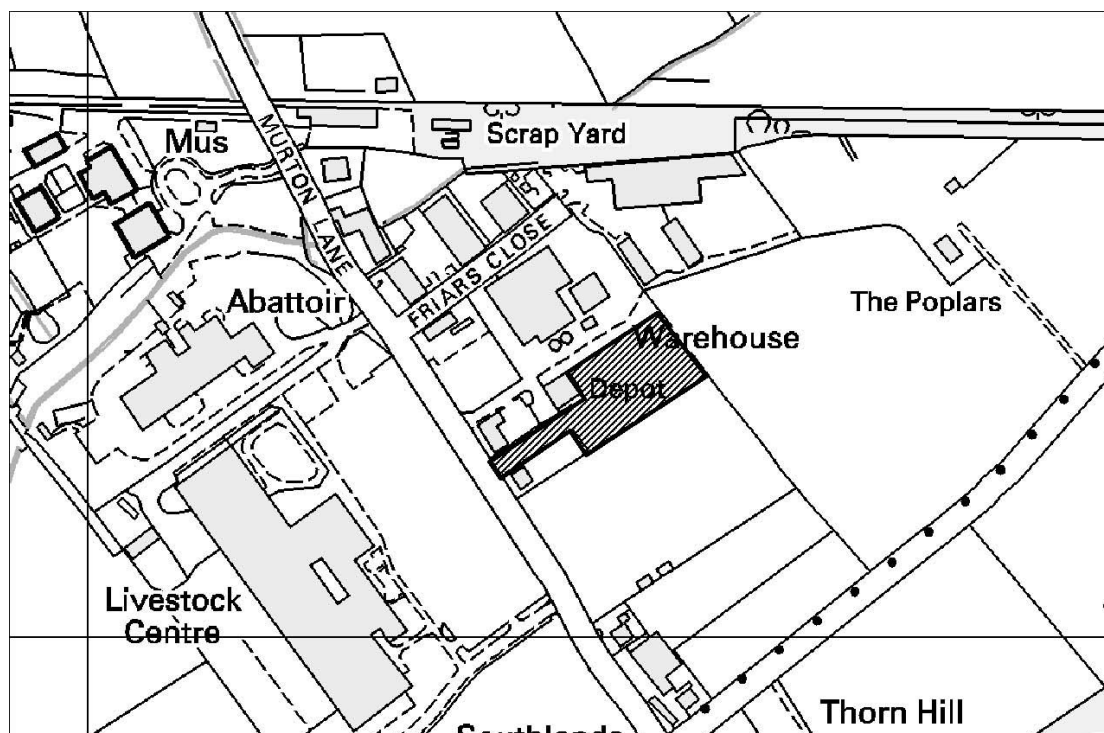
Site: Holgate Park
Site Reference: E/008
Potential Use: Employment



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Site address:	Holgate Park, Poppleton Road, York,
Site size (ha):	2.4ha remaining
Land Owner (if known):	
Site availability:	
Existing use:	Vacant land
Potential use:	This site was identified for employment in the Local Plan and subsequently considered in the SQW Report. However, its use will be determined through the YNW AAP.
How site identified:	SQW Report (SQW Evidence Base ref: 29) and City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.5)

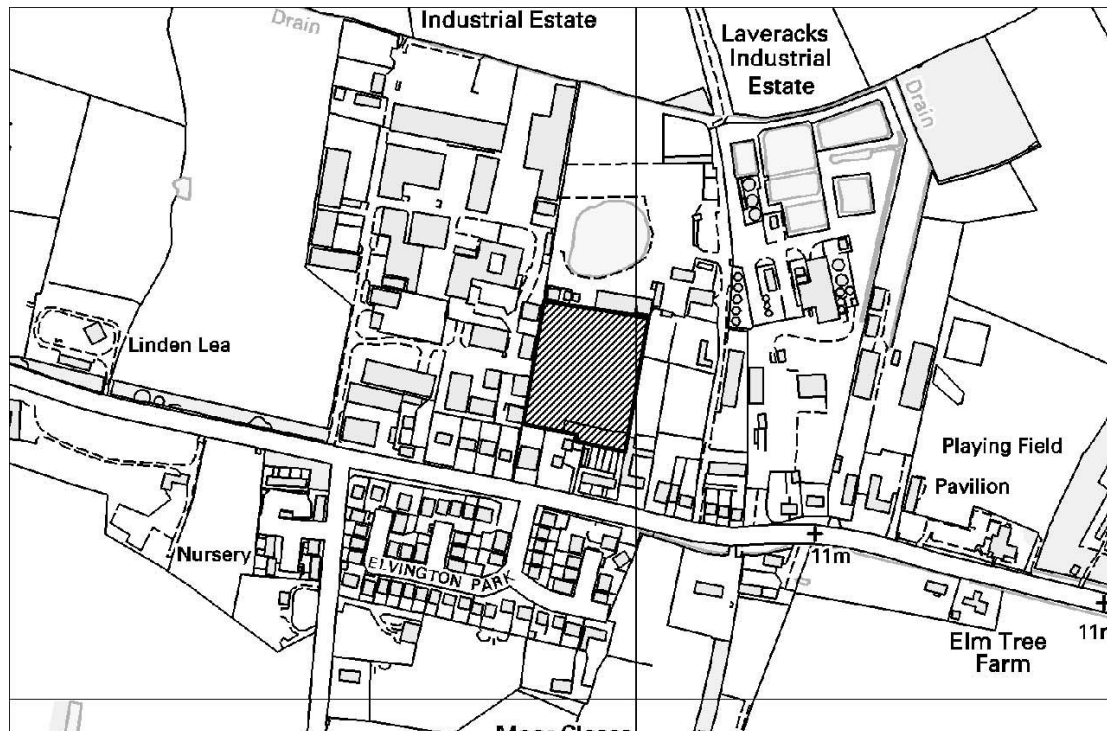
Site: Murton Industrial Estate
Site Reference: E/009
Potential Use: Employment



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Site address:	Murton Industrial Estate, Murton Lane, York.
Site size (ha):	0.5ha
Land Owner (if known):	
Site availability:	
Existing use:	Vacant plot
Potential use:	Employment – B2, B8
How site identified:	Through SQW Report (SQW Evidence Base ref: 8) and City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.7)

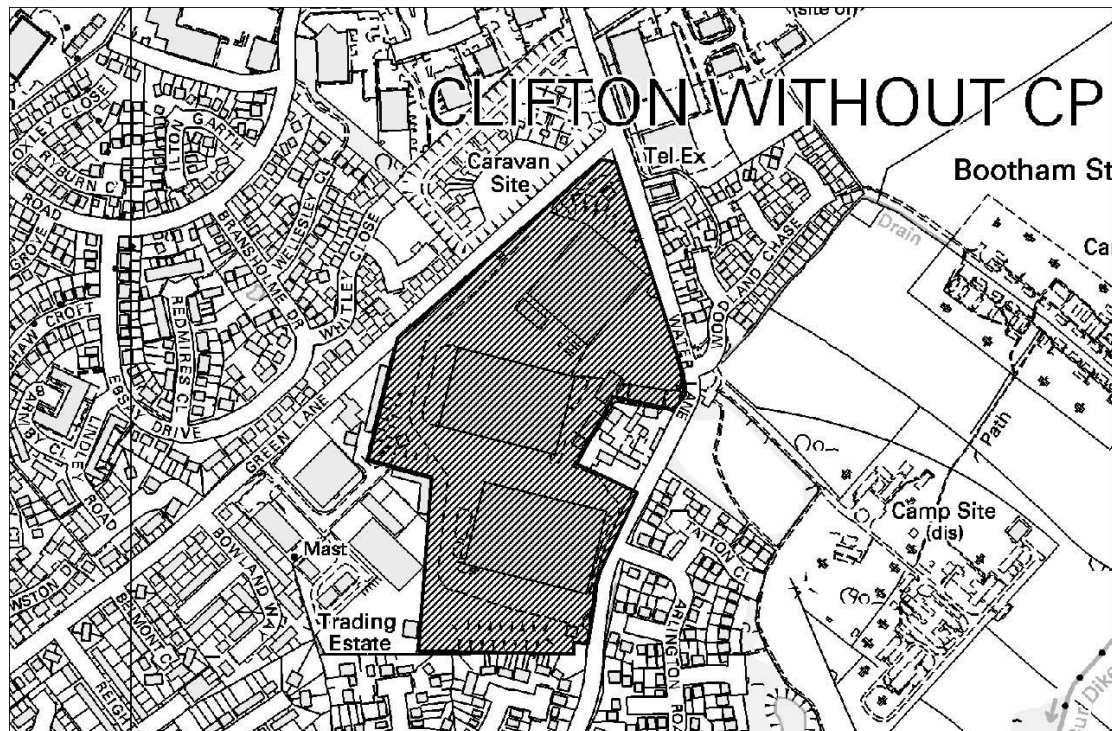
Site: Elvington Industrial Estate
Site Reference: E/010
Potential Use: Employment



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Site address:	Elvington Industrial Estate, Elvington Lane, Elvington, York
Site size (ha):	1ha
Land Owner (if known):	
Site availability:	
Existing use:	Vacant plot within existing industrial estate.
Potential use:	Employment - B2, B8 uses. Possible constraint due to adjacent fuel storage tanks? Need to check
How site identified:	Through SQW Report (SQW Evidence Base ref: 4) and City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.12)

Site: The Grainstores
Site Reference: E/011
Potential Use: Employment



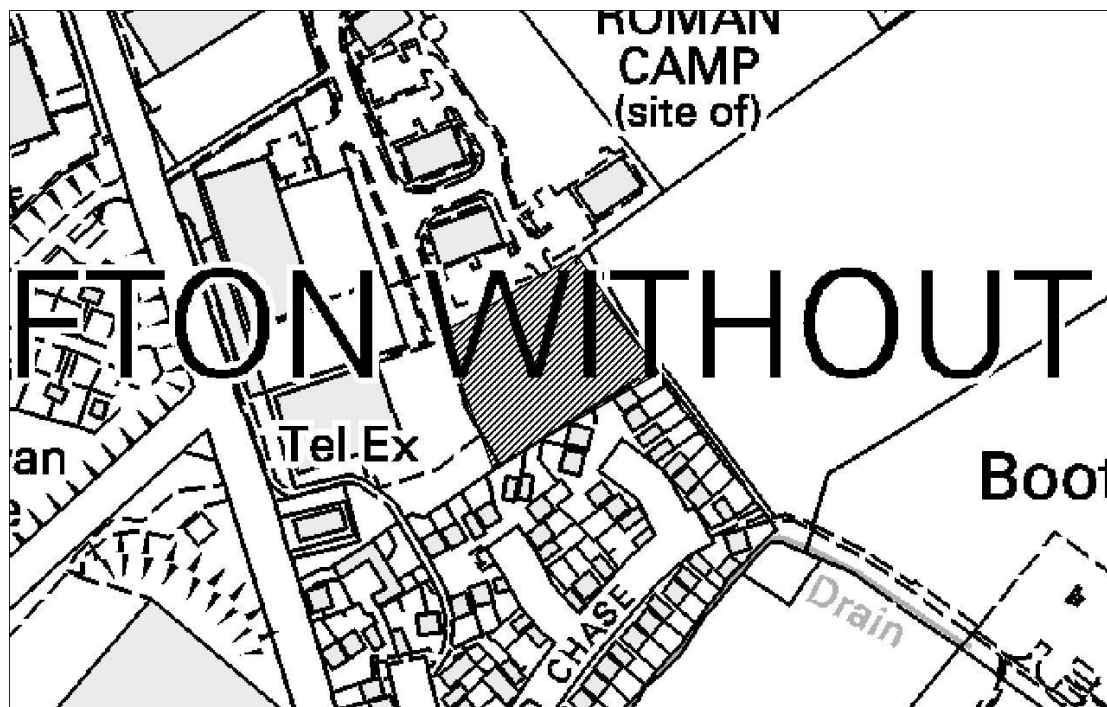
Crown Copyright. City of York Council.
 Licence number: LA09067L. 2007

Site address:	The Grainstores, Water Lane, Clifton Moor, York.
Site size (ha):	7.6ha
Land Owner (if known):	Water Lane Ltd
Site availability:	
Existing use:	Part vacant – last used as grain stores in 2003. One existing tenant. Mixture of 3 large hangars and hardstanding on site.
Potential use:	Employment - B1, B2, B8
How site identified:	Through SQW Report (SQW Evidence Base ref: 20C) and City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.13)

Site: Land off Tribune Way, Clifton Moorgate

Site Reference: E/012

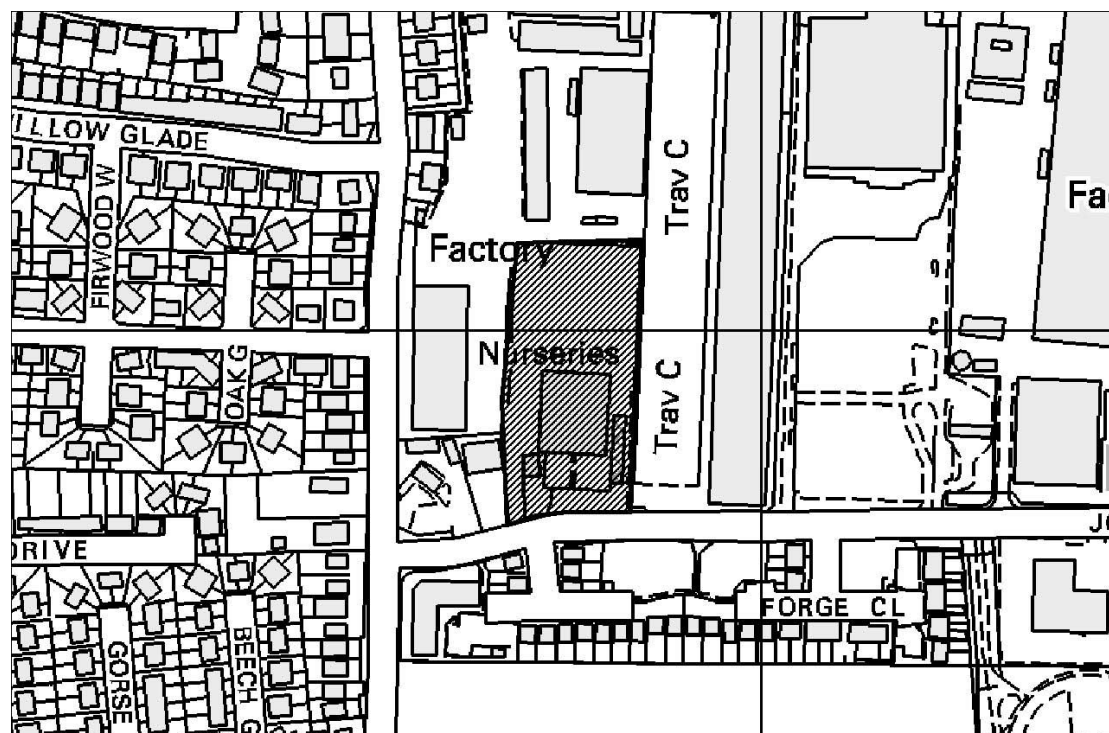
Potential Use: Employment



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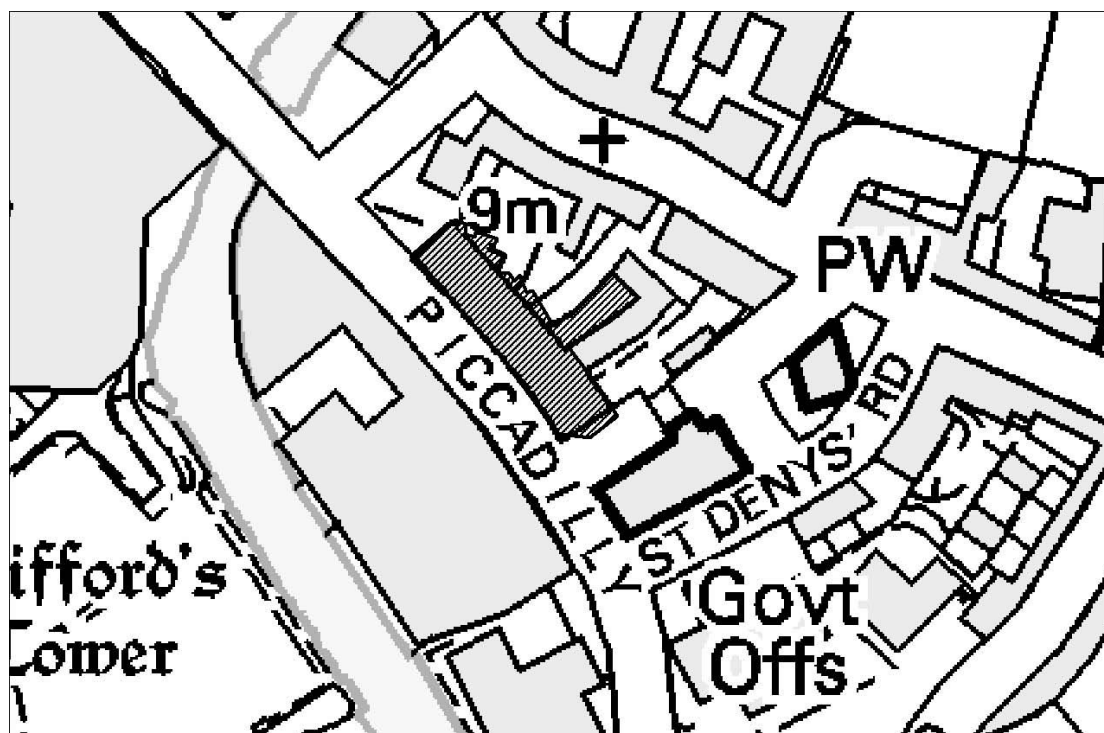
Site address:	Land off Tribune Way Clifton Moorgate Clifton York
Site size (ha):	0.4ha
Land Owner (if known):	
Site availability:	
Existing use:	
Potential use:	Employment
How site identified:	Through City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.4).

Site: Annamine Nurseries
Site Reference: E/013
Potential Use: Employment



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Site address:	Jockey Lane, Huntington, York
Site size (ha):	1ha
Land Owner (if known):	
Site availability:	
Existing use:	Former Nurseries site, currently vacant.
Potential use:	Employment - B2. Has planning permission for display of relocatable portable dwellings
How site identified:	Through SQW Report (SQW Evidence Base ref: 15B) and City of York Local Plan – 4 th Set of Changes – April 2005' (E3a.15)

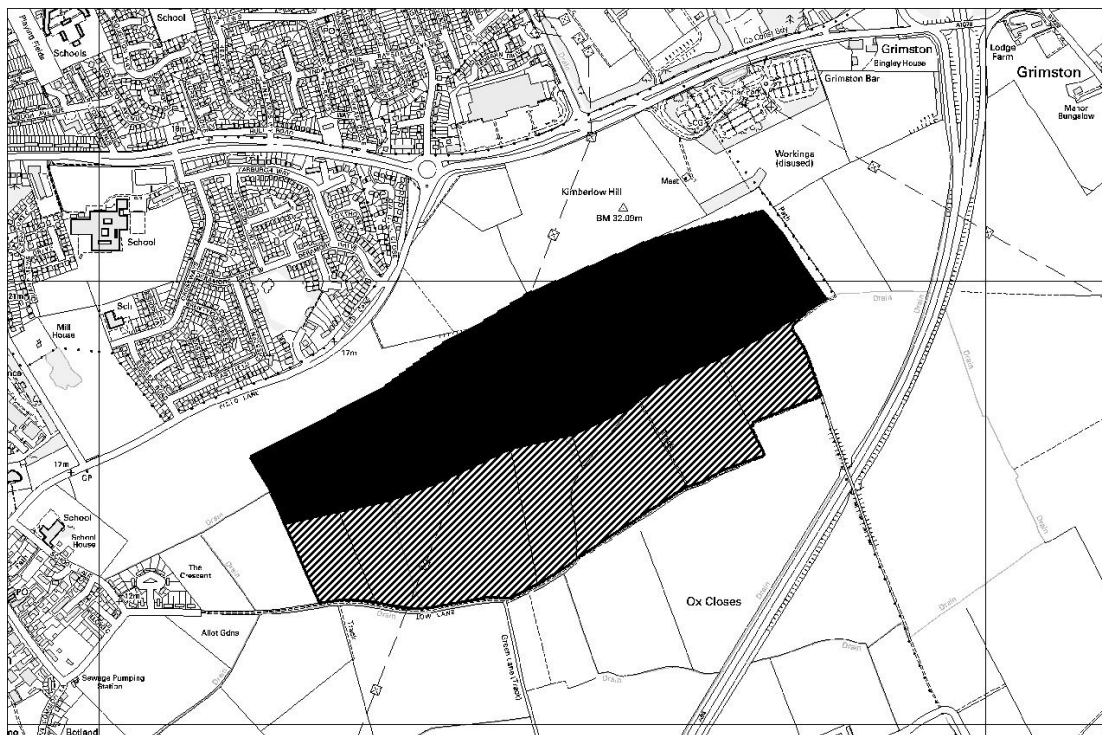
Site: Reynards Garage, Piccadilly**Site Reference: E/014****Potential Use: Employment**

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Site address:	Reynards Garage, Piccadilly, York
Site size (ha):	0.10ha
Land Owner (if known):	City of York Council
Site availability:	
Existing use:	Former car dealership / vacant
Potential use:	Employment
How site identified:	Executive Report 22/11/05

Site: University of York – Heslington East
Site Reference: E/015
Potential Use: Employment

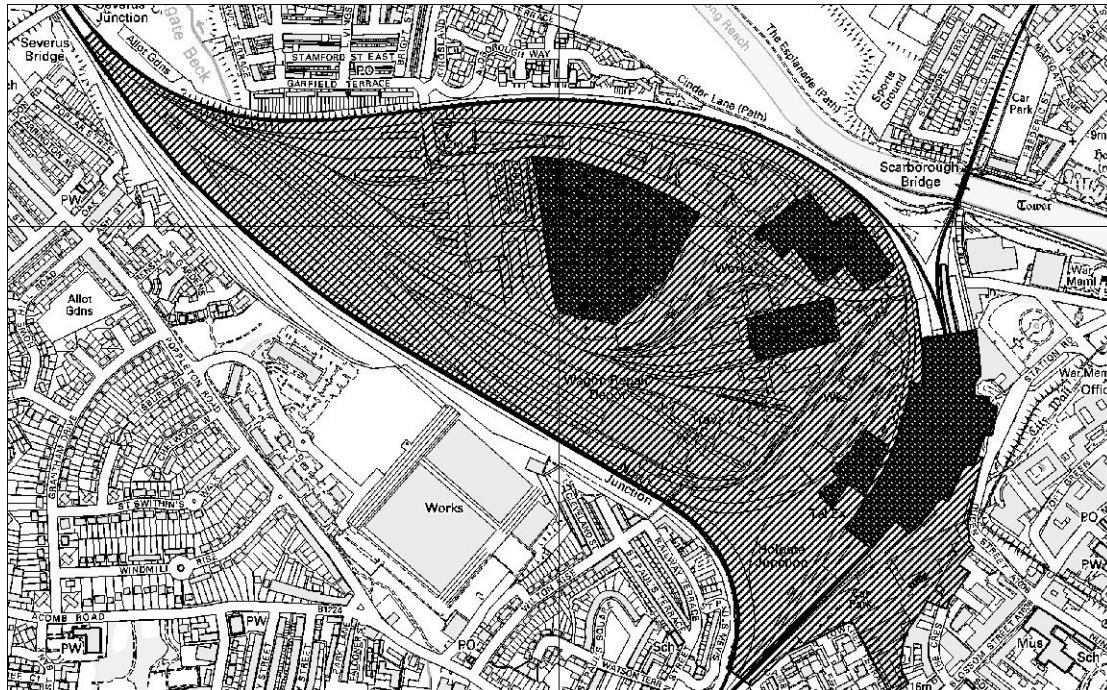
The shading shows both phases of the new campus as shown in the Local Plan and does not reflect the outline planning permission



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Site address:	University of York – Heslington East, Field Lane, York.
Site size (ha):	Total area 65ha, which includes up to 25ha for employment
Land Owner (if known):	
Site availability:	Planning permission for campus approved in 2007 (Call-in Inquiry)
Existing use:	Predominantly agricultural
Potential use:	New University campus (65ha) which includes up to 25ha for Science City type employment uses.
How site identified:	Through SQW Report (SQW Evidence Base ref: 12) and City of York Local Plan – 4 th Set of Changes – April 2005' (ED9)

Site: York Northwest (York Central Site)
Site Reference: E/016a
Potential Use: Employment (Mixed use development)



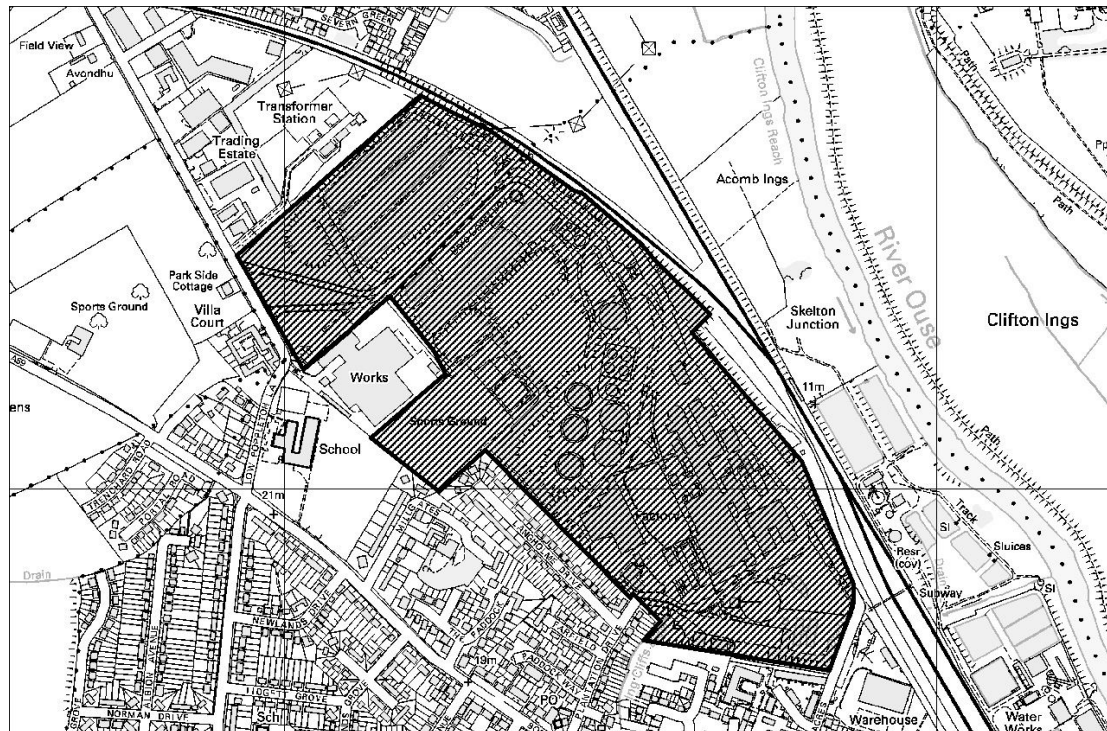
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Existing areas to be retained

Site address:	York Northwest (York Central Site), York
Site size (ha):	35-37ha (Total)
Land Owner (if known):	Approx 20 different owners including Network Rail & National Museum of Science and Industry (National Railway Museum)
Site availability:	
Existing use:	Predominantly former railway land
Potential use:	Mixed use including employment
How site identified:	YNW AAP/SQW Report (SQW Evidence Base ref: 34)/ City of York Local Plan – 4 th Set of Changes – April 2005' (E1a.8)

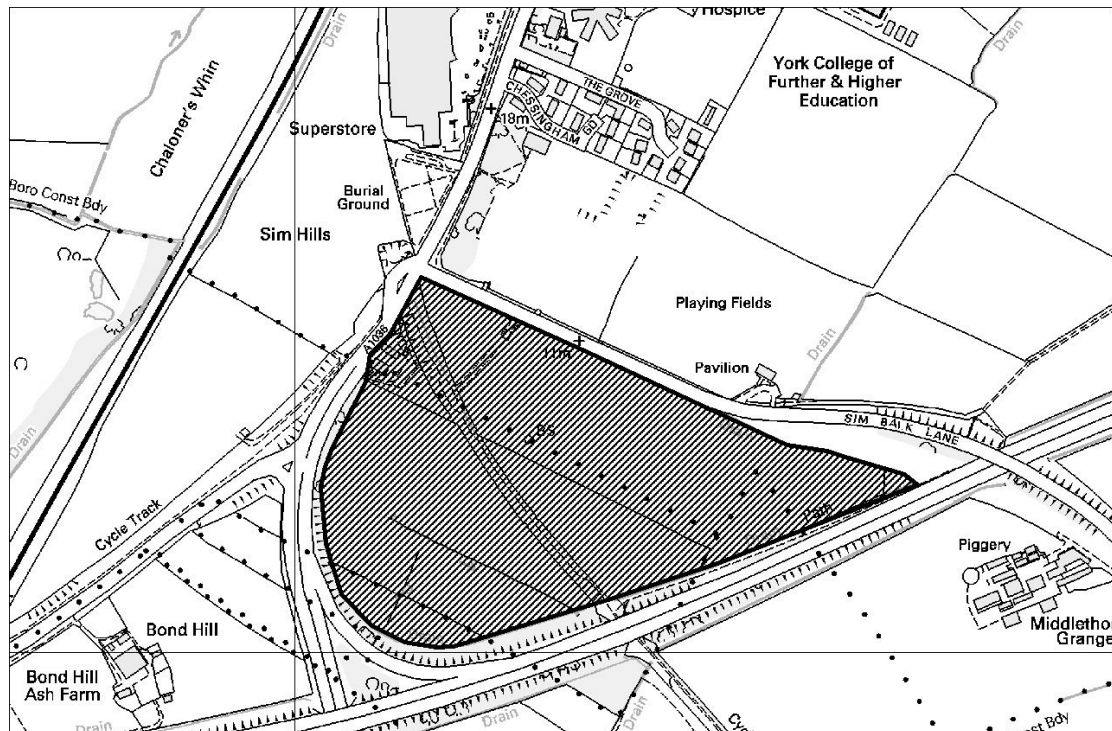
Site: York Northwest (British Sugar Site)
Site Reference: E/016b
Potential Use: Employment (Mixed use development)



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Site address:	York Northwest (British Sugar Site), Boroughbridge Road, York
Site size (ha):	39.5ha (Total)
Land Owner (if known):	Associated British Foods (British Sugar)
Site availability:	
Existing use:	British Sugar factory
Potential use:	Mixed use including employment
How site identified:	YNW AAP/ SQW Report (SQW Evidence Base ref: 26)

Site: London Bridge
Site Reference: E/017
Potential Use: Employment

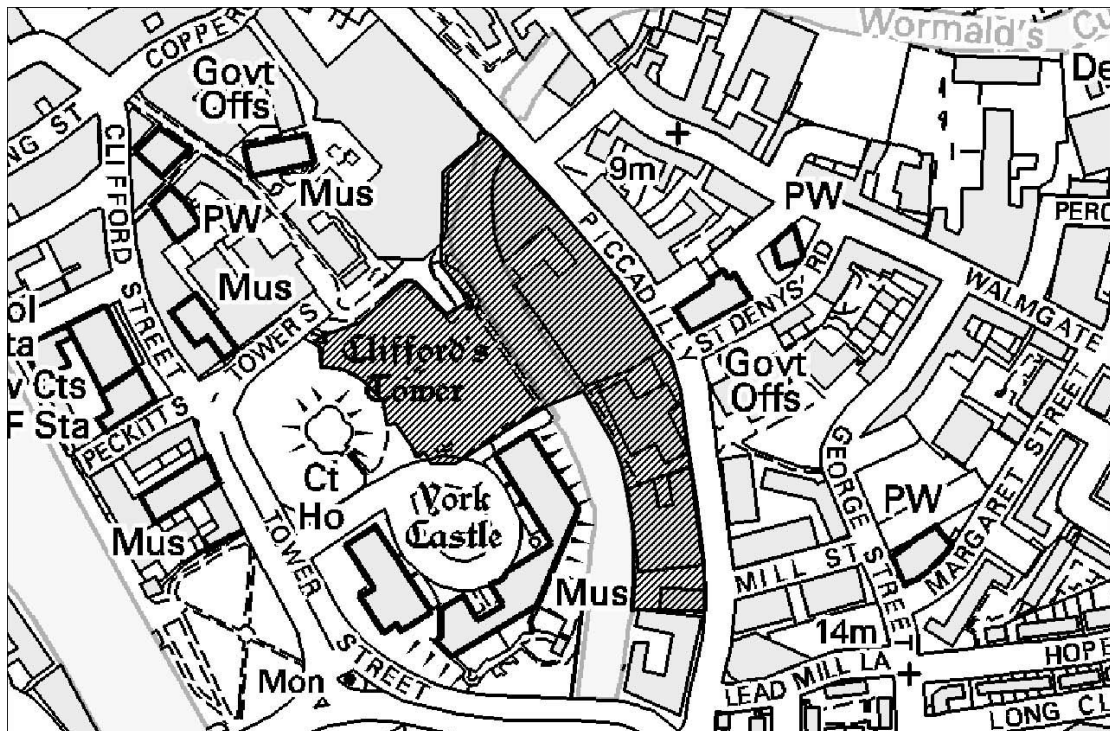


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Site address:	London Bridge, Sim Balk Lane, York.
Site size (ha):	15.8ha
Land Owner (if known):	City of York Council
Site availability:	Site is located in the City of York Green Belt, which would restrict potential uses. Also, access to the site could be a problem.
Existing use:	Predominantly agricultural
Potential use:	Employment
How site identified:	Through SQW Report (SQW Evidence Base ref: 14) and City of York Local Plan – First Draft (1998)

Section 4

Retail – Castle Piccadilly site

Site: Castle Piccadilly**Site Reference: R/001****Potential Use: Retail (Mixed use development)**

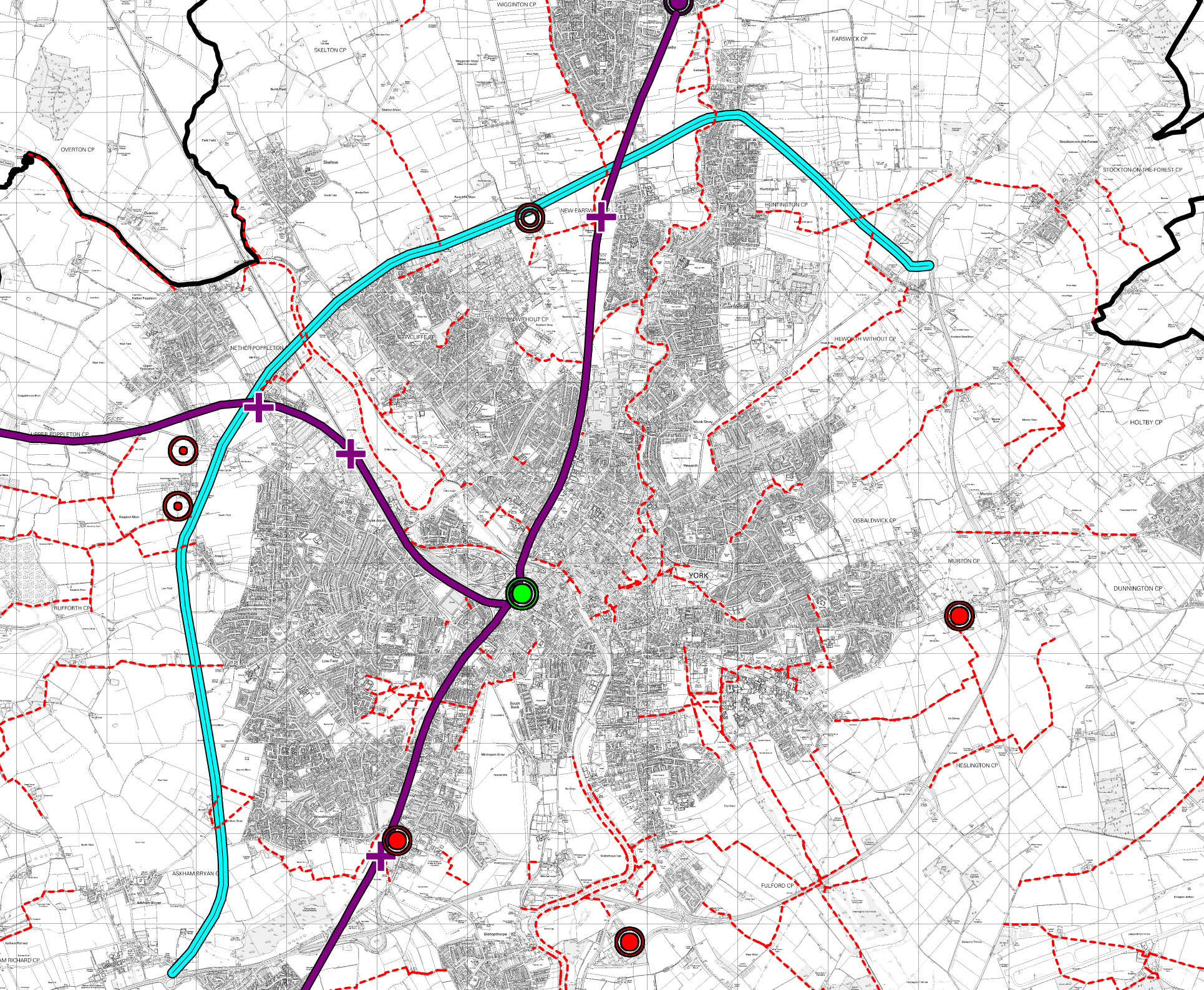
Crown Copyright. City of York Council.
Licence number: LA09067L. 2007

Site address:	Piccadilly, York.
Site size (ha):	2.2ha
Land Owner (if known):	Land Securities, City of York Council and Northminster Properties
Site availability:	CYC land available immediately. Land Securities and Northminster land will need to be secured as part of comprehensive development of area.
Existing use:	Mixture of furniture / second-hand warehouses, offices and car park
Potential use:	Retail-led mixed use development.
How site identified:	Through 'City of York Local Plan – 4 th Set of Changes – April 2005' (S1a)

Section 5

Potential transport locations

Proposed network (indicative)

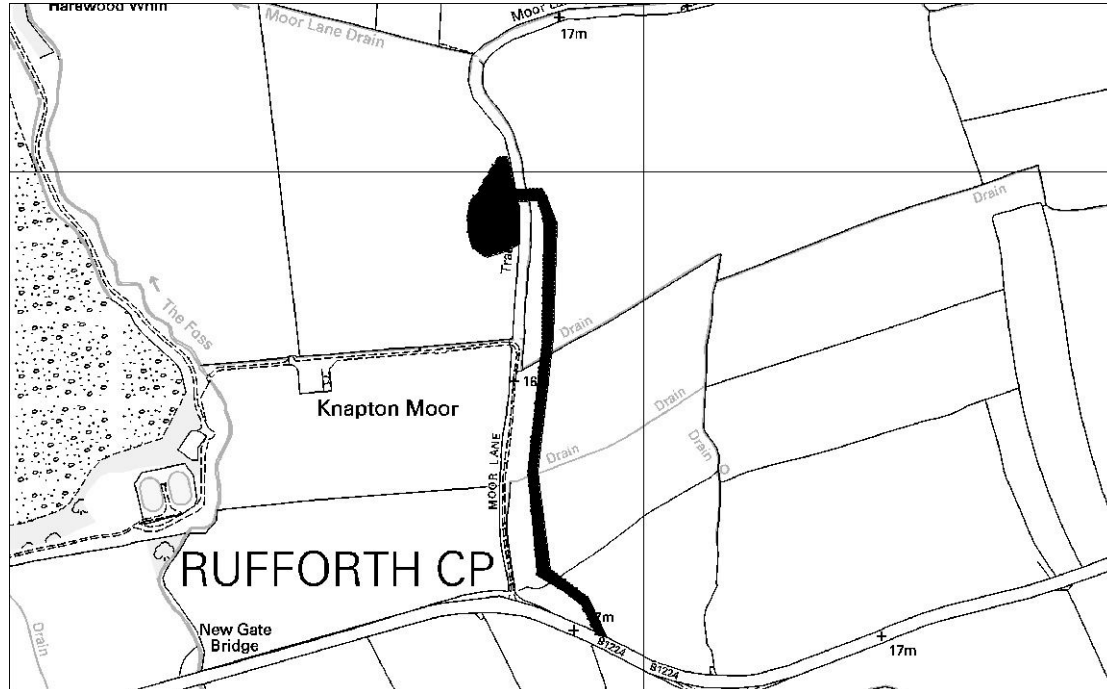


Section 6

Waste and Minerals Sites

Site Reference	Site Name
WM/001	Harewood Whin Landfill Site, Rufforth – Option A
WM/002	Harewood Whin Landfill Site, Rufforth – Option B
WM/003	Land North of B1224 and West of Poppleton

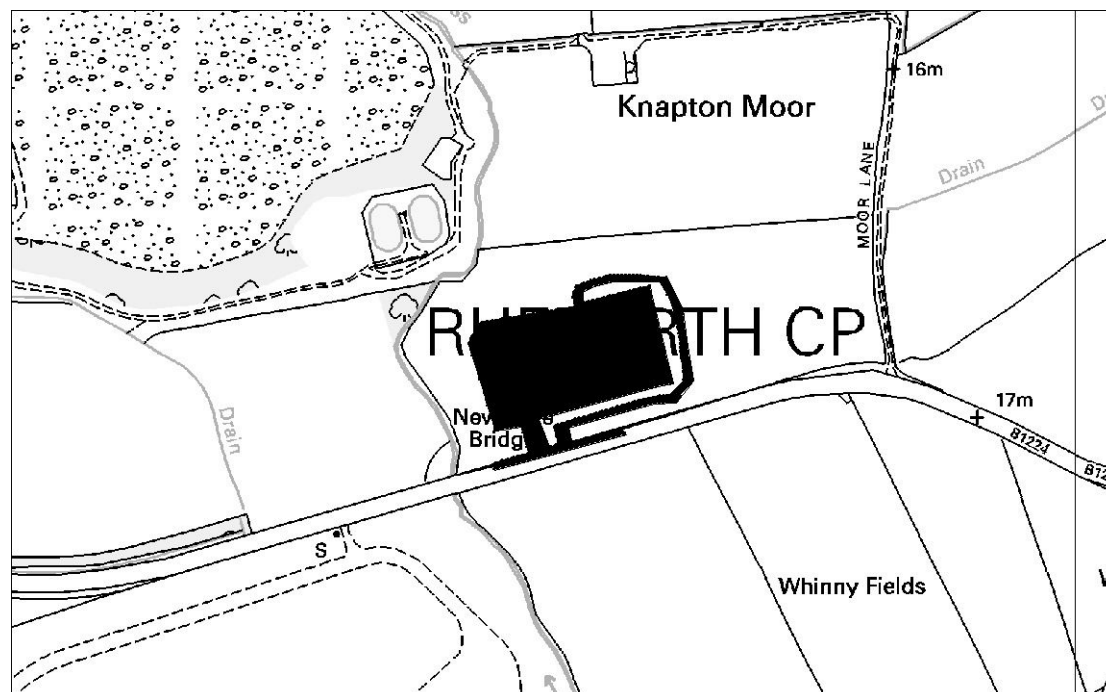
Site: Harewood Whin- Option A
Site Reference: WM/001
Potential Use: Household Waste Recycling Centre



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Site address:	Harewood Whin Landfill Site, Rufforth, York.
Site size (ha):	2ha
Land Owner (if known):	City of York Council – leased to Yorwaste
Site availability:	
Existing use:	Majority of site is an active landfill site. Other uses on site include composting, wood shredder, construction & demolition waste recycling, and landfill gas and liquid waste
Potential use:	Household Waste Recycling Centre
How site identified:	Internal technical work

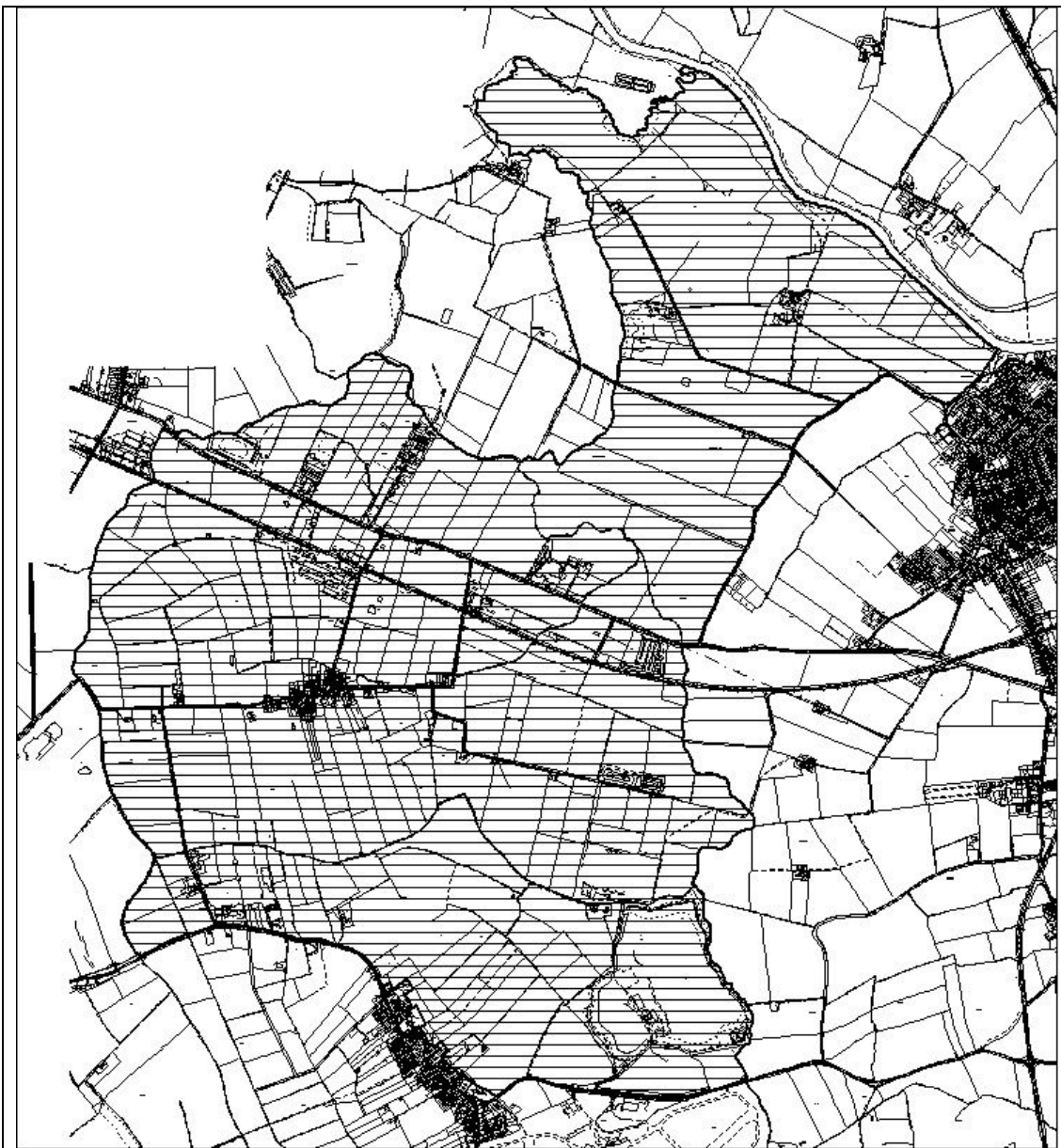
Site: Harewood Whin- Option B
Site Reference: WM/002
Potential Use: Household Waste Recycling Centre



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 Licence number: LA09067L. 2007

Site address:	Harewood Whin Landfill Site, Rufforth, York.
Site size (ha):	2ha
Land Owner (if known):	
Site availability:	
Existing use:	Agricultural land
Potential use:	Household Waste Recycling Centre
How site identified:	Internal technical work

Site: Land North of the B1224 and west of Poppleton
Site Reference: WM/003
Potential: Area of Search for Minerals



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Site address:	Land north of the B1224 and west of Poppleton
Site size (ha):	
Land Owner (if known):	Various
Site availability:	
Existing use:	Mostly agricultural uses
Potential use:	Area of Search for Minerals
How site identified:	In North Yorkshire County Council's Minerals and Waste Local Plan (1995) and the City of York Local Plan (4 th Set of PICS)

City Development
City of York Council
9 St Leonards Place
York
YO1 7ET
Tel (01904) 551466
Email: citydevelopment@york.gov.uk



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City of York

LDF

Local
Development
Framework

Allocations DPD
Issues and Options

Response Form

January 2008

Comments Form / Submission of Sites

Please use this form to submit your comments on the Allocations Development Plan Document Issues and Options (March 2008).

Name:	Agent (if applicable):
Address:	Address:
Postcode:	Postcode:
Phone:	Phone:
Email:	Email:

1. General Comments

Use this section to make general comments in response to the key issues raised in the Issues and Options document. If you wish to comment on specific sites, please refer to section 2.

Key Issue	Comments

Please continue on a separate sheet if necessary

2. Comments on sites identified in the Issues and Options Report

Use this section of the form to comment on the potential sites identified in the Issues and Options Paper.

It should be noted that no decisions on the suitability of any of the sites included in the Issues and Options document have yet been taken by the Council. Their inclusion in this document is by no means an endorsement by the Council that the site is suitable for development. The appropriateness of all sites will be assessed using a methodology set out in relevant evidence base documents and government guidance and taking into account comments received during this consultation.

Please use one of these sheets for each site you wish to comment on.

If you would like to suggest a site for future development, please refer to section 3.

Site reference:

Comments:

Please continue on a separate sheet if necessary.

Site Address:
<div>Please include an O/S plan with a red line showing the boundary of the site</div>
Site Size (in hectares):
Land Owner (if known):
Site Availability:
Existing Use:
Proposed Use:
Other Information, including why you feel the site is suitable for development etc:

Please continue on a separate sheet if necessary.

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City of York Council

Committee Minutes

MEETING	LOCAL DEVELOPMENT FRAMEWORK WORKING GROUP
DATE	22 JANUARY 2008
PRESENT	COUNCILLORS REID (CHAIR), SIMPSON-LAING (VICE-CHAIR), AYRE, D'AGORNE, HORTON, MERRETT, WALLER, R WATSON, WATT AND MORLEY (SUBSTITUTE)
APOLOGIES	COUNCILLOR MOORE

31. DECLARATIONS OF INTEREST

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

The following interests were declared:

- Cllr Merrett – a personal, non-prejudicial interest in the business generally, as an honorary member of the Cyclists Touring Club (CTC) and a member of Cycling England, and a personal and non-prejudicial interest in agenda item 4 (Minute 34 refers), as a governor of St Paul's School.
- Cllr D'Agorne - a personal, non-prejudicial interest in the business generally, as a member of the CTC and the York Cycle Campaign.
- Cllr Horton - a personal, non-prejudicial interest in agenda item 4, as a member of the Peaseholme Advisory Council.
- Cllr Morley - a personal, non-prejudicial interest in agenda item 4, as a member of the Tourism Bureau and of the Fire Authority.
- Cllr Reid - a personal, non-prejudicial interest in agenda item 4, as a substitute member of the Fire Authority.
- Cllr Watler - a personal, non-prejudicial interest in agenda item 4 (relating to the mention of the Lowfield School site), as a governor of York High School.

32. MINUTES

RESOLVED: That the minutes of the Local Development Framework Working Group meeting held on 18 December 2007 be approved and signed by the Chair as a correct record, subject to the following amendments:

- Minute 26 (Declarations of Interest) – amend Cllr Merrett's interest to read "*..as an honorary member of the Cyclists' Touring Club and a member of Cycling England*".
- Minute 29 (Progress on the York City Centre Area Action Plan) – amend the ninth bullet point in the third paragraph to read "*Identifying areas in the City in need of regeneration, such as Micklegate.*"

33. PUBLIC PARTICIPATION

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

34. LOCAL DEVELOPMENT FRAMEWORK: ALLOCATIONS DEVELOPMENT PLAN DOCUMENT (DPD)

Members considered a report which presented the Issues and Options stage of the Allocations Development Plan Document (DPD) and asked them to decide whether they wished to make any changes to the DPD before recommending that it be approved by the Executive for consultation purposes.

Officers highlighted the following proposed amendments to the draft DPD attached as Annex A to the report:

- Paragraph 9.5 in Section 9, 'Waste and Minerals' - include a reference to a mechanical and biological treatment facility, and add a definition of this facility to the glossary at page 52 of the document.
- Site map for Monks Cross North in Maps Section 3, at page 44 - amend the 'existing use' information to reflect the current planning situation.
- Response Form at the end - include questions relating to age, gender, disability and ethnicity, in accordance with advice from Equalities Officers (all responses to these questions will be treated as confidential).

Members recommended the following amendments to the consultation process and to the document at Annex A:

- (i) The amendments highlighted by Officers and recorded above.
- (ii) An extension to the consultation period indicated in paragraph 11 of the report, from 6 weeks to 8 weeks.
- (iii) In Section 1, 'Introduction':
 - Explain the context of the consultation proposals in terms of available resources, related Council strategies, the Council's corporate sustainability priorities and the evidence base.
- (iv) In Section 2, 'How to Get Involved':
 - Add the words 'if possible' to the end of the sentence at paragraph 2.2, as respondents may not have this information.
- (v) In Section 3, 'What Makes a Good Site for Development':
 - Amend Figure 2 to reflect the Council's current transport policies more clearly and to make the text clearer and more readable.
- (vi) In Section 4, 'Green Belt and Settlement Limits':
 - Amend paragraph 4.7 to reflect the Local Plan position regarding the coalescence of settlements.
 - Amend paragraph 4.8 to refer to outline the Local Plan position regarding permanence.
- (vii) In Section 5, 'Housing':

- Amend paragraph 5.7 to reflect the current debate over the interpretation of PPS3 in relation to allowances for 'windfalls'.
 - Re-word paragraph 5.8 to make it less specific to certain sites.
- (viii) In Section 6, 'Employment':
- Amend paragraph 6.2 to clarify that the recommendations of the Future York Group have not been adopted by Council.
 - Include a paragraph under Table 6.2 to clarify the position regarding those land uses identified as 'negative' additional need (C and E in the table).
 - Amend paragraph 6.28 to strengthen the 'caveat' against the London Bridge site, on the grounds of sustainability, the protection of the historic character and setting of the city and why it was previously rejected.
- (ix) In Section 7, 'Retail':
- Amend paragraph 7.4 to clarify why and how York needs to remain 'competitive' in terms of retail growth.
 - Amend paragraph 7.12 to emphasise the strategic requirement to cater for the retail needs of York Central and British Sugar sites.
 - Expand on Key Issue R1 to draw out more general comments about the kind of shopping that people want in York.
- (x) In Section 8, 'Transport':
- Include a general caveat to emphasise that it will not be possible to adopt all proposed schemes.
 - Paragraph 8.12 - Officers to consult with colleagues in Transport Planning as to whether to include sites at Strensall, Copmanthorpe York Hospital and White Rose Business Park in the potential stops / railway halts for the tram-train scheme.
 - Key Issue T4 – clarify what is meant by the 'transport interchange in the general station area'.
 - Key Issue T5 – define 'junction improvements' and make question 2 more specific.
 - Include existing and potential cycle routes on the map at section 5 of the Map Annex.
 - Show the potential York Northwest access routes for information and the bridge links across the Ouse as set out in the Local Plan, on the map in section 5 of the Map Annex.
- (xi) In Section 9, 'Waste and Minerals':
- Paragraph 9.6 – amend date if bid is to come forward earlier.
 - Table 9.4 - consider including separate criteria for household waste sites.
- (xii) In Section 10, 'Other Uses':
- Education – check with colleagues in Children's Services on whether to include the issue of potential alternative school sites.
 - Paragraph 10.8 – remove the word 'professional' from the 4th bullet point.
 - Open Space, paragraph 10.11 – amend to put more emphasis on provision for play.

- Key Issue O3 – amend question to encourage suggestions on how to address any shortages of open space provision.
- (xiii) In Maps Section 2 (Housing):
 - Site ref. H/002 – amend boundary to reflect planning approval for housing on part of site.
 - Site ref. H/016 – amend text under ‘potential use’ to read “this site will be considered as part of the York Northwest AAP.”
 - Site ref. H/017 – cross-reference to open space use.

In respect of question no.1 in the list under Key Issue WM1 in Section 9, relating to household waste recycling sites, Cllr Merrett proposed, and Cllr Simpson-Laing seconded, a motion in the following terms:

“That the two sites at Rufforth (Options A and B) be removed from the consultation on this section, as they are inappropriate for this use on the grounds of accessibility, sustainability and their location in the Green Belt.”

This motion was then put to the vote. Four Members voted for and four against the motion. Cllrs D’Agorne and Waller abstained from the vote. The Chair then used her casting vote against the motion, which was accordingly declared lost.

RESOLVED: (i) That the draft Issues and Options Allocations DPD at annex A to the report be referred to the Executive with a recommendation that it be approved for public consultation, subject to the changes agreed by the Working Group and recorded above.¹

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

(ii) That authority be delegated to the Director of City Strategy, in consultation with the Executive and Shadow Executive Members for City Strategy, to make any incidental changes to the draft document that are necessary as a result of the recommendations of the Working Group.²

REASON: So that the changes recommended as a result of discussions at this meeting can be made and the report can progress through to the Executive.

(iii) That authority be delegated to the Director of City Strategy, in consultation with the Executive and Shadow Executive Members for City Strategy, to approve the Sustainability Statement to accompany the Issues and Options document consultation.³

REASON: So that the report and accompanying document can progress through to the Executive.

(iv) That authority be delegated to the Director of City Strategy, in consultation with the Executive and Shadow Executive Members for City Strategy, to approve a Consultation Strategy that will set out the Issues and Options consultation methodology.⁴

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

Action Required

- | | |
|--|----|
| 1. Refer the DPD to Executive. | JB |
| 2. Make the recommended amendments to the DPD. | JB |
| 3. Approve the Sustainability Statement. | JB |
| 4. Approve the Consultation Strategy. | JB |

Cllr A Reid, Chair

[The meeting started at 4.15 pm and finished at 7.10 pm].

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**Executive**12th February 2008

Report of the Director of Resources

Treasury Management Strategy Statement and Prudential Indicators for 2008/09 to 2011/12**Purpose**

1. The purpose of this report is to ask the Executive to recommend that Council approve:
 - an integrated Treasury Management Strategy Statement including the annual investment strategy;
 - the proposed Prudential Indicators for 2008/09 to 2011/12;
 - the use of the revised Treasury Management Policy and the Treasury Management Practices.

Summary

2. The report provides a background to why it is necessary to produce a Treasury Management Strategy and set prudential indicators for the following three years.
3. The Treasury Management in the Public Services Code of Practice recommends that, Local Authorities annually review and update where necessary their Treasury Management Policy Statement and Practices. These documents, revised for the 2008/09 financial year, are attached in Annex D and E.
4. The Council is currently undertaking a series of significant capital schemes that will realise revenue savings over the following 30 years. This high level of upfront capital investment will see the Council's underlying need to borrow rise from the current level of approximately £10m per annum to almost £30m in 2009/10. The borrowing strategy aims to minimise the risks to the Council of borrowing large amounts in a single year by giving the Council the flexibility to borrow in advance of need, in order to take advantage of favourable interest rates as they arise.
5. The annual investment strategy reviews the projected interest rates over the next 3 years until the 2010/11 financial year, and seeks to maximise the returns to the Council whilst minimising the risks involved in placing deposits on the money market.

Background

6. The Local Government Act 2003 requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy that sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
7. As part of the strategy, the Local Government Act 2003 also requires the Council to 'have regard to' the CIPFA¹ Prudential Code and to set Prudential Indicators for a minimum of the next three years to ensure the Council's capital investment plans are affordable, prudent and sustainable. The strategy therefore is affected by the Council's capital spending plans, as set out in the Capital Budget report and the revenue implications of these that are reflected in the Revenue Budget report, both of this agenda.
8. The suggested strategy for 2008/09 in respect of the following aspects of the treasury management function is based upon the Director of Resources views on interest rates, supplemented with market forecasts provided by Sector, the Council's treasury management advisors. The strategy covers:
 - Treasury limits in force which will limit the treasury risk and activities of the Council (paragraph 12 -13);
 - Prudential Indicators (paragraph 14 – 15 and Annex A);
 - The current treasury position (paragraph 16 -19);
 - Prospects for interest rates (paragraph 20 - 21);
 - The borrowing requirement and strategy (paragraph 23 - 30);
 - Debt rescheduling (paragraph 31 - 34);
 - The investment strategy (paragraph 35 -40).

Consultation and Options

9. 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 Head of Finance, 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 advisors, Sector Treasury Services. Sector offer the Council a comprehensive information and advisory service to enable the Council to maximise its investment returns and minimise the costs of its debts.
10. Treasury Management 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.

¹ Chartered Institute of Public Finance and Accountancy (CIPFA)

11. At a strategic level, there are a number of treasury management options available which depend on the Council's stance on interest rate movements. This report sets out the Council's stance and recommends the setting of key trigger points for borrowing and investing over the forthcoming financial year.

Analysis

Treasury Limits 2008/09 –2011/12

12. It is a statutory duty under Section 3 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. The amount so determined is termed the "Authorised Borrowing Limit", and is the absolute maximum level of debt the Council is permitted to take. However, within this limit there is an "Operational Borrowing Limit", which is the maximum level of debt allowed for on going operational purposes. In reality the operational limit would only be breached as a result of in year cash flow movements or if there was an opportunity to borrow at exceptionally low interest rates.
13. The Council must have regard to the Prudential Code when setting the Authorised and Operational Limits for external debt, which essentially requires the Council to ensure that total capital investment financed by debt remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'. Both the operational limit and authorised limit have been reviewed in light of the capital investment plans, as set out in the capital programme, and rebased for 2008/09. They now stand at £119m and £129m respectively. External debt includes conventional borrowing and other forms of liability, such as credit arrangements. Both limits are set on a rolling basis for the forthcoming financial year and two successive financial years in line with the Councils 3 year capital programme.

Prudential Indicators

14. The Council is required by regulation to have regard to the Prudential Code when carrying out its duties under the Local Government Act 2003. The key objectives of the Prudential Code are to ensure, within a clear framework, that local authorities' capital investment plans are affordable, prudent and sustainable; that treasury management decisions are taken in accordance with good professional practice; and that local strategic planning, asset management planning and proper option appraisal are supported. Annex A illustrates the Prudential Indicators for 2008/09 to 2010/11 with a description of what each indicator represents.
15. The Prudential Indicators help drive the treasury management strategy and annual investment strategy. The paragraphs below take account of additional factors that need to be taken into consideration when formulating the treasury strategy.

Current Debt Portfolio Position

16. The Council is only permitted to borrow in to invest in capital projects, unless permitted to do otherwise by the Government. Therefore the majority of the Council's existing debt is secured against its asset base. The Council currently has £99.4m of fixed interest rate debt with an average life of loan of 16 years and average cost of debt of 4.64%. The Council's current long term borrowing position as 7 January 2008 is shown in Table 1.

Institution Type	Principal	Average Rate
<u>Public Works Loan Board</u> (PWLb) – Money borrowed from the Debt Mgt Office (Treasury Agency)	£89.4m	4.57%
<u>Market Loan</u> – A single loan which the Council has been unable to exit from	£10.0m	7.155%

Table 1 – Fixed Term Borrowing

17. Figure 1 shows the Council's projected debt maturity structure as at April 2008.

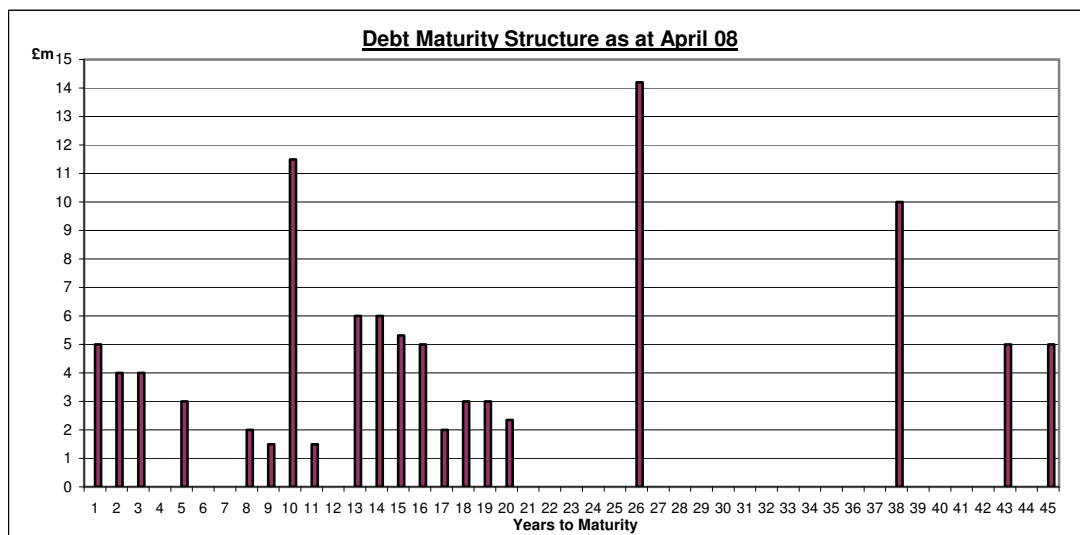


Figure 1 – Debt Maturity Profile as at April 2008

18. The Council currently has no variable rate borrowing.

Investments

19. The Council's total investments at 7 January 2008 were £71.85m of which £15.85m were held in instant access call accounts with the remaining £56.0m being invested in fixed term deposits on the UK money market.

Prospects for Interest Rates

20. 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 contracts Sector Treasury Services as its treasury advisors. Part of their service is to assist the Council in formulating a view on interest rates. Annex B draws together a number of current City forecasts for short term interest rates (base rate) and longer term fixed interest rates. Sectors view of fixed long term borrowing rates (PWLB) and the base rate are shown in Figure 2.

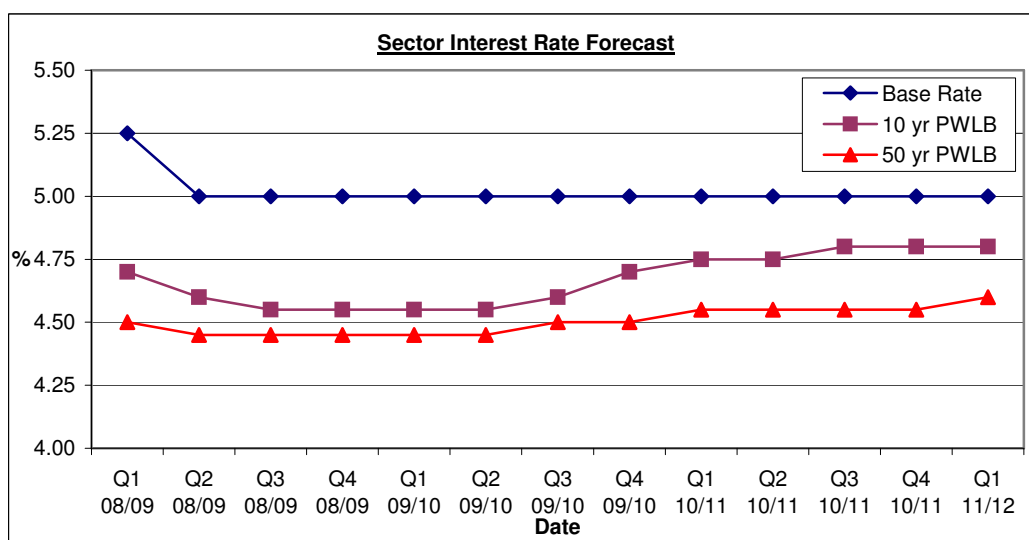


Figure 2 – Sector interest rate forecast

21. Following three changes in the 2007/08 financial year the Bank of England base rate is currently at 5.50% having started the financial year at 5.25%. May and July saw 0.25% increases in each month with a decrease down to the current rate of 5.50% in December. Forecasts for the forthcoming financial year and beyond are looking at further reductions in the Bank of England base rate with the first due by March 2008 which would take the base rate down to 5.25%. Forecasters are then suggesting rates will fall to 5.0% in the first quarter of the 2008/09 financial year. Although it is anticipated that interest rates will remain at 5.0% throughout the 2008/09 financial year, there is a downside risk from quarter 3 of 2008/09 (this suggests that interest rates could go as low as 4.75%).

Economic background

22. The interest rate forecasts must be set against the economic background in both the UK and the rest of the world:

UK

- a. Gross Domestic Produce (GDP): growth has been strong during 2007 and hit 3.2% year on year in Q3. However growth is expected to cool from 3.0% in 2007 as a whole to 2.0% in 2008.
- b. Higher than expected immigration from Eastern Europe has underpinned strong growth and dampened wage inflation.

- c. House prices started on the downswing in Q3 2007 and this is expected to continue into 2008.
- d. The combination of increases in the base rate and hence mortgage rates, short term mortgage fixes expiring and being renewed at higher rates, food prices rising at their fastest rate since 1993 and increases in petrol prices, have all put consumer spending power under major pressure.
- e. Banks have also tightened their lending criteria since the sub prime crisis started which will dampen consumer expenditure via credit cards and on buying houses through obtaining mortgages.
- f. Government expenditure will be held under a tight reign for the next few years, undermining one of the main props of strong growth during this decade.
- g. The Bank of England's Monetary Policy Committee (the body responsible for controlling the rate of inflation through setting interest rates) is very concerned at the build up of inflationary pressures especially the rise in the oil price to \$90 – 100 per barrel (\$30 in 2003) and the consequent likely knock on effects on general prices. The prices of UK manufactured goods have risen at the fastest rate in 16 years in November 2007 – 4.5%. Food prices have also risen at their fastest rate for fourteen years (6.6% annual increase) driven by strong demand from China and India. Consequently, the MPC is going to be much more cautious about cutting rates compared to the US Central Bank (the Federal Reserve) in the face of these very visible inflationary pressures. In addition, UK growth was still exceptionally strong in Q3, as has also been the growth in the money supply. The downward trend in the Bank of England base rate is therefore expected to be slow, after the initial cut in December 2007 to 5.50%, to eventually reach 5.0% in Q1 of 2008/09 financial year.

International

- h. The US, UK and EU economies have all been on the upswing of the economic cycle during 2005 and 2006 and so interest rates were successively raised in order to cool their economies and to counter the build up of inflationary pressures.
- i. The US is ahead of both the UK and EU in the economic cycle and started on the downswing during 2007. The Federal Reserve (Fed) rate peaked at 5.25% and was first cut in September by 0.5% to 4.75%. This was a response to the rapidly deteriorating prospects for the economy in the face of the downturn in the housing market, the sub prime mortgage crisis and the ensuing liquidity crisis which started in August 2007. This has subsequently resulted in banks making some major write offs of losses on debt instruments containing sub prime mortgages. Banks have also tightened their lending criteria which has hit hard those consumers with poor credit standing.

- j. The Fed cut its rate again, to 4.5% in October 2007 and to 4.25% in December and is expected to cut by between another 0.25% to 0.75% by April 2008 to try to stimulate the economy and to ameliorate the extent of the downturn. However, the speed and extent of these cuts will be inhibited by inflationary pressures arising from oil prices, the falling dollar increasing the costs of imports, etc. The US could well be heading into stagflation in 2008 – a combination of inflation and low or negative economic growth. The economy could even tip into recession if the housing downturn becomes severe enough.
- k. The major feature of the US economy is a steepening downturn in the housing market which is being undermined by an excess stock of unsold houses stoked by defaulting sub prime borrowers pushed into forced sales. Falling house prices will also undermine household wealth and so lead to an increase in savings (which fell while house prices were rising healthily) and so conversely will lead to a fall in consumer expenditure. Petrol prices have trebled since 2003 and, with similar increases in the price of home heating oil this will also depress consumer spending with knock on effects on house building and employment.
- l. The downturn in economic growth in the US in 2008 will depress world growth, especially in the western economies, which will also suffer directly under the impact of high oil prices. However, it is anticipated strong growth in China and India will partially counteract some of this negative pressure.
- m. EU growth was strong during 2006 and 2007 but will be caught by the general downturn in world growth in 2008.

Borrowing Strategy

- 23. Historically the Council has needed to borrow between £10m and £12m a year to finance its capital programme. This level of borrowing is the level at which the Government provide support through grant funding to cover the cost of interest payments and debt repayment. The Council intends to borrow above the level supported by Government grant funding in future years taking advantage of the Prudential Code (introduced April 2004) which allows Local Authorities to determine their own programmes for capital investment so long as the plans are affordable, prudent and sustainable. The main reason for the increase in unsupported borrowing is large scale investment in major assets that will result in long term revenue savings to the Council. The key projects are:
 - a. The Administrative Accommodation Rationalisation Project (£25.25m borrowing requirement)
 - b. The financing of replacement IT equipment using prudential borrowing as opposed to leasing, resulting in the Council owning the asset (£8.0m borrowing requirement over 4 years)

- c. Investment in the York Pools Strategy (£1.5m borrowing requirement)
 - d. Investment in York High School (£1.3m borrowing requirement).
24. As a result of these projects the need to borrow is projected to increase from £10m a year in 2007/08 to £27m in 2009/10, with overall net debt increasing by £61m by 2010/11. Borrowing during the year in which the funds are required would be a risky strategy for two reasons:
- a. The Council would be vulnerable to a rise or spike in interest rates especially in a year such as 2009/10 when the borrowing requirement will be over £27m.
 - b. The Government reserve the power to impose a restriction on the amount of prudential borrowing that a Council can take if the economic environment dictates.
25. The treasury management and borrowing strategy needs to reflect this position and seek to minimise the risk of being required to borrow a large amount of money in a single year. The strategy therefore allows borrowing to be taken in advance of need if interest rates are at favourable levels.
26. Interest rate forecasts, shown in paragraph 21 (Figure 1), predict long term PWLB rates (50 year borrowing rates) to be in the 4.45% to 4.60% range over the next three financial years. This is a single figure indicator and the central forecasts can fluctuate between +/- 0.25%, meaning rates could go as low as 4.20% or as high as 4.85%. Capital Economics (a leading financial forecasting firm) have forecast 50 year PWLB rates going as low as 4.25% in the 2008/09 financial year with UBS (a leading financial analyst firm) forecasting rates to be at a low point of 4.60% during the same period.
27. Variable rate borrowing and short term borrowing (5 year PWLB) are expected to be more expensive than long term borrowing with the 5 year PLWB low point forecast to be 4.55% making it comparatively unattractive.
28. In light of these projections the proposed Council strategy is as follows:
- With 50 year PWLB forecast to be at 4.45% borrowing should be made around this duration at any time in the year. This period is the cheapest on the borrowing curve with 5 year, 10 year and 25 year PWLB being at lows of 4.55%, 4.55% and 4.50% respectively. A suitable trigger point for considering PWLB long term fixed rate borrowing would be 4.30%, significantly below the Council's long term costs of funds of 4.64%.
29. Caution in this approach will be adopted with the Head of Finance monitoring interest rates and ensuring a pragmatic approach is taken to

changing circumstances reporting any decisions as part of the Corporate Services EMAP monitoring cycle.

30. The main sensitivities of the forecast are likely to be the two scenarios below. The Treasury Management team in conjunction with the treasury advisors, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:
- if it were felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity or further increases in inflation, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
 - if it were felt that there was a significant risk of a sharp fall in long and short term rates, due to e.g. growth rates weakening, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term funding will be considered.

Debt Rescheduling

31. The introduction of different PWLB rates on 1 November 2007 for new borrowing as opposed to early repayment of debt, and the setting of a spread between the two rates (of about 40 – 50 basis points for the longest period loans narrowing down to 25 – 30 basis points for the shortest loans), has meant that PWLB to PWLB debt restructuring is now much less attractive for the Council than before that date. However, significant interest savings will still be achievable through using LOBOs (Lenders Option Borrowers Option) loans and other market loans.
32. As average PWLB rates are expected to be marginally higher at the start rather than later in the financial year, and as the base rate is expected to fall more than longer term borrowing rates, this will mean that the differential between long and short term rates will narrow, implying that there will be greater potential for making interest rate savings on debt by debt restructuring earlier on in the year.
33. The reasons for any rescheduling to take place will include:
- a. the generation of cash savings and / or discounted cash flow savings;
 - b. enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
34. Any rescheduling will be reported to Corporate Services EMAP as part of the monitoring cycle.

Investment Strategy

35. The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are the security of capital and the liquidity of its investments. The Council also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.
36. The borrowing of monies specifically to invest or lend on and make a return is unlawful and the Council will not engage in such activity.
37. Investment instruments identified for use in the financial year are listed in Annex C - Specified and Non-Specified Investments categories. Counterparties limits will be as set through the Council's Treasury Management Practices Schedule.
38. The Council's in-house funds are mainly cash flow derived. Investments will accordingly be made with reference to the core balance, cash flow requirements and the outlook for short-term interest rates. The Council uses matrices that stipulate both time and financial limits in order to spread counterparty (credit) risk when investing money with approved counterparties.
39. Sector is forecasting that the base rate has now started on a downward trend following the cut from 5.75% to 5.50% in December 2007, they anticipate that interest rates will be at 5% by the start of 2009 and remain at this level for the foreseeable future (until Q4 2010/11). The Council should, therefore, seek to lock some element of the investment portfolio which represents the core balances in to longer period investments at higher rates before this fall starts.
40. For its cash flow generated balances, the Council will seek to utilise short dated fixed term deposits along with instant access business reserve accounts in order to benefit from the compounding of interest.

Corporate Priorities

41. 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, to allow more resources to be freed up to invest in the Council's priorities, values and imperatives, as set out in the Corporate Strategy.

Implications

- **Financial** – The revenue implications of the treasury strategy are set out in the Revenue Budget report on this agenda.
- **Human Resources (HR)** – None

- **Equalities** – None
- **Legal** – Complying with the Local Government Act 2003
- **Crime and Disorder** – None
- **Information Technology (IT)** – None
- **Property** – None

Risk Management

42. The treasury management function is a high risk area because of the volume and level of large money transactions. As a result of this there are strict procedures set out as part of the Treasury Management Policy and Treasury Management Practices Statement which are set out in Annex D and E respectively.

Recommendations

43. The Executive are asked to recommend that Council approve:
- a. The Prudential Indicators for 2008/09 to 2010/11 (Annex A);
 - b. The proposed Treasury Management Strategy for 2008/09 –2010/11;
 - c. The revised Treasury Management Policy and Treasury Management Practices (Annexes D and E).
44. Reason: To enable the continued effective operation of the Treasury Management function and ensure that all Council borrowing is prudent, affordable and sustainable.

Contact Details

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Chief Officer Responsible for the report:

Simon Wiles
Director of Resources

**Report
Approved**

☐

Date

Simon Wiles
Director of Resources

**Report
Approved**

☐

Date 11/1/08

Specialist Implications Officer(s)

N/a

Wards Affected:

All ☐

For further information please contact the author of the report

Background Papers

2007/08 monitoring working papers and respective EMAP reports.
Sector Treasury Services Limited

Annexes

Annex A – Prudential Indicators 2008/09 – 2010/11

Annex B – Interest Rate Projections

Annex C – Specified and Non-Specified Investments

Annex D – Treasury Management Policy

Annex E – Treasury Management Practices

ANNEX A

PRUDENTIAL INDICATORS			2008/09 estimate	2009/10 estimate	2010/11 estimate
1)	Capital Expenditure To allow the authority to plan for capital financing as a result of the capital programme. To enable the monitoring of capital budgets to ensure they remain within budget.	Non - HRA HRA TOTAL	£'000 78,072 7,080 85,152	£'000 41,678 7,133 48,811	£'000 28,464 7,252 35,716
2)	Ratio of financing costs to net revenue stream This indicator estimates the cost of borrowing in relation to the net cost of Council services to be met from government grant and council tax payers. In the case of the HRA the net revenue stream is the income from Rents and Subsidy.	Non - HRA HRA	6.10% 3.28%	7.53% 3.34%	8.11% 2.49%
3)	Incremental impact of capital investment decisions - Council Tax Shows the actual impact of capital investment decisions on council tax. The impact on council tax is a fundamental indicator of affordability for the Council to consider when setting forward plans. The figure relates to how much of the increase in council tax is used in financing the capital programme and any related revenue implications that flow from it.	Increase in Council Tax (Band D) per annum	£ p 7.68	£ p 20.80	£ p 19.70
4)	Incremental impact of capital investment decisions - Hsg Rents Shows the actual impact of capital investment decisions on HRA rent. For CYC, the HRA 2006/07 planned capital spend is based on the government's approved borrowing limit so there is no impact on HRA rents.	Increase in average housing rent per week	£ p 0.00	£ p 0.00	£ p 0.00
5)	Capital Financing Requirement as at 31 March Indicates the Council's underlying need to borrow money for capital purposes. The majority of the capital programme is funded through government support, government grant or the use of capital receipts. The use of borrowing increases the CFR.	Non - HRA HRA TOTAL	£'000 97,344 12,135 109,479	£'000 120,009 13,135 133,144	£'000 127,229 14,135 141,364
6a)	Authorised Limit for external debt - The authorised limit is a level set above the operational boundary in acceptance that the operational boundary may well be breached because of cash flows. It represents an absolute maximum level of debt that could be sustained for only a short period of time. The Council sets an operational boundary for its total external debt, gross of investments, separately identifying borrowing from other long term liabilities for 3 financial years.	borrowing other long term liabilities TOTAL	£'000 128,860 0 128,860	£'000 166,860 0 166,860	£'000 189,380 0 189,380
6b)	Operational Boundary for external debt - The operational boundary is a measure of the most likely, prudent, level of debt. It takes account of risk management and analysis to arrive at the maximum level of debt projected as part of this prudent assessment. It is a means by which the authority manages its external debt to ensure that it remains within the self imposed authority limit. It is a direct link between the Council's plans for expenditure; our estimates of the capital financing requirement; and estimated operational cashflow for the year.	borrowing other long term liabilities TOTAL	£'000 118,860 0 118,860	£'000 146,860 0 146,860	£'000 159,380 0 159,380

PRUDENTIAL INDICATORS		2008/09 estimate	2009/10 estimate	2010/11 estimate
7)	Adoption of the CIPFA Code of Practice for Treasury Management in Public Services Ensuring Treasury Management Practices remain in line with the SORP.	Treasury Management Policy Statement ✓ 12 Treasury Management Practices ✓ Policy Placed Before Council ✓ Annual Review Undertaken ✓		
8a)	Upper limit for fixed interest rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in fixed interest rates which can have an adverse impact on the revenue budget.	Net interest re fixed rate borrowing / investments 150% Actual Net interest re fixed rate borrowing / investments 120%	150% 119%	150% 120%
8b)	Upper limit for variable rate exposure The Council sets limits to its exposures to the effects of changes in interest rates for 3 years. The Council should not be overly exposed to fluctuations in variable interest rates which can have an adverse impact on the revenue budget.	Net interest re variable rate borrowing / investments 20% Actual Net interest re variable rate borrowing / investments n/a	20% n/a	20% n/a
9)	Upper limit for total principal sums invested for over 364 days To minimise the impact of debt maturity on the cash flow of the Council. Over exposure to debt maturity in any one year could mean that the Council has insufficient liquidity to meet its repayment liabilities, and as a result could be exposed to risk of interest rate fluctuations in the future where loans are maturing. The Council therefore sets limits whereby long term loans mature in different periods thus spreading the risk.	Current Investments over 364 days £'000 10,000 n/a	£'000 10,000 n/a	£'000 10,000 n/a
10)	Maturity structure of new fixed rate borrowing during 2008/09 The Council sets an upper limit for each forward financial year period for the level of investments that mature in over 364 days. These limits reduce the liquidity and interest rate risk associated with investing for more than one year. The limits are set as a percentage of the average balances of the investment portfolio.	under 12 months 10% 12 months and within 24 months 10% 24 months and within 5 years 25% 5 years and within 10 years 25% 10 years and above 90%	Upper Limit Actual 10% 5% 4% 7% 15% 69%	Actual £ 5,000,000 4,000,000 7,000,000 15,000,000 68,364,956

Glossary Of Abbreviations

HRA	Housing Revenue Account
CYC	City of York Council
CFR	Capital Financing Requirement
SORP	Statement of Recommended Practice - for Local Authority Accounting

Annex B**INTEREST RATE FORECASTS**

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final forecast represents summarised figures drawn from the population of all major City banks and academic institutions. The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

1. INDIVIDUAL FORECASTS**Sector interest rate forecast – 24 December 2007**

Rate (%)	2007/08		2008/09				2009/10				2010/11			
(Mean Rounded)	Now	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bank Rate	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
5yr PWLB	4.85	4.70	4.65	4.55	4.55	4.60	4.70	4.75	4.80	4.80	4.80	4.85	4.85	4.85
10yr PWLB	4.92	4.70	4.60	4.55	4.55	4.55	4.55	4.60	4.70	4.75	4.75	4.80	4.80	4.80
25yr PWLB	4.69	4.60	4.55	4.50	4.50	4.55	4.55	4.60	4.65	4.70	4.70	4.70	4.70	4.75
50yr PWLB	4.57	4.50	4.45	4.45	4.45	4.45	4.45	4.50	4.50	4.55	4.55	4.55	4.55	4.60

Capital Economics interest rate forecast – 12 December 2007

Rate (%)	2007/08	2008/09				2009/10			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Bank Rate	5.50	5.25	5.00	4.75	4.50	4.25	4.00	4.00	4.00
5yr PWLB	4.65	4.45	4.35	4.05	3.95	4.05	4.25	4.35	4.75
10yr PWLB	4.65	4.45	4.25	4.15	4.15	4.25	4.45	4.65	4.85
25yr PWLB	4.65	4.55	4.45	4.45	4.35	4.45	4.55	4.75	4.94
50yr PWLB	4.55	4.55	4.45	4.35	4.25	4.35	4.55	4.65	4.75

UBS interest rate forecast (for quarter ends) – 12 December 2007

Rate (%)	2007/08	2008/09			
	Q4	Q1	Q2	Q3	Q4
Bank Rate	5.50	5.25	5.00	4.75	4.50
10yr PWLB	5.19	5.23	5.25	5.30	5.35
25yr PWLB	4.70	4.75	4.80	4.85	4.90
50yr PWLB	4.55	4.60	4.65	4.70	4.75

2. SURVEY OF ECONOMIC FORECASTS

HM Treasury – November 2007 summary of forecasts of 24 City and 13 academic analysts for Q4 2007 and 2008. (2009 – 2011 are based on 21 forecasts)

Bank Rate (%)		Quarter Ended		Annual Average Bank Rate		
Forecasts	Actual	Q4 2007	Q4 2008	ave. 2009	ave. 2010	ave. 2011
Median	5.75	5.80	5.30	5.24	5.22	5.26
Highest	5.75	5.80	6.30	6.00	6.00	6.00
Lowest	5.75	5.30	4.80	4.50	4.06	4.00

SPECIFIED INVESTMENTS :

All such investments will be sterling denominated, with **maturities up to maximum of 1 year**, meeting the minimum 'high' rating criteria where applicable.

	* Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies **	Green or Red rated as appropriate	In-house

NON-SPECIFIED INVESTMENTS:

A maximum of 10% will be held in aggregate in non-specified investment

1. Maturities under 1 year.

Certificates of deposits issued by banks and building societies	Green or Red rated as appropriate	In-house buy and hold
UK Government Gilts	Long term AAA	In-house buy and hold
Bonds issued by multilateral development banks	Long term AAA	In-house on a 'buy-and-hold' basis.
Bonds issued by a financial institution which is guaranteed by the UK government	Long term AAA	In-house on a 'buy-and-hold' basis
Sovereign bond issues (i.e. other than the UK govt)	AAA	In house on a 'buy and hold basis'
Treasury Bills	--	Fund Managers
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -		
1. Money Market Funds	Green or Red rated as appropriate	In-house
2. Enhanced cash funds	Green or Red rated as appropriate	In-house
3. Bond Funds	Green or Red rated as appropriate	In-house
4. Gilt Funds	Green or Red rated as appropriate	In-house

N.B. buy and hold may also include sale at a financial year end and repurchase the following day in order to accommodate the requirements of SORP2007.

2. Maturities of any period.

	* Minimum Credit Criteria	Use	*** Max % of total investments	Max. maturity period
Fixed term deposits with variable rate and variable maturities: -				
1. Callable deposits	Red Rated	In-house		
2. Range trade	Red Rated	In-house		
3. Snowballs	Red Rated	In-house		
4. other structured investment				
a) Corporate Bonds : (note this is classed as capital expenditure)	Red Rated	In house on a 'buy and hold basis'		
b) Floating Rate Notes: (note this is classed as capital expenditure unless they are issued by a multi lateral development bank)	Red Rated	Fund managers		

3. Maturities in excess of 1 year

Term deposits – local authorities	--	In-house		
Term deposits – banks and building societies	Red Rated	In-house		
Certificates of deposits issued by banks and building societies	Red Rated	In house on a 'buy and hold basis'		
UK Government Gilts	AAA	In house on a 'buy and hold basis'		
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis.		
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house on a 'buy-and-hold' basis		
Sovereign bond issues (i.e. other than the UK govt)	AAA	In house on a 'buy and hold basis'		

N.B. buy and hold may also include sale at a financial year end and repurchase the following day in order to accommodate the requirements of SORP2007.

Annex D

TREASURY MANAGEMENT POLICY STATEMENT

The Council has adopted the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice 2001 as described in section 4 of that Code.

Accordingly, the Council will create and maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement (TMPS), stating the policies and objectives of its treasury management activities.
- suitable treasury management practices (TMP), setting out the manner in which the Council will seek to achieve those policies and objectives, and prescribing how it will manage and control those activities.

The Council will receive reports on its treasury management policies, practices and activities including, as a minimum, an annual strategy and plan in advance of the year.

The Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive Member – Corporate Services and for the execution and administration of treasury management decisions to the Director of Resources who will act in accordance with the organisation's policy statement and TMPs and, if he/she is a CIPFA member, CIPFA's Standard of Professional Practice on Treasury Management.

The Council defines the policies and objectives of its treasury management activities as follows: -

1. The Council defines its treasury management activities as:

The management of the Council's 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.

2. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the Council.
3. The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employing suitable performance measurement techniques, within the context of effective risk management.

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TREASURY MANAGEMENT PRACTICES

Schedules

January 2008

TREASURY MANAGEMENT PRACTICES - SCHEDULES

This section contains the schedules which set out the details of how the Treasury Management Practices (TMPs) are put into effect by this organisation

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TMP 2 Best value and performance measurement	13
TMP 3 Decision-making and analysis	16
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TMP1 RISK MANAGEMENT

1.1 LIQUIDITY RISK MANAGEMENT

Liquidity risk is the risk that cash not be available when it is required. This can jeopardise the ability of the Council to carry out its functions or disrupt those functions being carried out in the most cost effective manner. The Council will therefore have sufficient stand by facilities to ensure that there is always sufficient liquidity to deal with unexpected occurrences. It will also seek to ensure that its cash flow forecasting gives as accurate a picture as possible of the ebbs and flows in income and expenditure and the resulting residual daily cash balances.

1.1.1 Amounts of approved minimum cash balances and short-term investments

The Treasury Management section shall seek to minimise the balance held in the Council's main bank accounts at the close of each working day . Borrowing or lending shall be arranged in order to achieve this aim.

1.1.2 Details of:

a. Standby facilities

At the end of each financial day any unexpected surplus funds are retained in the Council's main bank account. The bank contract pays a favourable rate of 1% below base rate for credit balances should they arise. No more than £300k should be held in the account with overdraft at no more than £300k.

b. Bank overdraft arrangements

A £2m overdraft at 1% over base rate has been agreed as part of the banking services contract. The overdraft is assessed on a group basis for the Council's accounts.

c. Short-term borrowing facilities

The Council accesses temporary loans through approved brokers on the London money market. The approved borrowing limit for short term debt is £10m, this is the difference between the Authorised Limit and the Operational Boundary for External Debt.

d. Insurance/guarantee facilities

There are no specific insurance or guarantee facilities as the above arrangements are regarded as being adequate to cover all unforeseen occurrences.

e. Special payments

Notice to be given to the Corporate Finance Manager for all special payments above £100,000 to be transferred on the day of notification.

1.2 INTEREST RATE RISK MANAGEMENT

Interest rate risk is the risk that unexpected changes in interest rates expose the Council to greater costs or a shortfall in income than have been budgeted for. The Council will seek to minimise this risk by seeking expert advice on forecasts of interest rates from treasury management consultants and agreeing with them its strategy for the coming year for the investment and debt portfolios. It will also determine appropriate limits and trigger points as set out below. These limits and strategy are set out in the annual Treasury Management Strategy Statement . This strategy will be periodically reviewed during the

relevant year to see whether any modifications are required in the light of actual movements in interest rates.

- 1.2.1. Details of approved interest rate exposure limits (Prudential Indicator 8)
- 1.2.2 Trigger points and other guidelines for managing changes to interest rate levels (contained in the annual Treasury Management Strategy Statement and in subsequent monitoring reports)
- 1.2.3 Upper limit for fixed interest rate exposure (Prudential Indicator 8 - 150%)
- 1.2.4 Upper limit for variable interest rate exposure (Prudential Indicator - 20%)

1.2.5 Policies concerning the use of instruments for interest rate management.

- a. forward dealing
Consideration will be given to dealing from forward periods dependant upon market conditions to hedge against adverse movements in interest rates.
- b. callable deposits
The Council will use callable deposits as part as of its Annual Investment Strategy (AIS). The credit criteria and maximum periods are set out in the Authorised Counterparties for Temporary Investment list. The list is a live document that is updated for changes in credit ratings as advised by the Council's Treasury Management Advisors. The list can be found in daily cash flow sheets folder.
- c. LOBOS (borrowing under lender's option/borrower's option)
Use of LOBOs are considered as part of the annual borrowing strategy.

1.3 EXCHANGE RATE RISK MANAGEMENT

Exchange rate risk is the risk that unexpected changes in exchange rates expose the Council to greater costs or a shortfall in income than have been budgeted for. The Council has a minimal exposure to exchange rate risk as it has no powers to enter into loans or investments in foreign currency for treasury management purposes. It will also seek to minimise what risk it does have by using the below policies.

1.3.1 Approved criteria for managing changes in exchange rate levels

The Council from time to time may receive or pay a transaction in a foreign currency. The sums involved are minimal. Currently in the case of both receipts and payments the Council takes no risk in the transaction with a sterling equivalent either requested or paid. If in the future there are regular income and expenditure flows in the same foreign currency a specific foreign currency account facility will be negotiated with the main bank contract.

1.4 INFLATION RISK MANAGMENT

Inflation risk is the risk that unexpected changes in inflation expose the Council to greater costs or a shortfall in income than have been budgeted for. The Council has minimal exposure to inflation risk as inflation has not been at high levels for the last decade and is not currently expected to return to such levels in the foreseeable future.

- 1.4.1. **Details of approved inflation exposure limits for cash investments/debt** - During the current period of low and stable worldwide inflation there is little requirement for an active consideration of the impact of inflation. The key consideration is that investments

reap the highest real rate of return, with debt costing the lowest real cost, consistent with other risks mentioned within this section.

1.5 CREDIT AND COUNTERPARTY RISK MANAGEMENT

Credit and counter-party risk is the risk of failure by a third party to meet its contractual obligations under an investment, loan or other commitment, especially one due to deterioration in its creditworthiness, which causes the Council an unexpected burden on its capital or revenue resources.

As a holder of public funds, the Council recognises its prime responsibility to always put first the preservation of the principal of the sums which it invests. Consequently, it will optimise returns commensurate with the management of the associated risk. The Council adopts Sectors' Counterparties schedule as its approved Authorised Counterparties for Temporary Investment list.

1.5.1. CRITERIA TO BE USED FOR CREATING/ MANAGING APPROVED COUNTERPARTY LISTS/LIMITS

The Council will determine through its Annual Investment Strategy the credit criteria for various investment instruments in the 'Specified' and 'Non-Specified' Investments categories.

1.5.2. APPROVED METHODOLOGY FOR CHANGING LIMITS AND ADDING / REMOVING COUNTERPARTIES

Credit ratings for individual counterparties can change at any time. The dealing desk officer is responsible for applying approved credit rating criteria for selecting approved counterparties.

1.5.3. FULL INDIVIDUAL LISTINGS OF COUNTERPARTIES AND COUNTERPARTY LIMITS

The Treasury Management and Capital Team maintain a full individual list of approved counterparties and counterparty limits and can be found on L:/Document/RFITE/Capital & Treasury/Dealing Desk/Authorised Counterparties & Brokers.doc

1.6 REFINANCING RISK MANAGEMENT

Refinancing risk is the risk that when loans or other forms of capital financing mature, that they cannot be refinanced where necessary on terms that reflect the assumptions made in formulating revenue and capital budgets.

1.6.1. DEBT/OTHER CAPITAL FINANCING, MATURITY PROFILING, POLICIES AND PRACTICES

The Council will establish through its Prudential Indicators the amount of debt maturing in any year/period.

Any debt rescheduling will be considered when the difference between the refinancing rate and the redemption rate is most advantageous and the situation will be continually monitored in order to take advantage of any perceived anomalies in the yield curve. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings at minimum risk;
- b) to reduce the average interest rate;

c)to amend the maturity profile and /or the balance of volatility of the debt portfolio.

Rescheduling will be reported to the Executive Member for Corporate Services as part of the regular monitoring treasury management updates following its action.

1.6.2. PROJECTED CAPITAL INVESTMENT REQUIREMENTS

The Director of Resources will prepare a three year plan for capital expenditure for the Council. The capital plan will be used to prepare a three year revenue budget for all forms of financing charges.

Under the new capital financing system, the definition of capital expenditure and long term liabilities used in the Prudential Code will follow recommended accounting practice (SORP).

1.6.3. POLICY CONCERNING LIMITS ON AFFORDABILITY AND REVENUE CONSEQUENCES OF CAPITAL FINANCING.

In considering the affordability of its capital plans, the Council will consider all the resources currently available/estimated for the future together with the totality of its capital plans, revenue income and revenue expenditure forecasts for the forthcoming year and the two following years and the impact these will have on council tax *and (in the case of the HRA)*, housing rent levels. It will also take into account affordability in the longer term beyond this three year period. (Note: paragraph 30 of the Prudential Code gives examples of matters relevant to the consideration of affordability, although this is not an exhaustive list.)

The Council will use the definitions provided in the Prudential Code for borrowing (83), capital expenditure (84), debt (86), financing costs (87), investments (88), net borrowing (89), net revenue stream (90), other long term liabilities (91).

1.6.4 CAPITAL RECEIPTS GENERATED BY THE HRA

75% of capital receipts generated by the Housing Revenue Account will be pooled, i.e. paid to the Secretary of State, with the exception of 'qualifying disposals' such as land where 100% can be retained providing it is allocated to meeting the decent homes standard and large and small scale voluntary transfers of housing to social registered landlords.

1.6.5 PFI, Partnerships, ALMOs and guarantees

The Council entered in to a 30 year Schools PFI deal with Sewell Education York Limited in January 2005. Under the terms of the contract any refinancing is at the discretion of the provider, with any financial benefits been shared equally between the Council and Sewell.

1.7 LEGAL AND REGULATORY RISK MANAGEMENT

Legal and regulatory risk is the risk that either the Council, or a third party which it is dealing with in its treasury management activities, acts outside of its legal powers or regulatory requirements and as a result the Council incurs loss.

1.7.1.REFERENCES TO RELEVANT STATUTES AND REGULATIONS

The treasury management activities of the Council shall comply fully with legal statute, guidance, Codes of Practice and the regulations of the Council. These are:

- CIPFA Prudential Code for Capital Finance in Local Authorities
- Local Government Act 2003
- S.I. 2003 No.2938 Local Government Act 2003 (Commencement No.1 and Transitional Provisions and Savings) Order 2003 13.11.03
- S.I. 2003 No.3146 Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and associated commentary 10.12.03
- S.I. 2004 No.533 Local Authorities (Capital Finance) (Consequential, Transitional and Savings Provisions) Order 2004 8.3.04
- S.I. 2004 No.534 Local Authorities (Capital Finance and Accounting) (Amendment) (England) Regulations 2004 8.3.04
- Guidance on Investments ODPM 12.3.2004
- Guidance on Housing Capital Receipts Pooling ODPM 23.3.2004
- Requirement to set a balanced budget - Local Government Finance Act 1992 section 32 for billing authorities and section 43 for major precepting authorities.
- Local Government Finance Act 1988 section 114 – duty on the responsible officer to issue a report if the Council is likely to get into a financially unviable position.
- Allocation of financing costs to the HRA – annual determination by Secretary of State
- Definition of HRA capital expenditure - Local Government and Housing Act 1989 section 74 (1)
- CIPFA's Treasury Management Codes of Practice 2001 and 1996
- CIPFA Guide for Chief Financial Officer on Treasury Management in Local Authorities 1996
- CIPFA Standard of Professional Practice on Treasury Management 1995
- LAAP Bulletin 55 CIPFA's Guidance on Local Authority Reserves and Balances
- The Non Investment Products Code (NIPS) - (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.
- Financial Services Authority's Code of Market Conduct
- SORP – Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of recommended Practice
- PWLB annual circular on Lending Policy
- The Council's Standing Orders relating to Contracts
- The Council's Financial Regulations
- The Council's Scheme of Delegated Functions

1.7.2. PROCEDURES FOR EVIDENCING THE COUNCIL'S POWERS/AUTHORITIES TO COUNTERPARTIES

The Council's powers to borrow and invest are contained in legislation as set out below:

Investing: Local Government Act 2003, section 12

Borrowing: Local Government Act 2003, section 1

In addition, it will make available on request the following the document which sets which officers are the authorised signatories.

REQUIRED INFORMATION ON COUNTERPARTIES

Lending shall only be made to counterparties on the Approved Lending list. This list has been compiled using advice from the Council's treasury advisers (Sector) based upon credit ratings supplied by credit rating agencies, Moody's and Fitch .

1.7.3 STATEMENT ON THE COUNCIL'S POLITICAL RISKS AND MANAGEMENT.

1.7.3.1 Director of Resources

The Director of Resources shall take appropriate action with the Council, the Chief Executive and the Leader of the Council to respond to and manage appropriately political risks such as change of majority group, leadership in the Council, change of Government etc.

1.7.3.2 Monitoring Officer

The monitoring officer is the Head of Democratic and Legal Services; the duty of this officer is to ensure that the treasury management activities of the Council are lawful.

1.7.3.3 Chief Financial Officer

The Chief Financial Officer is the Director of Resources; the duty of this officer is to ensure that the financial affairs of the Council are conducted in a prudent manner and to make a report to the Council if he has concerns as to the financial prudence of its actions or its expected financial position.

1.8 FRAUD, ERROR AND CORRUPTION, AND CONTINGENCY RISK MANAGEMENT

Fraud, error and corruption risk is the risk that the Council may fail to employ adequate systems, procedures and other arrangements which identify and prevent losses through such occurrences. The Council will therefore:-

- a) seek to ensure an adequate division of responsibilities and maintain at all times an adequate level of internal check which minimises such risks.
- b) Fully document all its treasury management activities so that there can be no possible confusion as to what proper procedures are.
- c) Staff will not be allowed to take up treasury management activities until they have had proper training in procedures and are then subject to an adequate and appropriate level of supervision.
- d) Records will be maintained of all treasury management transactions so that there is a full audit trail and evidence of the appropriate checks being carried out.

DETAILS OF SYSTEMS AND PROCEDURES TO BE FOLLOWED, INCLUDING INTERNET SERVICES

Authority

- The Scheme of Delegation to Officers sets out the delegation of duties to officers.
- All loans and investments are negotiated by the Director of Resources.

Procedures

- Electronic banking procedures (Instructions for Dealers Procedure File – Treasury Management)
- Procedures for making CHAPS payments. (HSBCnet Payment File – Daily Cash flow sheet folder)

Investment and borrowing transactions

- A detailed register of all loans and investments is maintained in the Investment Register and Debt Register (PWLB) – Location: Capital & Treasury\ Dealing Desk\ Cash flow\ 0809\ IR0809 & Capital & Treasury\ LT Debt\ PWLB Royal Debt\PWLB.
- A written acknowledgement of each deal is sent promptly to the lending or borrowing institution where transactions are done directly with the organisation.
- Written confirmation is received and checked against the dealer's records for the transaction.
- Any discrepancies are immediately reported to the Corporate Finance Manager for resolution.
- All transactions placed through brokers are confirmed by a broker note showing details of the loan arranged. Written confirmation is received and checked against the dealer's records for the transaction. Any discrepancies are immediately reported to the Corporate Finance Manager for resolution.

Regularity and security

- Lending is only made to institutions on the Approved List of Counterparties.
- The Cash Flow Model and Investment Register system prompts the dealing officer that money borrowed or lent is due to be repaid.
- All loans raised and repayments made go directly to and from the bank account of approved counterparties.
- Counterparty limits are set for every institution that the Council invests with.
- Brokers have a list of named officials authorised to agree deals..
- There is a separation of duties in the section between dealers and the checking and authorisation of all deals.
- The Council's bank holds a list of Council officials who are authorised signatories for treasury management transactions.
- No member of the treasury management dealing team is an authorised signatory.
- The Cash Flow model and Investment Register system is backed up daily .
- There is £5m single transaction insurance cover for employees involved in loans management and accounting.

Checks

- The bank reconciliation is carried out quarterly from the bank statement to the financial ledger.
- The Cash Flow Model, Investment Register and Debt Register system balances are proved to the balance sheet ledger codes at the end of each quarter and at the financial year end.
- Budget monitoring is produced every quarter when a review is undertaken against the budget for interest earnings and debt costs.

Calculations

- The calculation of repayment of principal and interest notified by the lender or borrower is checked for accuracy against the amount calculated by the Cash Flow Model/ Investment Register.
- The Debt Register calculates periodic interest payments of PWLB and other long term loans. This is used to check the amount paid to lenders.

- Average weighted capital loans fund interest rates are calculated by the Debt register and Investment register.
- These interest and expense rates are then used to calculate the principal, interest and debt management expense charges to the Loans Fund and the Housing Revenue Account recharge.

1.8.1.EMERGENCY AND CONTINGENCY PLANNING ARRANGEMENTS

Disaster Recovery Plan

The authority has in place procedures for continued operations in the event of offices being unusable or the event of the Electronic Banking System failing. These can be found in Instructions for Dealers Procedure File – Treasury Management.

Daily cash flow management can take place from a remote terminal using either the HSBCnet online banking facility or by contacting HSBC by telephone. All members of the treasury management team are familiar with this plan and new members will be briefed on it.

All computer files relating to the daily cash flow management are backed up on the server, onto compact disk and periodically to a separate memory key to enable files to be accessed from remote sites.

These procedures are in addition to the Corporate ITT disaster recovery plans.

1.8.2.INSURANCE COVER DETAILS.

Fidelity insurance

The Council has 'Fidelity' insurance cover with Zurich. This covers the loss of cash by fraud or dishonesty of employees.

This cover is limited to £5m for any one event with no excess.

Professional Indemnity Insurance

The Council also has a 'Professional Indemnity' insurance policy with Zurich which covers loss to the Council from the actions and advice of its officers which are negligent and without due care. This cover is limited to £1m for any one event with an excess of nil for any one event.

1.9 MARKET VALUE OF INVESTMENTS RISK MANAGEMENT

Market risk is the risk of fluctuations in the principal value of the Council's investments.

1.9.1.DETAILS OF APPROVED PROCEDURES AND LIMITS FOR CONTROLLING EXPOSURE TO INVESTMENTS WHOSE CAPITAL VALUE MAY FLUCTUATE (GILTS, CDS, etc.)

These are controlled through setting limits on investment instruments where the principal value can fluctuate. The limits are determined and set through the Annual Treasury Management Strategy Statement. CYC does not enter into investments where capital values may fluctuate.

TMP 2 BEST VALUE AND PERFORMANCE MEASUREMENTS

2.1 EVALUATION AND REVIEW OF TREASURY MANAGEMENT DECISIONS

The Council has a number of approaches to evaluating treasury management decisions: -

- a. Fortnightly tactical reviews and forward looking meetings carried out by the treasury management team
- b. biannual reviews with our treasury management consultants
- c. quarterly budget monitoring and statistical analysis
- d. annual review as reported to committee
- e. comparative reviews
- f. strategic, scrutiny and efficiency best value reviews
- g. 2 monitoring reports and an outturn report to Corporate Services EMAP

2.1.1 Periodic reviews during the financial year

The senior dealing officer holds a treasury management review meeting with the treasury management dealing team every two weeks to review actual activity against the Treasury Management Strategy Statement and cash flow forecasts. This will include :

- a. A review of activity vs plan for the past 2 weeks.
- b. Projected activity for the forthcoming 2 weeks
- c. Credit Rating updates
- d. Economic news and operational information
- e. Investment profiles

The minutes of the meetings are produced and circulated to all relevant staff.

2.1.2 Reviews with our treasury management consultants

The treasury management team holds reviews with our consultants every 6 months to review the performance of the investment and debt portfolios.

2.1.3 Annual Review after the end of the financial year

An Annual Treasury Report is submitted to the Council each year after the close of the financial year which reviews the performance of the debt and investment portfolios. This report contains the following: -

- a. total debt at the beginning and close of the financial year and average interest rates
- b. borrowing strategy for the year compared to actual strategy
- c. investment strategy for the year compared to actual strategy
- d. explanations for variance between original strategies and actual
- e. debt rescheduling done in the year
- f. actual borrowing and investment rates available through the year
- g. comparison of return on investments to the investment benchmark
- h. compliance with Prudential Indicators

2.1.4 Comparative reviews

When data becomes available, comparative reviews are undertaken to see how the performance of the authority on debt and investments compares to other authorities with similar size portfolios (but allowing for the fact that Prudential Indicators are locally set). Data used will be sourced from: -

- CIPFA Treasury Management statistics published each year for the last complete financial year
- CIPFA Benchmarking Club

2.2 BENCHMARKS AND CALCULATION METHODOLOGY:

2.2.1 Debt management

- Average rate on all external debt
- Average rate on external debt borrowed in previous financial year
- Average rate on internal borrowing
- Average period to maturity of external debt
- Average period to maturity of new loans in previous year

2.2.2 Investment.

The performance of investment earnings will be measured against the following benchmarks: -

- a.** in house investments
 - i) 7 day LIBID un compounded

Performance will also be measured against other local authority funds with similar benchmark and parameters managed by other fund managers every six months.

2.3 POLICY CONCERNING METHODS FOR TESTING BEST VALUE IN TREASURY MANAGEMENT.

2.3.1 Frequency and processes for tendering

Tenders are normally awarded on a 3 year basis with the option to extend for 2 years, if approved by the Executive Member for Corporate Services. The process for advertising and awarding contracts will be in line with the Council's Contract Standing Orders.

2.3.2 Banking services

The Council's banking arrangements are to be subject to competitive tender every 4 years with an option to extend for 2 further years if approved by the Director of Resources unless it is considered that there will be changes in the volume of transactions in the foreseeable future which renders a shorter period appropriate.

If tendering is not considered appropriate a specialist banking company must be appointed to ensure that the terms offered represent value for money.

2.3.3 Money-broking services

The Council will use money broking services in order to make deposits or to borrow, and will establish charges for all services prior to using them. The Council will in addition make deposits directly with institutions where it is financially advantageous to do so.

An approved list of brokers is established which takes account of both prices and quality of services. The Council currently has 4 brokers on its approved list.

2.3.4 Consultants'/advisers' services

This Council's policy is to appoint full-time professional treasury management and leasing consultants and separate leasing advisory consultants.

2.3.5 Policy on External Managers (Other than relating to Superannuation Funds)

The Council's policy is not to appoint external investment fund managers.

TMP 3 DECISION-MAKING AND ANALYSIS**3.1 FUNDING, BORROWING, LENDING, AND NEW INSTRUMENTS/TECHNIQUES:****3.1.1 Records to be kept**

The Treasury section has a spreadsheet based cash flow model system in which all investment and loan transactions are recorded. Full details of the system are covered in the user manual. The following records will be retained :-

- Daily cash balance forecasts
- Money market rates obtained by telephone from brokers
- Brokers' confirmations for investment and temporary borrowing transactions
- Confirmations from borrowing /lending institutions where deals are done directly
- PWLB loan confirmations
- PWLB debt portfolio schedules.
- Certificates for market loans, local bonds and other loans

3.1.2 Processes to be pursued

- Cash flow analysis.
- Debt and investment maturity analysis
- Ledger reconciliation
- Review of opportunities for debt restructuring
- Review of borrowing requirement to finance capital expenditure (and other forms of financing where those offer best value)
- Performance information (e.g. monitoring of actuals against budget for debt charges, interest earned, debt management; also monitoring of average pool rate, investment returns, etc).
- Breakeven sensitivity analysis.

3.1.3 Issues to be addressed.**3.1.3.1. *In respect of every treasury management decision made the Council will:***

- a) Above all be clear about the nature and extent of the risks to which the Council may become exposed
- b) Be certain about the legality of the decision reached and the nature of the transaction, and that all authorities to proceed have been obtained
- c) Be content that the documentation is adequate both to deliver the Council's objectives and protect the Council's interests, and to deliver good housekeeping
- d) Ensure that third parties are judged satisfactory in the context of the Council's creditworthiness policies, and that limits have not been exceeded
- e) Be content that the terms of any transactions have been fully checked against the market, and have been found to be competitive.

3.1.3.2 In respect of borrowing and other funding decisions, the Council will:

- a) Evaluate economic and market factors to form a view on future interest rates so as to determine the manner and timing of decisions to borrow;
- b) Consider the sources of borrowing, alternative interest rate bases available, the most appropriate periods to fund and repayment profiles to use;
- c) Consider the merits and demerits of alternative forms of funding, including funding from revenue, leasing and private partnerships to minimise costs and risks;
- d) Consider the ongoing revenue liabilities created, and the implications for the Council's future plans and budgets;
- e) Seek to reduce the overall level of financing costs / smooth maturity profiles through debt restructuring.

3.1.3.3 In respect of investment decisions, the Council will:

- a) Consider the optimum period, in the light of cash flow availability and prevailing market conditions;
- b) Consider the alternative investment products and techniques available, especially the implications of using any which may expose the Council to changes in the value of its capital;
- c) Determine appropriate credit policy limits and criteria to minimise the Council's exposure to credit and other investment risks.

TMP 4 APPROVED INSTRUMENTS, METHODS AND TECHNIQUES**4.1 APPROVED ACTIVITIES OF THE TREASURY MANAGEMENT OPERATION**

- borrowing;
- lending;
- debt repayment and rescheduling;
- consideration, approval and use of new financial instruments and treasury management techniques;
- managing the underlying risk associated with the Council's capital financing and surplus funds activities;
- managing cash flow;
- banking activities;
- leasing.

4.2 APPROVED INSTRUMENTS FOR INVESTMENTS

The Annual Investment Strategy details the approved instruments for investments

4.3 APPROVED TECHNIQUES

- Forward dealing
- LOBOs – lenders option, borrower's option borrowing instrument
- The use of structured products such as callable deposits

4.4 APPROVED METHODS AND SOURCES OF RAISING CAPITAL FINANCE

Finance will only be raised in accordance with the Local Government Act 2003, and within this limit the Council has a number of approved methods and sources of raising capital finance. These are:

On Balance Sheet	Fixed	Variable
PWLB	●	●
EIB	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Market (LOBOs)	●	●
Stock issues	●	●
Local temporary	●	●
Local Bonds	●	
Overdraft		●
Negotiable Bonds	●	●
Internal (capital receipts & revenue balances)	●	●
Commercial Paper	●	
Medium Term Notes	●	
Leasing (not operating leases)	●	●
Deferred Purchase	●	●

Other Methods of Financing

Government and EC Capital Grants
 Lottery monies
 PFI/PPP
 Operating leases

Borrowing will only be done in Sterling. All forms of funding will be considered dependent on the prevailing economic climate, regulations and local considerations. The Director of Resources has delegated powers in accordance with Financial Regulations, Standing Orders, the Scheme of Delegation to Officers Policy and the Treasury Management Strategy to take the most appropriate form of borrowing from the approved sources.

4.5 INVESTMENT LIMITS

The Annual Investment Strategy sets out the limits and the guidelines for use of each type of investment instrument (see also authorised counterparties list and investment matrices).

4.6 BORROWING LIMITS

See the Treasury Management Strategy Statement and Prudential Indicators.

TMP 5 ORGANISATION, CLARITY AND SEGREGATION OF RESPONSIBILITIES, AND DEALING ARRANGEMENTS

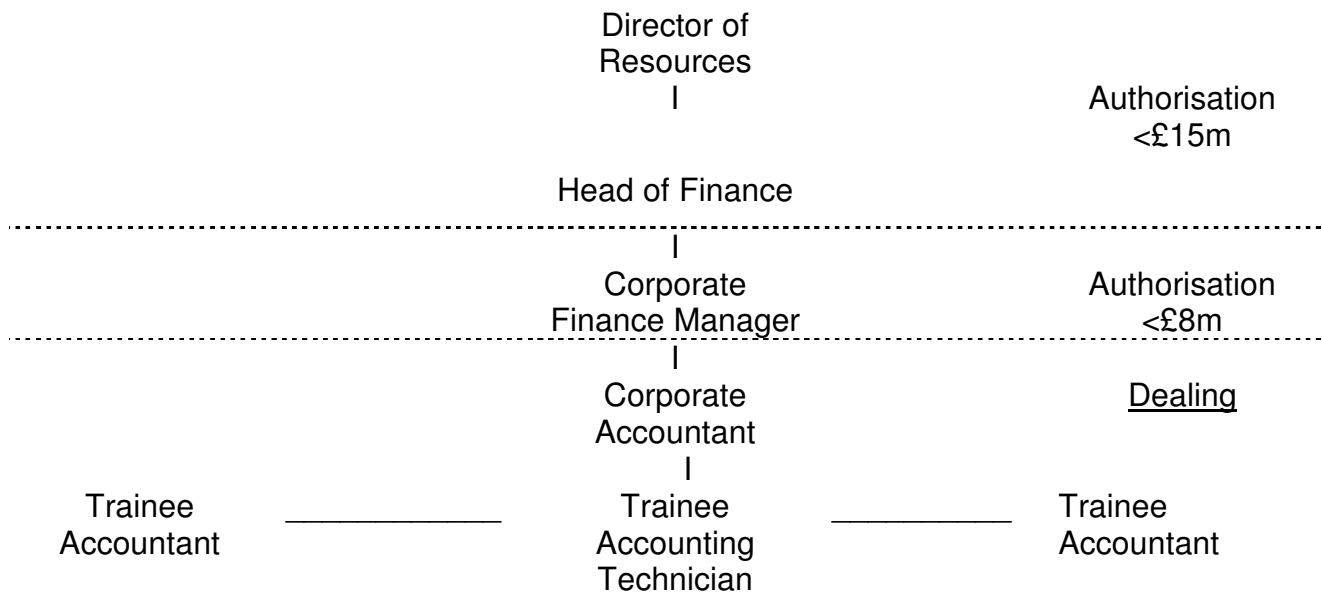
5.1 LIMITS TO RESPONSIBILITIES / DISCRETION AT COUNCIL/EXECUTIVE LEVELS

- a) The full Council will set the Prudential Indicators and revise them as and when necessary.
- b) The Executive and then the full Council will receive and review reports on treasury management policies, practices and activities and the annual treasury management strategy.
- c) The Director of Resources will be responsible for amendments to the Council's adopted clauses, treasury management policy statement and treasury management practices.
- d) The Executive will consider and approve the Treasury Management Budget.
- e) The Executive will approve the segregation of responsibilities.
- f) The Director of Resources will receive and review external audit reports and put recommendations to the Audit and Governance Committee.

5.2 PRINCIPLES AND PRACTICES CONCERNING SEGREGATION OF DUTIES

5.2.1 The following duties must be undertaken by separate officers: -

Dealing	Bank Statement Reconciliation Reconciliation of cash control account Negotiation and approval of deal. Receipt and checking of brokers confirmation note against loans diary.
Accounting Entry	Processing of accounting entry
Authorisation/Payment of Deal	Entry onto system. Approval and payment.

5.3 TREASURY MANAGEMENT ORGANISATION CHART

5.4 STATEMENT OF DUTIES/RESPONSIBILITIES OF EACH TREASURY POST

5.4.1. Director of Resources

The Director of Resources will:

- a) Submit budgets and budget variations in accordance with Financial Regulations and guidance.
- b) In setting the prudential indicators, the Director of Resources will be responsible for ensuring that all matters are taken into account and reported to the Council so as to ensure the Council's financial plans are affordable, prudent and sustainable in the long term.
- c) Establish a measurement and reporting process that highlights significant variations from expectations.
- d) Submit treasury management reports as required the Executive and to full Council.
- e) Review the performance of the treasury management function and promote best value reviews.
- f) Ensure the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.
- g) Ensure the adequacy of internal audit, and liaising with external audit.
- h) Recommend on appointment of external service providers in accordance with council standing orders.

The Director of Resources has delegated powers through this policy to take the most appropriate form of borrowing from the approved sources, and to make the most appropriate form of investments in approved instruments.

The Director of Resources may delegate his power to borrow and invest to members of his staff. The Corporate Accountant must conduct all day to day dealing transactions. All transactions must be authorised by the Corporate Finance Manager. All transactions over the value of £5m must be countersigned by at least two signatories.

The Director of Resources will ensure that Treasury Management Policy is adhered to, and if not will bring the matter to the attention of elected members as soon as possible.

Prior to entering into any capital financing, lending or investment transaction, it is the responsibility of the Director of Resources to be satisfied, by reference to the Council's legal department and external advisors as appropriate, that the proposed transaction does not breach any statute, external regulation or the Council's Financial Regulations.

It is also the responsibility of the Director of Resources to ensure that the Council complies with the requirements of The Non Investment Products Code (formerly known as The London Code of Conduct) for principals and broking firms in the wholesale markets.

5.4.2 Head of Finance

The Head of Finance will:

- a) Make reports to the Council under S114 of the Local Government Finance Act 1988 if the Director of Resources considers the Council is likely to get into a financially unviable situation.
- b) Recommend clauses, treasury management policy / practices for approval, reviewing the same on a regular basis, and monitoring compliance.

5.4.3 Corporate Finance Manager

The responsibilities of this post will be: -

- a) Authorisation of transactions and conduct of other day to day activities in accordance with the Treasury Management Practices.
- b) Adherence to agreed policies and limits.
- c) Managing the overall treasury management function.
- d) Supervising treasury management staff.
- e) Ensuring appropriate segregation of duties
- f) Monitoring performance on a day-to-day basis.
- g) Submitting management information reports to the Head of Finance and Director of Resources.
- h) Maintaining relationships with third parties and external service providers and reviewing their performance.

5.4.4 The Head of the Paid Service – the Chief Executive

The responsibilities of this post will be: -

- a) Ensuring that the system is specified and implemented
- b) Ensuring that the Director of Resources reports regularly to the full Council on treasury policy, activity and performance.

5.4.5 The Monitoring Officer – the Head of Legal Services

The responsibilities of this post will be: -

- a) Ensuring compliance by the Director of Resources with the treasury management policy statement and treasury management practices and that they comply with the law.
- b) Being satisfied that any proposal to vary treasury policy or practice complies with law or any code of practice.
- c) Giving advice to the Director of Resources when advice is sought.

5.4.6 Internal Audit

The responsibilities of Internal Audit will be: -

- a) Reviewing compliance with approved policy and treasury management practices.
- b) Reviewing division of duties and operational practice.
- c) Assessing value for money from treasury activities.
- d) Undertaking probity audit of treasury function.

5.5 ABSENCE COVER ARRANGEMENTS

The Council establishes the dealing desk work plan in advance and currently has 4 officers fully trained to deal. In the event of the person due to be dealing being off one of the 3 other officers can cover. At any one time there are two dealing officers in on a given day.

5.6 DEALING LIMITS

The following posts are authorised to deal: -

- Simon Wiles (£15m)
- Sian Hansom (£15m)
- Tom Wilkinson (£8m)
- Janet Lornie (£8m)
- Steve Morton (£8m)

5.7 LIST OF APPROVED BROKERS

A list of approved brokers is maintained within the Treasury Team and a record of all transactions recorded against them. See TMP 11.1.2.

5.8 POLICY ON BROKERS' SERVICES

It is this Council's policy to rotate business between brokers providing the best deal is taken i.e if two brokers are offering the same rate.

5.9 POLICY ON TAPING OF CONVERSATIONS

It is not this Council's policy to tape brokers conversations

5.10 DIRECT DEALING PRACTICES

The Council will consider dealing direct with counterparties if it is appropriate and the Council believes that better terms will be available. At present, most deals are arranged through brokers. There are certain types of accounts and facilities, however, where direct dealing is required, as follows;

- Business Reserve Accounts:
- Call Accounts:
- Money Market Funds.

5.11 SETTLEMENT TRANSMISSION PROCEDURES

A formal letter signed by an agreed bank signatory setting out each transaction must be sent to the local authority's bankers where preliminary instructions have been given by telephone. For payments a transfer will be made through the CHAPS system to be completed by 3.00 pm on the same day. The Council uses the CHAPS system supplied by HSBC, authorized limits are set up in line with authorized signatory limits with the bank.

5.12 DOCUMENTATION REQUIREMENTS

For each deal undertaken a record should be prepared giving details of dealer, amount, period, counterparty, counterparty standard settlement instruction detail, interest rate, dealing date, payment date(s), broker.

5.13 ARRANGEMENTS CONCERNING THE MANAGEMENT OF THIRD-PARTY FUNDS.

The Council holds a number of trust funds. The cash in respect of these funds is held in the Council's bank account but transactions are separately coded. Interest is given on credit balances at the average rate for internal balances for the year.

TMP 6 REPORTING REQUIREMENTS AND MANAGEMENT INFORMATION ARRANGEMENTS

6.1 ANNUAL TREASURY MANAGEMENT STRATEGY STATEMENT

6.1.1 The Treasury Management Strategy Statement sets out the specific expected treasury activities for the forthcoming financial year. This strategy will be submitted to the Executive and then to the full Council for approval before the commencement of each financial year.

6.1.2 The formulation of the annual Treasury Management Strategy Statement involves determining the appropriate borrowing and investment decisions in the light of the anticipated movement in both fixed and shorter -term variable interest rates. For instance, the Council may decide to postpone borrowing if fixed interest rates are expected to fall, or borrow early if fixed interest rates are expected to rise.

6.1.3 The Treasury Management Strategy Statement is concerned with the following elements:

- Prudential Indicators
- current treasury portfolio position
- borrowing requirement
- prospects for interest rates
- borrowing strategy
- investment strategy
- debt rescheduling
- any extraordinary treasury issue

6.1.4 The Treasury Management Strategy Statement will establish an interest rate position based on the view of future interest rate movements (using all available information such as published interest rate forecasts where applicable), and highlight sensitivities to different scenarios.

6.2 POLICY ON INTEREST RATE EXPOSURE

6.2.1 The Council approves before the beginning of each financial year a number of treasury limits which are set through Prudential Indicators.

6.2.2 The Director of Resources is responsible for incorporating these limits into the Annual Treasury Management Strategy Statement, and for ensuring compliance with the limits. Should it prove necessary to amend these limits, the Director of Resources shall submit the changes for approval to the full Council.

6.3 ANNUAL REPORT ON TREASURY MANAGEMENT ACTIVITY

An annual report will be presented to the Executive Member for Corporate Services at the earliest practicable meeting after the end of the financial year, but in any case by the end of July. This report will include the following: -

- a. a comprehensive picture for the financial year of all treasury policies, plans, activities and results;
- b. transactions executed and their revenue (current) effects;
- c. report on risk implications of decisions taken and transactions executed;

- d. monitoring of compliance with approved policy, prudential limits, practices and statutory / regulatory requirements;
- e. monitoring of compliance with powers delegated to officers;
- f. degree of compliance with the original strategy and explanation of deviations;
- g. explanation of future impact of decisions taken on the organization;
- h. measurements of performance;
- i. report on compliance with CIPFA Code recommendations.

6.4 MANAGEMENT INFORMATION REPORTS

Management information reports will be prepared in accordance with the Corporate monitoring timetable by the Corporate Finance Manager and will be presented to the Director of Resources.

These reports will contain the following information: -

- a) A summary of transactions executed and their revenue effect (current effects);
- b) measurements of performance including effect on loan charges/investment income;
- c) degree of compliance with original strategy and explanation of variances.
- d) Any non compliance with Prudential limits or other treasury management limits.

6.5 PERIODIC MONITORING COMMITTEE REPORTS

The Executive Member Corporate Services will receive and consider a half yearly review of treasury management activities during the period including details of any debt rescheduling undertaken.

TMP 7 BUDGETING, ACCOUNTING AND AUDIT ARRANGEMENTS**7.1 STATUTORY/REGULATORY REQUIREMENTS**

The accounts are drawn up in accordance with the Code of Practice on Local Authority Accounting in Great Britain that is recognised by statute as representing proper accounting practices. The Council has also adopted in full the principles set out in CIPFA's 'Treasury Management in the Public Services - Code of Practice' (the 'CIPFA Code'), together with those of its specific recommendations that are relevant to this Council's treasury management activities.

7.2 ACCOUNTING PRACTICES AND STANDARDS

Due regard is given to the Statements of Recommended Practice and Accounting Standards as they apply to Local Authorities in Great Britain.

7.3 SAMPLE BUDGETS / ACCOUNTS / PRUDENTIAL INDICATORS

The Corporate Finance Manager will prepare a three year medium term financial plan with Prudential Indicators for treasury management which will incorporate the budget for the forthcoming year and provisional estimates for the following two years. This will bring together all the costs involved in running the function, together with associated income. The Corporate Finance Manager will exercise effective controls over this budget and monitoring of performance against Prudential Indicators, and will report upon and recommend any changes required in accordance with TMP6.

7.4 LIST OF INFORMATION REQUIREMENTS OF EXTERNAL AUDITORS.

- Reconciliation of loans outstanding in the financial ledger to Treasury Management records
- Maturity analysis of loans outstanding
- Certificates for new long term loans taken out in the year
- Reconciliation of loan interest, discounts received and premiums paid to financial ledger by loan type
- Calculation of loans fund interest and debt management expenses
- Details of interest rates applied to internal investments
- Calculation of interest on working balances
- Interest accrual calculation
- Principal and interest charges from the Investment Register and Debt Register.
- Calculation of CFR and adjustment A
- Calculation of loans fund creditors and debtors
- Annual Treasury Report
- Treasury Management Strategy Statement and Prudential Indicators
- Review of observance of limits set by Prudential Indicators
- Calculation of the Minimum Revenue Provision

7.5 Budget Monitoring Report

In addition to the thrice yearly budget monitoring statistics presented to the Director of Resources (as set out in section 6.4) the authority produces the following reports:

- three Corporate Monitoring Reports in line with the Corporate Monitoring Cycle
- thrice yearly and outturn report on Treasury Management Performance

These reports are intended to highlight any variances between budgets and spend in order that the Council can assess its financial position. Details of treasury management activities are included within this report.

TMP 8 CASH AND CASH FLOW MANAGEMENT**8.1 ARRANGEMENTS FOR PREPARING/SUBMITTING CASH FLOW STATEMENTS**

Cash flow projections are prepared annually (for three full financial years), monthly and daily. The annual and monthly cash flow projections are prepared from the previous years' cash flow records, adjusted for known changes in levels of income and expenditure and also changes in payments and receipts dates. These details are supplemented on an ongoing basis by information received of new or revised amounts to be paid or received as and when they are known.

8.2 BANK STATEMENTS PROCEDURES

The Council obtains daily account balances, account statements and key transactions from its bank via HSBCNet. Balances are checked daily with a formal bank reconciliation to the ledger being undertaken on a quarterly basis by a member of the treasury management team.

8.3 PAYMENT SCHEDULING AND AGREED TERMS OF TRADE WITH CREDITORS

Our policy is to pay creditors within 28 days of the invoice date and this effectively schedules the payments in order to comply with BV Performance Indicator 8.

8.4 ARRANGEMENTS FOR MONITORING DEBTORS / CREDITORS LEVELS

The exchequer manager is responsible for monitoring the levels of debtors and creditors. Details are passed to the treasury team on a monthly basis to assist in updating the cash flow models. Daily details of payment runs are also provided.

8.5 PROCEDURES FOR BANKING OF FUNDS

All money received by an officer on behalf of the Council will without unreasonable delay be passed to the Chief Cashier to deposit in the Council's banking accounts.

8.6 PRACTICES CONCERNING PREPAYMENTS TO OBTAIN BENEFITS

The Council has no formal arrangement in place. Where such opportunities arise, the prepayment would be sought and authorised by the Director of Resources following a cost benefit appraisal of prepayment proposals. For material sums a formal report would be taken to the Executive.

TMP 9 MONEY LAUNDERING**9.1 PROCEDURES FOR ESTABLISHING IDENTITY / AUTHENTICITY OF LENDERS**

The Council does not accept loans from individuals.

All loans are obtained from the PWLB, other local authorities or from authorised institutions under the Financial Services and Markets Act 2000. This register can be accessed through the FSA website on www.fsa.gov.uk.

When repaying loans, the procedures in 9.2 will be followed to check the bank details of the recipient.

9.2 METHODOLOGIES FOR IDENTIFYING DEPOSIT TAKERS

In the course of its Treasury activities, the Council will only lend money to or invest with those counterparties that are on its approved lending list. These will be authorised deposit takers under the Financial Services and Markets Act 2000. The FSA register can be accessed through the FSA website on www.fsa.gov.uk.

All transactions will be carried out by CHAPS for making deposits or repaying non PWLB loans. PWLB loan repayments are taken via Direct Debit on specified dates.

9.3 PROCEEDS OF CRIME ACT 2002 (POCA)

Please find below an explanation of the current responsibilities of local authorities:-

The Proceeds of Crime Act 2002 imposes an obligation on any person or other body that undertakes a regulated activity as defined by the Act to report any incident that leads them to suspect that an individual or other body is making transactions with the proceeds of any criminal activity. This is an extension of the obligations previously imposed principally on financial services organisations and employees under money laundering legislation. The money laundering legislation, as reinforced by the FSA guidance, made it clear that an organisation had to nominate a money laundering reporting officer, MLRO, through whom suspicious transactions had to be reported and it was incumbent on the MLRO to decide if these transactions had to be reported to the National Criminal Investigation Service (NCIS), being the police body charged with dealing with these matters.

The question therefore arises as to whether organisations now caught under the provisions of the Proceeds of Crime Act (POCA) have to also nominate a MLRO. There is nothing that states that an MLRO has to be nominated and indeed, a number of organisations that are caught by POCA would not have a direct regulator to notify. However, it is equally clear that such organisations must have a process in place whereby employees can alert management of activities that may fall under POCA and that process must make it clear to whom an internal report has to be made. Therefore, whether called an MLRO or not, under their internal processes organisations need to appoint a senior officer (F.D., Treasurer, Head of Legal) to whom suspicions must be reported and who is responsible for deciding whether to pass the report to NCIS.

NCIS

PO BOX 8000

LONDON SE11 5EN

www.ncis.co.uk

The Corporate Finance Manager is conversant with the requirements of the Proceeds of Crime Act 2002 and will train the following staff in being diligent to be alert for suspicious transactions: -

- treasury management
- other as appropriate

The Council has appointed Chief Monitoring Officer to be the responsible officer to whom any suspicions that transactions involving the Council may include a party who is involved in criminal activity. Suspicious transactions will be investigated as far as the Council is in a position to do so or it is appropriate for the Council to do so, and if doubts remain, these transactions will then be reported to the National Criminal Investigation Service.

TMP 10 STAFF TRAINING AND QUALIFICATIONS

The Council recognises the importance that all treasury management staff should receive appropriate training relevant to the requirements of their duties at the appropriate time. The Council operates a Professional Development Review system which identifies the training requirements of individual members of staff engaged on treasury related activities.

Additionally, training may also be provided on the job and it will be the responsibility of the Corporate Finance manager to ensure that all staff under his / her authority receive the necessary training.

10.1 DETAILS OF APPROVED TRAINING COURSES

Treasury management staff will go on courses provided by our treasury management consultants, CIPFA, money brokers etc.

10.2 RECORDS OF TRAINING RECEIVED BY TREASURY STAFF

The Corporate Finance Manager will maintain records on all staff and the training they receive.

10.3 STATEMENT OF PROFESSIONAL PRACTICE (SOPP)

1. Where the Director of Resources is a member of CIPFA, there is a professional need for the Director of Resources to be seen to be committed to professional responsibilities through both personal compliance and by ensuring that relevant staff are appropriately trained.
2. Other staff involved in treasury management activities who are members of CIPFA must also comply with the SOPP.

TMP 11 USE OF EXTERNAL SERVICE PROVIDERS**11.1 DETAILS OF CONTRACTS WITH SERVICE PROVIDERS, INCLUDING BANKERS, BROKERS, CONSULTANTS, ADVISERS****11.1.1 Banking services**

- a) Name of supplier of service is the HSBC Bank.
- b) The branch address is:
13 Parliament Street
York
Tel :- Steve Halliday 08455849486
- c) Contract extended for 2 years as at January 2007.
- d) Cost of service is variable depending on schedule of tariffs and volumes.
- e) Payments due monthly.

11.1.2 Money-broking services

The Council will use money brokers for temporary borrowing and investment and long term borrowing.

It will seek to give an even spread of business amongst the approved brokers wherever possible.

The performance of brokers is reviewed by the Director of Resources every quarter to see if any should be taken off the approved list and replaced by another choice and will make appropriate recommendations to change the approved brokers list to the Corporate Finance Manager.

Name of broker	Tel. no.
Garban Inter-Capital	02075323550
Prebon-Marshall Yamane	02072007393
Martin Brokers	01312267401
Sterling	02074072593

11.1.3 Consultants'/advisers' services**Treasury Consultancy Services**

The Council will seek to take expert advice on interest rate forecasts, annual treasury management strategy, timing for borrowing and lending, debt rescheduling, use of various borrowing and investment instruments, how to select credit worthy counterparties to remove/put on its approved lending list etc.

The performance of consultants will be reviewed by the Corporate Finance Manager every 6 months to check whether performance has met expectations.

- a) The name of the supplier of this service is Sector Treasury Services Limited
- b) The address is:
17 –19 Rochester Row
London
SW1P 1 QT
Tel: 0870 1916800
CYC Contact – Maryum Malik 08701916813
- c) Contract commenced 01/04/2007 and runs for 3 years 31/03/2010.
- d) Cost of service is £11,500.00 per year.

- e) Payments due one year in arrears on 31st March.

Leasing Consultancy Services

- a) The name of the supplier of this service is Sector Treasury Services Limited.
- b) The address is:
Innovation Court
New Street
Basingstoke
Hampshire
RG21 7JB
Tel: 0870 1916800
- c) Contract started on the 27th July 2004 and will run until 30th March 2009.
- d) Fee is agreed at 0.5% of the capital cost of drawdown for a standard drawdown or 1% for a drawdown taken via the call off facility.

11.1.6 Credit rating agency

The Council receives a credit rating service through its treasury management consultants, the costs of which is included in the consultant's annual fee

11.2 PROCEDURES AND FREQUENCY FOR TENDERING SERVICES

Procedures for tendering are in line with the Councils Financial Regulations 2006.

TMP 12 CORPORATE GOVERNANCE**12.1 LIST OF DOCUMENTS TO BE MADE AVAILABLE FOR PUBLIC INSPECTION**

- a. The Council is committed to the principle of openness and transparency in its treasury management function and in all of its functions.
- b. It has adopted the CIPFA Code of Practice on Treasury Management and implemented key recommendations on developing Treasury Management Practices, formulating a Treasury Management Policy Statement and implementing the other principles of the Code.
- c. The following documents are available for public inspection and can be found on the Councils website using the decision making online link: -
 - Treasury Management Policy Statement
 - Treasury Management Strategy Statement [includes Prudential Indicators and Annual Investment Strategy]
 - Annual Treasury Report
 - Annual accounts
 - Annual budget
 - 3 Year Capital Plan
 - Minutes of Council / Cabinet / committee meetings

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Executive

12th February 2008

Report of the Director of Resources

Revenue Budget 2008/09

Summary

- 1 This paper presents the Revenue Budget proposals for 2008/09 and details the potential financial position for the Council in 2009/10 and 2010/11. To assist with this latter point where possible the report details figures for future years alongside their 2008/09 equivalents. There is a separate report on the agenda covering the Capital Budget. At Budget Council on the 21st February there will also be proposals for Fees and Charges.
- 2 The proposals in this paper present a balanced budget for the Council for 2008/09 with the following key features:
 - a. Revenue investment of £15.822m^{TABLE 1} the funding for which will be achieved through:
 - i. Revenue savings of £4.296m^{TABLE 1};
 - ii. An additional £4.000m¹ from a City of York Council Tax rise of 4.95% resulting in a Band D Council Tax, for City of York Council only, of £1,030.67, an increase of £48.61^{TABLES 13 & 15};
 - iii. Meeting £1.823m of one-off expenditure from general fund reserves^{PARA 49};
 - iv. Additional Revenue Support Grant Funding of £4.023m^{TABLE 12};
 - v. A reduced contribution from the collection fund surplus of £0.65m (reduced from £0.850m to £0.200m)^{PARA 44};
 - vi. Other adjustments on corporate budgets and additional non-general grant totalling £2.330m^{ANNEX 1}.
 - b. A net revenue budget of £112.423m, which will be funded by:
 - i. Council Tax income of £68.234m (including a £200k contribution from the 2007/08 collection fund surplus)^{PARA 44};

¹ This comprises £3.17m from existing properties, a further £0.68m from those expected to be built in 2008/09 and £0.15m from improved collection rates.

- ii. Government grant of £42.366m ^{TABLE 10};
 - iii. Use of reserves, of £1.823m ^{PARA 49};
 - c. Funding for pupil led aspects of education, primarily schools, of £86.329m to be met by the Dedicated Schools Grant ^{PARA 89};
- 3 A comprehensive consultation exercise has been undertaken as part of the budget process. The recommendations in this report are based on a set of proposed growth and savings items which when amalgamated with the grant settlement and a 4.95% Council Tax increase produce a balanced budget. Other options that formed part of the consultation exercise are included at Annex zz. In considering whether or not to accept any of these additional proposals Members need to take due cognisance of the need to ensure that any amendments to the budget are balanced, that is savings and growth must either equal each other; or be corrected via appropriate transfers to or from reserves; or result in equivalent adjustments to the Council Tax levied by the Council; or reflect adjustments to the fees and charges levied.
 - 4 The figures in paragraph 2 highlight that setting the 2008/09 budget is a difficult process and hard choices need to be made. The Council faced a gap of almost £16m between its projections of necessary expenditure in 2008/09 and its existing income levels. This gap of £16m has been closed by £3.4m of net increased Council Tax (including movement in collection fund surplus), £4m of additional government grant, £5.5m efficiency, other savings and increases in fees and charges, £1.1m additional grant for the new concessionary fares scheme and £1.8m use of reserves to meet one-off time limited expenditure. The savings identified are only likely to result in under 10 posts that are currently filled being lost and every effort will be made to redeploy the staff affected. However, these proposals will enable the Council to maintain and continue to improve its existing quality services (such as education and social care) whilst investing in core priorities and areas of need. Alongside this the Council has also been able to address public priorities such as; free national bus passes for the over 60's, free evening car parking for residents and enhanced waste recycling arrangements. It is useful to put this in the context of a Council Tax increase of approximately 95 pence per week and that in 2007/08 York had the second lowest Council Tax and second lowest spend per person of any Unitary Authority.
 - 5 The Government grant settlement and an inflation only Council Tax rise would be nowhere near enough to fund all of the growing pressures on Council budgets which total almost £16m. This total includes £4.3m for pay and prices inflation, over £1.5m for the concessionary bus travel act costs, £2.7m withdrawal of direct grant support to services (this has been incorporated into the £4m increase in general grant) and £0.7m from the retraction of supporting people funding. In addition to known commitments, there are increasing volume and price/cost demands on services, particularly in social services and in waste where a landfill tax increase of £8 per tonne will add around £0.55m to costs. The total non schools growth allowed for in the proposed budget is £9.282m. A full list of these pressures is shown at Annex 3.

- 6 To help fund the rising budget pressures and keep Council Tax down, the non-Education budget proposals include efficiency savings and income generation proposals of £4.296m. A full list is shown at Annex 4.
- 7 Members should note that there are a number of potential expenditure pressures which may materialise in 2008/09, but which cannot at this stage be quantified with any certainty. It is proposed that a General Contingency of £0.8m is set to cover these eventualities. This level of contingency is proposed based on a risk assessment of all the unfinalised financial issues that face the Council next year. The contingency allows for just under 50% of the known issues to be funded should they arise. Possible calls on this contingency are detailed at Annex 2.
- 8 It is important when setting the 2008/09 revenue budgets that members do so in the knowledge of a range of significant issues that may affect the Council in next few years and which York may not have sufficient resources to address. Given the council's tight financial position; the levels of reserves now held; the effects of the significant additional expenditure pressures; the Government grant settlement and the significant level of efficiency savings; increases in charges and budget cuts that are needed to balance the budget; it has not been possible to identify acceptable options to enable the Council to fully prepare for all of the following issues. The 2008/09 budget that is proposed in this report is very 'tight' in a number of key areas. For example there is no allowance for inflationary growth on the majority of non staff and non contractual budgets and, in effect, these are cash limited. In addition the budget also requires a significant number of savings initiatives to be implemented. Of particular concern are the following key issues that could well add significant pressure, either to the 2008/09 budget after it has been set, or to future Council budgets:
 - a. The deficit on the pension fund ^{PARA 22} ;
 - b. The introduction of job evaluation ^{PARA 27} ;
 - c. The future costs of waste management ^{PARA 112A} ;
 - d. The increasing numbers of elderly persons and the costs of services for them ^{PARA 112 E} ;
 - e. The threatened substantial cuts in grants for 'supporting people' ^{PARA 112F} ;
 - f. The Highways PFI bid and possible funding necessary to address the backlog of outstanding works needed to the City highways infrastructure, and the level of works needed to Council buildings ^{PARA 112G} .
- 9 All of the above issues are covered in more detail later in this report.

Background

- 10 The base for the 2008/09 budget is the Council's net revenue budget for 2007/08 of £103.227m². The Medium Term Financial Strategy for 2008/09 (presented to the Executive in September 2007) estimated that to stay within the government's likely range for a 2008/09 Council Tax rise, meet all known expenditure pressures, and provide for service investment; the Council would be facing a budget gap for 2008/09 of around £10 - 11m after allowing for increased government grant and a Council Tax increase towards the upper end of the likely capping limit.
- 11 This gap takes into account the government's stated desire to see council tax increases averaging well below 5%. In the recent past the word 'average' has been used in a way that actually equates to a maximum and therefore the Director of Resources' opinion is that the proposed increase in 2008/09 of above 4.95% would be inadvisable. A figure of 4.5% to 4.75% should almost certainly be free from any threat of capping, but given the Council's low Council Tax and grant funding position it needs as high a Council Tax increase as can be achieved within the vagaries of the capping process. Members are reminded that any reduction in the size of the increase has knock on effects into future years, as future % increases would be from a lower than otherwise base.
- 12 York has consistently fared badly in the level of Government grant it receives compared to other local authorities and in 2008/09 this fell to an all time low of 58.6% of the unitary average.

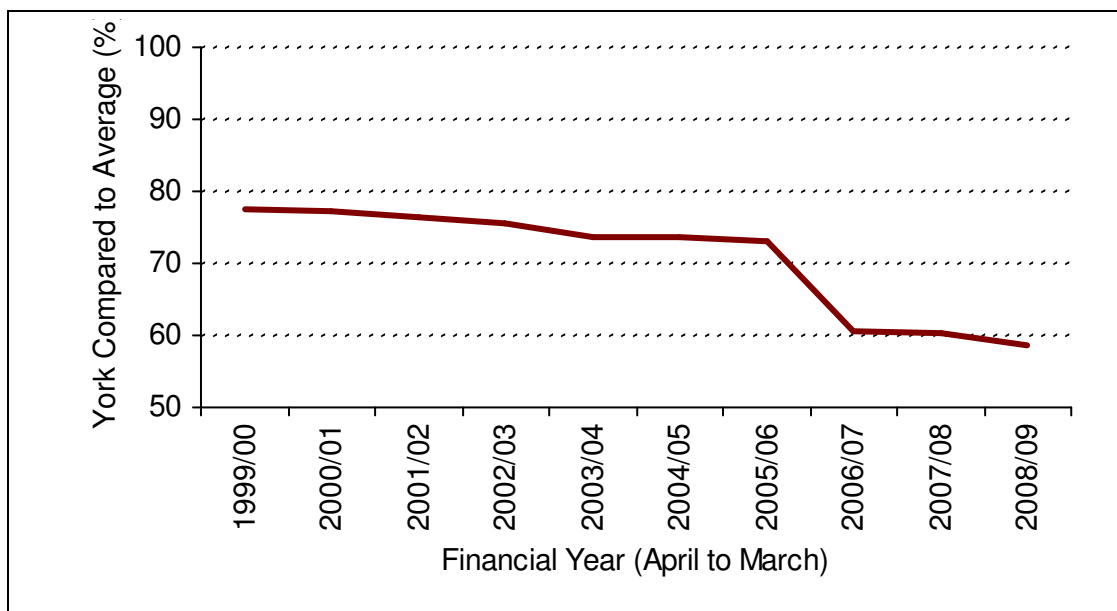
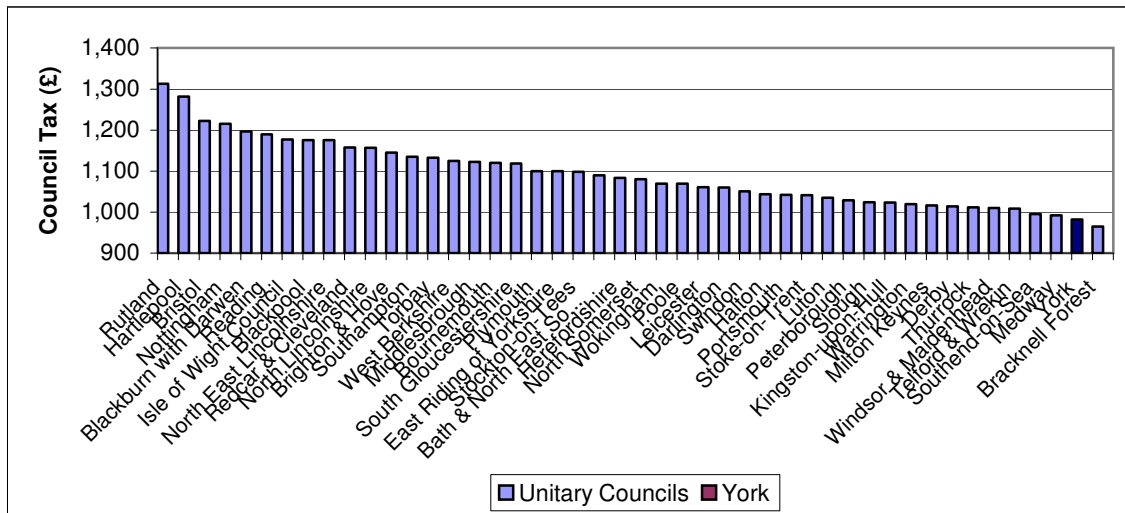


Figure 1 – Comparative Levels of Grant per Person (all unitary councils)

² This figure excludes £1.312m non-recurring expenditure funded from reserves as such expenditure does not impact upon the net revenue budget of the Council.

- 13 In addition, because the level of York's Council Tax falls far below the level assumed by the Government and the on-going threat of capping prevents this increasing substantially, the Council is unable to balance this low level of central Government funding through additional Council Tax. Indeed as shown in Figure 2 in 2007/08 York had the second lowest Council Tax of any unitary authority. As Figure 3 demonstrates, this low grant and Council Tax base has consistently resulted in York having the lowest budget spend per head of all unitary authorities.



Council a 3.2% increase in grant compared to a Unitary average increase of 4.8%. York did worse than average due to the unwinding of a set of floor and ceiling grant arrangements within the social services block.

- 15 Members of the Executive are asked to recommend the income and expenditure proposals in this budget paper for the approval of Full Council on 21 February 2008.

Future Issue

- 16 With 2007 having contained the Lyons review, the 3 year Comprehensive Spending Review and a range of other government led developments and initiatives it is likely that 2008/9 will be a year focussed more on planning, delivery and consolidation. The key upcoming issues for consideration that have a significant financial element will be consideration of the opportunities presented by a supplementary business rate, deciding on the use of LPSA2 reward grant when it is received in 2009/10 and the outcome of the Highways PFI bid which should be in April 2008, but has been much delayed.

Expenditure Pressures & Budget Position

- 17 Annex 1, summarised in Tables 1 and 13, sets out the latest estimate of the Budget position for 2008/09, using the funding assumptions described in the earlier section and the savings and growth presented to EMAP meetings. This shows that in 2008/09 the Council's net budget requirement will increase by £9.196m from £103.227m to £112.423m.

Expenditure Requirements	2008/09 £'000
Net Expenditure Budget for 2007/08	104,539
Less: One-off Funding for non-recurring items	-1,312
Starting Expenditure Requirement for 2008/09	103,227
Unavoidable and Corporate Non-Schools Expenditure Pressures	6,540
Directorate Growth Funded via Reprioritisation	9,282
Total Expenditure Pressures	15,822
Savings Proposals	-4,296
Adjustments on Corporate Budgets	-1,218
Additional direct grant for the new concessionary fares scheme	-1,112
Net Budget Growth / Additional Funding Requirement	9,196
Revised Projected Expenditure Requirement for 2008/09	112,423

Table 1 – 2008/09 Expenditure Requirements

- 18 Service and corporate spending pressures and growth proposals are outlined in Annex 3. Further detail on key corporate spending pressures is detailed below.

Growth

- a. Price Inflation (non-avoidable expenditure increases only, all other budgets cash-limited) ^{PARA 19}
- b. Pay Inflation ^{PARA 21}
- c. Employers' Pension Contributions ^{PARA 26}
- d. Job Evaluation Costs ^{PARA 27}
- e. Minimum Revenue Provision ^{PARA 36}
- f. Impacts of prior year savings ^{ANNEX 3}

Savings

- a. Reduced financing for borrowing (capital programme) ^{PARA 35}
- b. Interest earned on cash balances ^{ANNEX 4}
- c. Contingency Savings (Non-Utilised 2007/08 Funding) ^{ANNEX 4}

Price Inflation

- 19 As Figure 4 demonstrates during 2007 general price inflation⁴ has been running at between 2.8% and 3.9%. This is higher than the position for 2006.

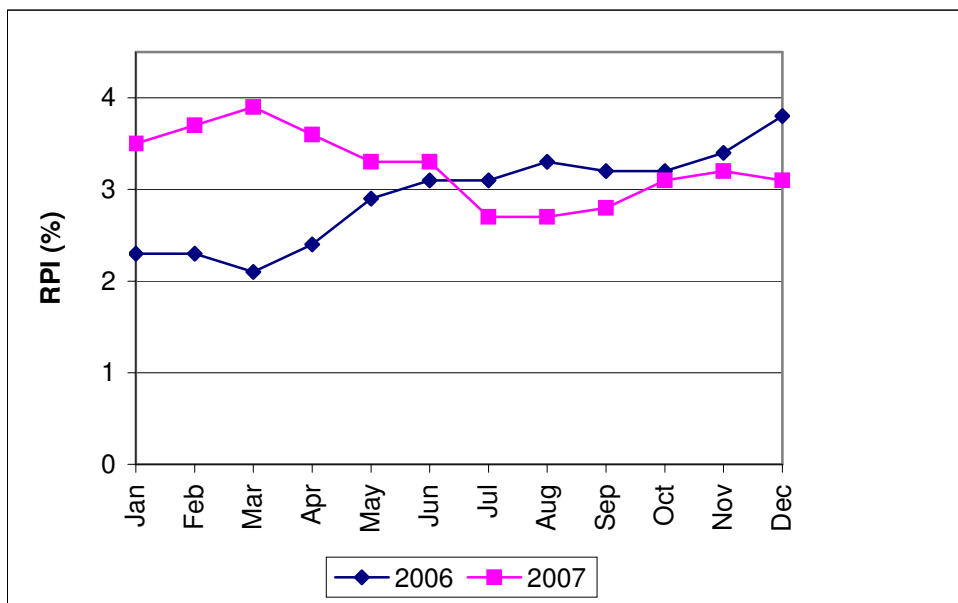


Figure 4 –RPI (Excluding Mortgage Interest)

- 20 Even with this increased level of uncertainty in the level of general inflation the severity of the expenditure pressures facing the Council for next year means that it is once again proposed that there is a general cash freeze on non-pay budgets. However, there are a number of unavoidable price increases including contractual prices and the cost of utilities / fuel all of which need

⁴ RPI excluding Mortgage Interest

additional funding. In total £1.452m has been allocated to cover such costs. Also included within this figure is a sum for the increased cost of Council Tax Benefits, at 4.95% in line with the overall Council Tax rise for York residents, and provision for Housing Benefits for both private and council tenants.

Pay Inflation and Employers' Superannuation Contribution

- 21 While estimates have been based upon a 2.5% APT&C pay increase the actual award has yet to be agreed, with the unions requesting a package of over 6%. The Council also employs a number of staff under different national conditions (for example Craft, Soulbury and Teachers). Where appropriate pay inflation for these employees has been included in line with current agreements and forecasts. In total pay awards are estimated to cost £1.895m.
- 22 The triennial valuation of the North Yorkshire Pension Fund (NYPF) was undertaken at the end of 2006/07. This review showed that the funding level of the whole fund had risen from 59% (£525m deficit) at 31 March 2004, to 67.2% (£618.5m deficit) at 31 March 2007, of which York's share was £95.3m (£2.3m less than previously). As recognised in last year's budget this was still below where the Council needs to be and additional investment should be considered to bring the fund back to a balanced level.
- 23 While the trustees of the Fund recommended a 30 year maximum recovery period to get back to 100% funding of all liabilities, as a default approach to covering these shortfalls the Council felt it would be more prudent to have a shorter recovery period and elected to maintain its fixed contribution rate of 17.6% of payroll costs for the period 2005/06 to 2007/08. Even so this rate increased York's recovery period from 15 to 24 years.
- 24 The 2007 actuarial valuation and the future actuarial projections allow for estimated changes in a number of demographic areas, most notably longevity. In addition the government has introduced changes to the Local Government Pension Scheme as a whole, including a move to 1/60th from 1/80th for each year worked and removal of lump sum provisions. These changes require an increased level of contributions from both employers and employees, with higher paid employees having to pay contributions of up to 7.5% compared to the previous 6%.
- 25 The triennial valuation in March 2007 takes account of
 - a. Changes to the National Scheme;
 - b. Longevity rates;
 - c. Membership profiles;
 - d. Investment growth;
 - e. Return on gilts;
 - f. Assumptions on future growth and inflation.
- 26 The Council's pension contributions are calculated as a % to be paid on top of pay costs. This % is 17.6% and consists of 10.2% for future service and 7.4% towards the deficit (known as Past Service), this was based on a 24 year recovery period. Now that a further 3 years have passed, the Council is down

to a 21 year recovery period and the actuary requires a future service contribution of 12.4% and a past service contribution of 6.9% totalling 19.3%. These figures take account of a substantial reduction in ill-health early retirements and the actuary has reduced the contribution rate for that element by 50%. In addition the Council has the option to work on a higher assumed rate of investment return than normal and this budget proposes that we do that, reducing the contribution rate by a further 1.3%. This leaves a pension contribution rate of 18% which is 0.4% (£255k) more than at present and this figure is included in the overall budget proposals. More detail on pensions is included at Annex 10.

Job Evaluation and Equal Pay

- 27 One of the consequences of the 2004 national three-year pay deal is that the Council must undertake a full pay and grading review based on a job evaluation exercise, and implement any resulting changes by 2007/08. There has been a delay in this, but positive discussions are being held with the unions with the aim of implementing a pay structure with effect from April 2008. No additional budgets to those already set aside (£2.6m ongoing plus much smaller contributions within school budgets and the HRA) are proposed in the 2008/09 budget although it should be noted that the funding within the 2008/09 budgets for both the April 2008 pay award and for increments will be utilised within the new pay scheme, subject to it being implemented with effect from April 2008.
- 28 The one-off funding built up in 2005/06 and 2006/07 of £1.54m together with the unused element of 2007/08 funding is likely to be fully utilised in making additional equal pay settlements (with further equal pay roadshows for the 2007/08 year due March 2008), settling outstanding claims from 2006/07 and prior years and in meeting the operating costs of the job evaluation and equal pay projects.
- 29 The council has attempted to reach agreement with over 1,400 mainly female posts over compensation relating to equal pay legislation. To date about 1,250 have reached agreements at a cost to the council of around £2.1m. The council is actively seeking to reach agreement with the remaining staff but most of these and some others have taken employment tribunal cases against the Council. 160 of these are due to be heard in a preliminary General Material defence hearing during the last 2 weeks of April. This will almost certainly lead to additional liabilities falling on the Council, but until further legal discussions have been held it is too early to say whether these will lead to additional costs beyond those already budgeted. Any such costs would fall to be met from reserves which are already under some pressure.

Corporate Redundancy and Early Retirement Budgets

- 30 The Council initially adopted a uniform policy for redundancies and early retirements in August 2002, with an update in January 2007. All redundancies and early retirements that fall under this policy are paid for from a corporate budget, whilst the costs of any exceptions to the policy are usually paid for by the relevant directorate.

- 31 The Council's policy is that it will normally pay for costs of early retirement and redundancies in the year in which they occur. Occasionally, due to either the size of the charge, or existing pressures on the budget, these costs can be spread over a period of up to 5 years. In addition, the budget must cover the costs of prior year decisions which are charged to the Council on an annual basis, for example, early retirement costs arising out of local government re-organisation and the continuing annual costs of teachers' early retirements.
- 32 In summary, the estimated outturn for 2007/08 is:-

	£000's
Recurring Budget	1,338.5
2007/08 One-Off Virements	293.7
Total 2007/08 Budget	1,632.2
Estimated 2007/08 Expenditure	1,609.6
Estimated Underspend	22.6

Table 2 – Estimated Out-turn for 2007/08

- 33 The breakdown of the above, in terms of prior year, redundancy and early retirement payments is shown in the table below:-

	Cost £000's	No. of Employees
Annual Charges for Prior Year Retirements	715.7	
Non-Schools		
Redundancies (incl. Retirement Costs)	260.7	14
Early Retirements	140.0	5
Schools		
Redundancies (incl. Retirement Costs)	410.8	24
Early Retirements	52.8	16
Administration Charges	29.6	
TOTAL	1,609.6	

Table 3 – Analysis of Spend 2007/08

- 34 As a result of the above and the small number of redundancies projected to result from this budget no change is proposed in 2008/09 to the Council's corporate redundancy and early retirement budgets.

Capital Financing

- 35 The Council has to make provision within the revenue account to fund the interest and principal repayments on any borrowing it undertakes. Until 2006/07 the FSS formula provided an explicit allocation of funds to support this expenditure however, with the implementation of the four-block model, this is no longer the case. The Council also funds a significant proportion of its

capital expenditure from capital receipts. The continued use of capital receipts will result in the reduction of investment income which could have been generated if these receipts had been invested on the money markets.

- 36 The Minimum Revenue Provision (MRP) represents the minimum amount the Council must set aside to repay its debt, rather like the Principal element of a mortgage repayment. This is calculated as a percentage of the Council's capital financing requirement. The capital financing requirement reflects the Council's underlying need to borrow for a capital purpose. The additional growth of £212k represents the increased amount of set aside needed to comply with the statutory requirements. In addition to the MRP there are interest costs of borrowing additional funds to finance the capital programme. A thorough review of all treasury management costs has been undertaken as part of this years budget exercise and because of anticipated borrowing not being taken in 2007/08, there is more than sufficient budget currently available to cover the costs of any anticipated borrowing in 2008/09. In fact, as a result of the review, the treasury budgets can be reduced by £273k in 2008/09 and there continue to be sufficient budget to allow the 2008/09 borrowing to be funded. This position reverses itself in 2009/10 when additional funding will be required.

Waste Management

- 37 It is both a Council and Government priority to reduce the amount of household waste being sent to landfill. In order to achieve this and assist in reaching the target of diverting biodegradable waste from landfill to achieve Landfill Allowance Trading Scheme (LATS) targets the kerbside recycling scheme has been expanded. The scheme now includes more households and a cardboard and plastics collection that requires 3 larger vehicles. Further proposals are contained within this budget to expand kerbside recycling within the city centre on a pilot basis at a cost of £80k per year. The full costs of implementation of kerbside and other city centre recycling will be informed by the pilot, but will be significantly more than the cost of the pilot and is likely to require funding in future budgets before 2010/11. Investment is needed across the waste management agenda in order to meet LATS targets and avoid fines and in total the budget for 2008/09 includes £864k of growth pressures. These comprise:

- Landfill Tax, £450k
- Impact of Growth in Property Base, £133k
- Waste Strategy, £250k
- Advance purchase of land options for waste treatment facilities, £31k.

Budget Growth and Investment

- 38 Service departments have identified a number of areas which require increased investment. They have been evaluated on the basis of statutory requirement, risk to Council business, health and safety of the public and Council staff, proven customer demand and the contribution to the corporate priorities.

- 39 Annex 3 lists growth proposals totalling £15.822m. Within this £9.282m represent directorate pressures (Table 4) of which, as summarised in Annex 6, £1.823m is one-off growth that it is proposed to meet from reserves. It should be noted that this £1.823m includes £0.597m one-off funding commitments which are viewed as unavoidable due to their nature or commitments made in previous years.

	2008/09 £'000	2009/10 £'000	2010/11 £'000
Housing	0	0	0
Adult Social Services	3,115	3,667	3,867
Leisure and Culture	0	0	0
Children's Services	524	524	522
City Strategy	2,364	2,764	2,644
Economic Development	0	0	0
Chief Executives	104	104	104
Resources	123	161	171
Neighbourhood Services	1,229	1,791	2,329
Recurring Growth	7,459	9,011	9,637

Table 4 – Recurring Directorate Growth

Savings and Income Generation

- 40 Annex 4, summarised in Table 5, details the £4.296m of individual savings and income generation proposals submitted by each service department. Other proposals which were rejected are shown in Annex 9.

	2008/09 £'000	2009/10 £'000	2010/11 £'000
Housing Services	32	13	13
Adult Social Services	1,062	1,731	1,731
Leisure and Culture	365	365	365
Children's Services	494	504	504
City Strategy	440	440	440
Economic Development	70	0	0
Chief Executives	253	258	224
Resources ⁵	855	859	859
Neighbourhood Services	725	725	725
Net Total of Savings	4,296	4,895	4,861

Table 5 – Saving Proposals

- 41 Comments from the Head of Human Resources on the implications of these proposals in terms of posts lost and possible redundancy situations are detailed later in this report.

⁵ This total excludes the £150k offered from improved council tax collection which forms part of the council tax calculation

Summary of Directorate / Portfolio Budgets

- 42 Table 6 summarises the proposed net general fund budgets on a portfolio basis. Under the constitution the Scrutiny Management Committee is entitled to request an annual budget for its work. At its meeting on the 28 January 2008 it determined this request to be £20k which is £14k higher than the existing budget of £6k. This request has been included in the consultation section of the budget figures and appendices for members to consider, but is not included within the options actually proposed for funding within this budget.

	2008/09 £'000
Housing	1,495
Adult Social Services	37,280
Children's Services - General Fund	27,433
Leisure and Culture	9,349
City Strategy	16,516
Economic Development	2,314
Chief Executive	4,702
Resources	4,371
Treasury Management	6,845
Neighbourhood Services	15,044
	125,349
Neighbourhood Services - Traded Services	-354
Contingency	800
Job Evaluation Budget	2,616
Asset Rentals balancing figure	-18,763
Corporate Revenue Budgets (e.g. pensions)	1,231
Other Corporate Budgets (e.g. fuel inflation)	1,544
TOTAL	112,423

Table 6 – Summary of 2008/09 General Fund Portfolio Budgets

Contribution from the Collection Fund

- 43 The Collection Fund is the ring fenced account where all Council Tax is credited⁶. 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. If there is a surplus, the funds are used to reduce the Council Tax. If in deficit, a higher Council Tax must be set and the taxpayer must fund the shortfall. All major precepting authorities⁷ share in any surplus or deficit on the fund, York's share of the surplus is 80.40%.
- 44 For a number of years, due to high collection rates and the buoyancy of the housing market, York's Collection Fund was in surplus. However in 2005/06 this was not the case and hence no surplus was available for distribution. Since 2006/07 the position has improved and as a result it is forecast a

⁶ This includes monies collected on behalf of Parish Councils, the Police and Fire Authorities

⁷ City of York, Police and Fire Authorities

£0.249m surplus will be produced providing a one-off contribution towards the council's budget of £200k.

- 45 The existing components of the current (2007/08) Band D Council Tax for a City of York resident are shown in the Table 7. It should be noted that these figures exclude parish precepts which are an additional charge in some areas.

	£
City of York Council	982.06
North Yorkshire Police Authority	185.40
North Yorkshire Fire Authority	56.04
TOTAL	1,223.50

Table 7 – Make Up of 2007/08 Council Tax

- 46 The recommendation made in these papers is that from April 2008 the City of York Council's (CYC) element of the Council Tax will rise by 4.95% to £1,030.67. Such an increase would yield £4.0m in additional income for the Council. This figure reflects an increase in council tax from existing properties of £3.17m, £0.68m council tax income from new properties and £0.15m from improved collection rates.

Fees and Charges Proposals

- 47 Detailed proposals for fees and charges are presented at Annex 8. The vast majority of proposals are in line with a recommended increase of between 2.5% to 3.0%. However, it should be noted that the proposals in this report do not include any additional income from increased charges for standard stay car parking charges, on-street parking charges, or season tickets for contract parking. These are included in Annex 5 and are to be considered as part of the consultation exercise.

Use of One-Off Funding to Support One-Off Expenditure Items

- 48 Table 8 shows the position on all of the unearmarked General Fund reserves which, it is anticipated, will decrease from an estimated £9.418m at the start of the 2008/09 financial year to £3.597m by the end of 2010/11. In the longer term the Council's budget should not rely on one-off funds to support recurring expenditure, but it is good financial practice to use such funds to support one-off expenditure. In this regard it should be noted that the above figures do not include future unidentified one-off pressures funded by reserves, nor do they include any additional sums that may be due to the Council under the Local Authority Business Growth Incentive (LABGI) scheme. The government have announced that prior to releasing any further sums they are reviewing the scheme, and it is therefore prudent to assume at this moment that none will be received. The Council received £537k during 2007/08 from the scheme. However they do include the temporary use of the venture fund in support of the New Hungate Offices project, which will start to be repaid during 2011/12.
- 49 It is assumed in the budget projections in this paper that all of the net one off expenditure for 2008/09 totalling £1.823m, will be funded from Revenue Reserves reducing the available balance on the general fund to £4.744m.

- 50 Forecasts for the future levels of reserves are shown at Annex 7. In addition the contingency (Annex 2) contains potential one-off expenditure pressures totalling £201k which it may be appropriate to consider funding from the general reserve.

	2007/08 Projected Outturn £'000	2008/09 Budget £'000	2009/10 Budget £'000	2010/11 Budget £'000
General Fund	7,366	4,744	3,656	3,428
Venture Fund	1,898	1,222	833	15
Neighbourhood Services	154	154	154	154
Total	9,418	6,120	4,643	3,597
CPA / Prudent Minimum Reserves	5,201	5,222	5,388	5,388
Headroom in Reserves	4,217	898	-746	-1,792

Table 8 – Projected General Reserves

- 51 Under current CPA guidance, a recommended prudent level of reserves for this Council should be 5% of the net non-schools revenue budget. For 2008/09 this would be equal to 5% of £110.600m, or approximately £5.530m. However in line with best practice the council is looking to move away from this blanket figure to a targeted calculation taking into account identified risks and known commitments. The Director of Resources has undertaken a mini-review of the level and nature of balances held both for general purposes and for earmarked purposes, and also calculated the level that should be held by undertaking a risk assessment for the Council rather than using the former CPA guidance of 5% of net general fund budget. In considering what level of general purpose balances that should be held, rather than those held for earmarked purposes, the Director of Resource has determined that, as a minimum, the prudent level must:
- Provide sufficient cover to match the highest peak values for net departmental overspends over the last three financial years (£1.910m);
 - Be sufficient to fund the Council's contribution to the Bellwin scheme relating to the costs of two major disasters in a financial year (£0.760m);
 - Cover a shortfall in council tax income of approximately 0.5% (£0.340m);
 - Cover 2% of the Council's net revenue budget (£2.212m).
- 52 The total of the above is that the prudent minimum level of reserves is calculated at £5.222m compared to the former CPA guideline figure of £5.530m. For 2009/10 the minimum prudential balance is estimated at £5.388m.

- 53 For calculation purposes the overall general reserves comprise the general fund reserve, the venture fund reserve and the commercial services reserve. Details of these are also shown in Annex 7.
- 54 Members are reminded that balances are not normally used to fund recurring expenditure and any further large approvals against these balances will reduce the scope for Members to utilise reserves to fund current year overspends or new investment in future years. Using balances to fund recurring expenditure creates funding problems in future years, as the resources will no longer exist, but the expenditure will.
- 55 It is forecast that by the end of 2008/09 the Council will have relevant reserves totalling £6.120m, against a prudent reserve level of £5.222m. However this position assumes that there will be an underspend during 2007/08 in line with the projections at the second monitor, and that there will be no additional LABGI income received.
- 56 It is clear that the level of reserves being drawn upon to support the 2008/09 budget, whilst affordable, present some considerable risks, particularly in terms of the 3 year projection. It is suggested that the Council review reserves in summer 2008 in light of the 2007/08 end of year accounts which are likely to show an underspend, possibly a larger one than currently forecast. If this is not the case or it is insufficient to resolve the problem then the Council will need to reconsider its planned use of reserves in the autumn.

LPSA2 Reward Grant

- 57 In accordance with the decision of the Executive of 24 July 2007 it is proposed that the residual LPSA2 grant estimated at £850k will be used to implement and manage schemes that will have the greatest impact on achieving key LAA targets. Council Directors and partner organisations will be asked to submit bids for schemes requiring only one-off public funding.
- 58 In accordance with the decision of the Executive the Director of City Strategy and the Director of Resources will develop a robust bid process and supporting documentation (with particular reference to methodology and target monitoring) to facilitate the allocation of any LPSA2 grant funding which may become available. This will be completed by May 2008.
- 59 It is proposed that the Without Walls (WOW) Partnership will determine what the LAA targets for the period 2008/09 - 2010/11 will be by June 2008. At this point it will be able to invite bids from partners, using the methodology developed, to request LPSA2 funds to achieve targets. The WOW Executive Delivery Board will assess the bids and make recommendations to the council as to the most appropriate allocation of the funds by December 2008.

General Contingency

- 60 In order to meet any unforeseen or currently unquantifiable costs which may arise during the financial year, the Council sets aside a contingency amount in the budget. This is a prudent way to ensure that unforeseen costs do not result

in any substantial overspends against budget, which would impact on Council reserves or require in year cuts to be made. Since release of contingency funds is reserved to the Executive it also allows a clear and transparent decision to be made about the release of contingency funds based on information provided in reports to the Executive. Due to the uncertainty of size and nature of the issues and indeed whether some of them will happen at all, the level of funding provided is less than the total potential demands. As Figure 5 shows calls on the contingency have varied significantly in recent years.

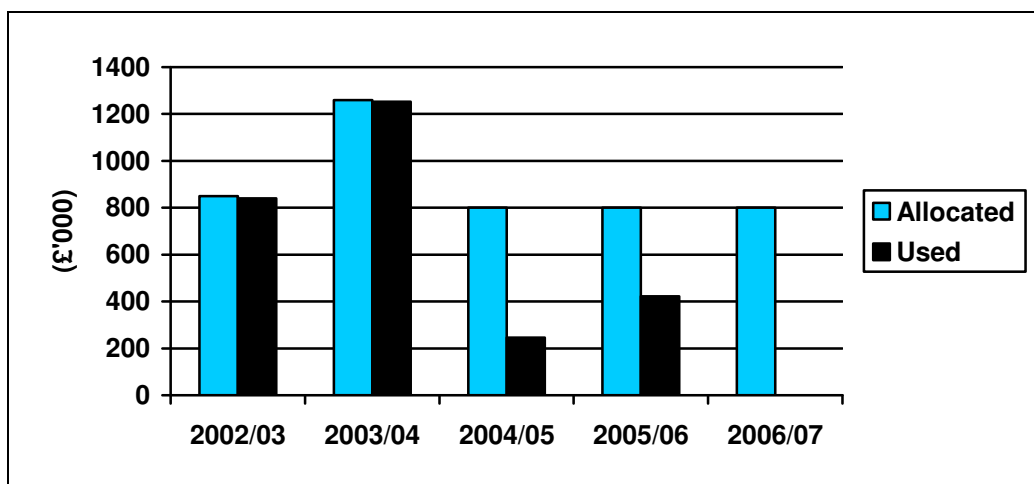


Figure 5 – Size and Use of Contingency

- 61 The General Contingency for 2008/09 will need to be set at a level to allow the Council to cope with some potentially significant financial issues, which are at this stage not fully quantifiable. Details of possible calls on the contingency are set out at Annex 2 and summarised in Table 9.

	2007/08				2008/09	
	One Off £'000	Utilised £'000	On Going £'000	Utilised £'000	One Off £'000	On Going £'000
HASS	280		0		0	93
LCCS	0	40	0		0	306
City Strategy Chief	0	273	400	400	164	1271
Executives	20		0		37	94
Resources	200	200	0		0	100
Neighbourhood Services	0		80		0	150
Corporate ⁸	100	278	545		0	38
Total	600	791	1,025	400	201	1,952

Table 9 – Summary of Potential calls on Contingency

⁸ 2007/08 Included £275 for social care pressures which if required would be utilised by LCCS or HASS.

- 62 In the context of the estimates provided above and the difficulties of costing some of the proposals it is recommended that Members set a robust contingency for 2008/09 at an increased level of £800k compared to £600k in 2007/08.

Contribution to the Council's Priorities

- 63 The council's corporate strategy for 2007 to 2011 has laid down 10 clear priority areas and 4 values:-
- (a) Decrease the tonnage of biodegradable waste and recyclable products going to landfill.
 - (b) Increase the use of public and other environmentally friendly modes of transport.
 - (c) Improve the actual and perceived condition and appearance of the city's streets, housing estates and publicly accessible spaces.
 - (d) Reduce the actual and perceived impact of violent, aggressive and nuisance behaviour on people in York.
 - (e) Increase people's skills and knowledge to improve future employment prospects.
 - (f) Improve the economic prosperity of the people of York with a focus on minimizing income differentials.
 - (g) Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest.
 - (h) Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.
 - (i) Improve the quality and availability of decent, affordable homes in the city
 - (j) Reduce the environmental impact of council activities and encourage empower and promote others to do the same.

The 4 values are:-

- Delivering what our customers want
- Encouraging improvement in everything we do
- Supporting and developing people
- Providing strong leadership

- 64 All of the growth and savings proposals considered as part of the budget have taken account of the link between the proposal and the delivery of Corporate Priorities. This process has led to the Priorities being more likely to receive growth bids and less likely to be the subject of service cuts than would otherwise have been the case. However, the Council does not accept the premise that all priorities and values should automatically receive more funding. In many cases the corporate priority may already have a reasonable level of funding and the focus should be on the use to which that funding is put to achieve priority outcomes. In other cases priorities have been able to access funding outside of the budget process, from specific grants for example as in the case of the Transport Efficiency review or from Yorkshire Forward as in the case of the Eco-depot. In addition the financial resources allocated to the Priorities and Values are not necessarily the key resources. Councillor, management and staff time and engagement, clarity of purpose, direction and

leadership alongside consideration of the contribution existing funded projects and change programmes can make, are all vital in giving the Corporate Priorities within the Corporate Strategy the emphasis that they deserve.

- 65 The Audit Commission completed a review during 2007 which included discussions on the way in which the Council could more clearly link its resource utilisation to its Corporate Strategy and Priorities. It was agreed that the Budget report to Full Council would include a specific section outlining the types of resources supporting each priority. This information is being prepared and will be included with the report to Full Council on 21 February 2008.

Funding Position

Government Settlement - 2008/09

- 66 In 2006/07 the Government changed its approach to local authority funding. Before this date settlements were based on assumptions of spending need (Formula Spending Share). This spending need was partially funded by formula grant (Revenue Support Grant plus Non-Domestic Rates) and was balanced by a Government assumption on the amount of Council Tax each local authority could raise (Assumed Notional Council Tax).
- 67 From 2006/07 Local Government funding is based on a four-block model which no longer uses notional figures for spending and local taxation. Instead the formulae are now simply a means to distribute actual Government grant. Allocations from this approach are shown in Table 10.

	2007/08 £'000	2008/09 £'000
Relative Needs Block	24,766	24,966
Relative Resource Amount	-17,794	-17,964
Central Allocation	32,244	36,388
Floor Damping	-0,872	-1,024
Net Allocation	38,343	42,366

Table 10 – Government Funding Allocations 2007/08 and 2008/09

- 68 The government also committed itself to longer term financial settlements linked to the comprehensive spending review (CSR) cycle. The CSR 07 announced in September covered the three year period 2008/09 to 2010/11. .
- 69 As Table 11 demonstrates, the funding settlement for 2008/09 indicated a £1.324m increase in formula grant. With smaller increases of £1.160m and £1.108m for 2009/10 and 2010/11. The Council's grant has, due to use of floor damping, been reduced by £2.137m (£1.265m and £0.872m for 2006/07 and 2007/08 respectively) and will be reduced by a further £1.024m, £1.128m and £1.155m in 2008/09, 2009/10 and 2010/11. At this stage no indications are available about when this damping will finally cease and CYC will get its full grant entitlement, but it looks set to continue for several more years yet.

	2007/08 £'000	2008/09 £'000
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Formula Grant for Prior Year	37,151	38,343
Transfer of Responsibilities/New Burdens	-0,201	2,699
Adjusted Prior Year Formula Grant	36,950	41,042
Increase in Formula Grant	1,392	1,324
Formula Grant for Year	38,343	42,366

Table 11 – Breakdown of Funding Settlement

- 70 York's funding has been affected by transfers of specific grants and new responsibilities into RSG funding which have resulted in a £2.699m increase in overall grant.
- 71 The largest transfers included within the £2.699m are Children's Services grant (£0.459m), Delayed Discharge grant (£0.302m), Access and Systems Capacity grant (£1.635m) and Waste Performance and Efficiency Grant (£0.203m) and there are growth proposals for each of the transfers included within Annex 3.
- 72 As Table 12 shows, the above adjustments have resulted in additional Government funding of £4.023m being available to support the Council's spending needs the majority of which is required to ensure the continuation of services for which external grant has been withdrawn. It should be noted that this is £1.024m less than would be the case if formula damping were not in place.

	2007/08 £'000	2008/09 £'000
Reduced RSG due to Grant and Service Transfers	-201	2,699
Additional RSG/NNDR for 2007/08 settlement	1,392	1,324
Total	1,191	4,023

Table 12 – Gross Increase in Government Funding (General Fund)

- 73 Annex 1, summarised in Table 13, shows how these changes in funding affect the overall funding position for the Council. Once the use of reserves is taken into account the Council has £108.423m of funding available against identified budget pressures of £112.423m. This leaves £4.000m to be met from the Council Tax, the equivalent of a 4.95% increase on a Band D property. Including the contribution from the collection fund this would increase the Council Tax element of funding for York to £4.200m.

Funding Requirements	2008/09 £'000
Existing Funding	104,539
Removal of one-off funding for non-rec exp.	-1,312
Starting Funding for 2008/09	103,227
<u>Funding Changes in 2008/09</u>	
Additional Grant due to Transfers	2,699
Increase in RSG	1,324
Contribution from Collection Fund Surplus	-650
Use of Reserves	1,823

Revised Funding for 2008/09	108,423
Additional Council Tax Income Required	
• From Increase in Council Tax	3,170
• From Additional Properties	680
• From improved collection rates	150
Net Impact of Council Tax Increase of 4.95%	4,000
Net Funding Available	112,423

Table 13 – 2008/09 Funding**Adopting Changes to the Proposals**

- 74 Details of service budgets and plans were provided to members as part of the EMAP papers for consultation. Included in those papers were a number of items identified as to be proposed to the Executive and some identified for consultation. The recommendations in this report are based on a set of proposed growth and savings items which, when amalgamated with the grant settlement and a 4.95% Council Tax increase, produce a balanced budget. This balanced budget takes no account of the items listed as to be consulted upon and those listed as not proposed.
- 75 The savings and growth options which have been the focus of the comprehensive consultation exercise, including the EMAPs are shown at Annex 5 and summarised in Table 14. If they were all accepted then there would be a budget reduction of £1.712m. Members are also reminded that under the constitution the Scrutiny Management Committee is entitled to request an annual budget for its work. At its meeting on the 28 January 2008 it determined this request to be £20k which is £14k higher than the existing budget of £6k. This request has been included in the consultation section of the budget figures.

	2007/08 £'000	2008/09 £'000	2009/10 £'000
Housing and Adult Social Services	-559	-240	10
LCCS	-325	-325	-325
City Strategy	-659	-659	-659
Chief Executives	0	0	0
Resources	0	0	0
Neighbourhood Services	151	236	240
Corporate Services	-320	-320	-320
TOTAL	-1,712	-1,308	-1,054

Table 14 –Consultation Options

- 76 At the Council meeting on 24 January 2008 a petition with 21 signatures was presented by Cllr Looker objecting to proposed cuts to Council services at Sycamore House. Copies of the petition can be made available to Members if they wish to see it. Members should consider this petition as part of the consultation process.

- 77 At Executive or Full Council members are invited to move amendments in order to either
- a. Include some of the growth and savings options listed as being consulted upon
 - b. to make amendments to, delete or enhance the list of budget options that are proposed
 - c. to include items from the not proposed lists
 - d. to alter the Council Tax level, taking account of the information about possible capping and allowing for the fact that each 0.1% reduction in Council Tax requires a further £64.8k of budget to be identified.
- 78 Members also need to take due cognisance of the need to ensure that any amendments to the budget are balanced, that is savings and growth must either equal each other; or be corrected via appropriate transfers to or from reserves; or result in equivalent adjustments to the Council Tax levied by the Council; or reflect adjustments to the fees and charges levied.

Housing Revenue Account (HRA)

- 79 There is a separate budget report for the HRA which is attached at Annex 10. The proposals will ensure that the HRA is fully balanced, with expenditure commitments being matched by ring-fenced income. To balance the account and meet revenue growth requirements of £280k, and following a proposed rent increase of 5%, savings proposals of £1,086k have been made. The working balance on the HRA at the 31 March 2008 is estimated to be £5.577m, a decrease of £0.413m over the balance at the end of 2007/08. This balance is required to achieve the decent homes standard by 2010 in line with the HRA business plan. Full details of all proposals and supporting information are in the HRA Budget Report.

Dedicated Schools Grant and the Schools Budget

- 80 For schools funding delivered through the Dedicated Schools Grant (DSG), 2008/09 is the first year of a three-year budget period. The DSG is provided by the Department for Children, Schools and Families (DCSF), is the main funding stream for schools' expenditure and is ring-fenced for funding the provision of education for pupils in schools (maintained, Pupil Referral Units [PRUs], Private, Voluntary & Independent [PVI] nurseries or externally purchased places). As such it covers funding delegated to individual Council maintained schools through the Local Management of Schools (LMS) Funding Formula and funding for other pupil provision which is retained centrally by the Council (e.g. Special Educational Needs [SEN], Early Years, PRUs etc.). The DSG is distributed according to a formula, which guarantees a minimum per pupil increase for each Council of 3.1% in 2008/09 and 2.9% in 2009/10 & 2010/11 (was 5% in 2007/08). Additional funding is then allocated based on Ministers' priorities.

- 81 The Council by itself cannot use the DSG for any purpose other than Schools Budget expenditure, although with the permission of the Schools Forum limited contributions can be made to the following areas:
- Combined budgets supporting Every Child Matters objectives where there is a clear educational benefit.
 - Prudential borrowing, where overall net savings to the Schools Budget can be demonstrated.
 - Some SEN transport costs, again only when there is a net Schools Budget saving.
- 82 There are also strict limits (Central Expenditure Limits [CEL]) on the amount of the DSG that the Council can retain to fund pupil costs outside mainstream schools and PVI nurseries e.g. SEN, Out of City Placements, PRUs, Behavioural Support etc. At this stage the Council has no plans to ask the forum to agree to any increases in centrally retained expenditure above the CEL.
- 83 Headline figures from the DSG settlement showing that for 2008-11 York's increase in DSG is estimated at £9.669m or 11.6% and below the national average of 12.0%. As pupil numbers in York are projected to fall over this period, this equates to an increase of £489 per pupil or 13.5%, above the national average of 13.1% per pupil.
- 84 Within these figures, additional funding above the minimum percentages per pupil (3.1%, 2.9% & 2.9%) has been allocated to York for a number of government priorities namely:
- Personalised Learning (£2,777k)
 - Pockets of Deprivation - targeting pupils from deprived backgrounds within authorities that have an overall relatively low level of deprivation (£673k)
 - Funding 6th Day of Exclusion (£21k).
- 85 Compared to other Councils York has fared relatively well in the settlement, particularly in 2008/09 when the percentage increase in per pupil funding is the 6th highest out of all 149 Councils (24th highest over the 3 year period). On a cash increase per pupil basis, York ranks 36th highest in 2008/09 (78th highest over the 3 year period).
- 86 The reason for this is the extra funding for "Pockets of Deprivation". This has only been allocated to 46 Councils as it is intended to support children from deprived backgrounds who attend schools in less deprived Councils. York has been allocated £30 per pupil in 2008/09, the 5th highest allocation nationally. There is a presumption that this extra funding will be allocated to schools in the city based on relative levels of deprivation.
- 87 Despite these increases though, York's actual funding level is still at the lower end nationally, 23rd lowest (out of 149 Councils) by the end of the 3-year period. This means that if York received the national average funding in 2008/09 there would be an extra £265 for every pupil or £6.036m in total. This

would be enough to give an extra £266k to every secondary school and £56k extra to every primary school. This is also the equivalent of an additional 165 teachers or 300 additional classroom assistants.

- 88 The DSG is ring-fenced for funding the provision of education for pupils in schools. As such it covers funding delegated to individual schools through the LMS Funding Formula and funding for other pupil provision that is retained centrally by the LEA. It is distributed according to a formula that guarantees a minimum per pupil increase for each authority (5% in 2007/08). Additional funding is then allocated based on Ministers' priorities. For 2007/08 personalised learning and practical options for 14-16 year olds have been identified as priorities.

Funding Available within the DSG (£86,329k)

- 89 The funding available includes the estimated 2008/09 DSG allocation of £86,527k less an estimated deficit carry forward from 2007/08 of £198k, mainly due to a small overestimation of pupil numbers in 2007/08.

Balancing the Dedicated Schools Grant

- 90 There is currently £57k of DSG unallocated within the draft Schools Budget at the time of writing this report. Further work will be undertaken in conjunction with the Schools Forum to identify options for allocating this funding, with officers recommending that additional resources are targeted towards Behaviour Support Services. At its budget meeting on 12 February the Executive will be updated on the outcome of the discussions with, and decisions/comments of, the Schools Forum.

Precepts

- 91 In addition to the Council Tax to be charged by the City of York, the overall charge must include the precepts from the Police Authority, Fire 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 the 21 February. However to put this decision in context in 2007/08:
- The Police Authority increased its precept by 3.0% (£5.40) resulting in a Band D Council Tax of £185.40.
 - The Fire Authority increased its precept by 3.89% (£2.10) resulting in a Band D Council Tax of £56.04.
- 92 As Table 15 demonstrates in 2007/08 these increases resulted in a total Band D Council Tax for York of £1,223.50.

	2007/08			2008/09	
	Increase (£)	Increase (%)	Council Tax	Council Tax	Increase (%)
CYC	42.29	4.50	982.06	1,030.67	4.95
Police	5.40	3.00	185.40		

Fire	2.10	3.89	56.04		
Total	49.79	4.24	1223.50		

Table 15 – Headline Council Tax Figures for City of York Area

- 93 There are 31 parish Councils within the City of York Council area all of which will have set their precepts before the council meeting on the 21 February. In total the parish precepts rose by 8.9% in 2007/08. This overall change masked a wide variety of increases and decreases in the individual parishes ranging from a reduction of 50% at Osbaldwick to increases of 25% at Askham Bryan and Strensall and Towthorpe. Hessay's precept more than doubled in value, but from a base of £1k only went up to just over £2k. In 2007/08 the impact upon individual taxpayers also varied from a Council Tax charge of £7.57 per Band D property in Strensall and Towthorpe, to £30.44 in Heslington.

National Non Domestic Rates (NNDR)

- 94 In April 2007 the two NNDR multipliers were 44.4p in the pound for normal properties and 44.1p in the pound for smaller properties (based upon the total rateable values of all properties held by a single owner). From April 2008 these multipliers will increase to 46.2p (4.05%) and 45.8p (3.85%) respectively. Bills for individual ratepayers will also be adjusted in line with the national transitional relief scheme, which from April 2005 to March 2009, aims to mitigate the effect of those properties that would otherwise see large changes in their NNDR bills.
- 95 During the consultation meeting with the business community concern was expressed that as a city York did not benefit from growth in its business community through the payments made by companies via NNDR. The NNDR income which the council collects is remitted in full to the Treasury, which redistributes amounts to Local Authorities as part of the RSG settlement process. In addition to this there is the national LABGI scheme which is designed to reward councils with one off funding if they exceed a target for the generation of business rates. This reward funding can be used for any purpose.
- 96 Unfortunately for York the current trend in rateable value for business premises has been downwards with large-scale businesses closing their operations, for example Terry's of York. Therefore, although there is a perception that in certain parts of the local economy there is steady growth, overall there has been a fall in real terms in the amount of business premises being occupied. York looks unlikely to benefit from this scheme either in 2007/08 or 2008/09 after which it is not known if the scheme will continue. It is worth noting that council owned properties comprise 3.6% of the total NNDR liability for the York area.

The Government's Efficiency Agenda

Efficiency

- 97 The current efficiency agenda that was introduced as part of the comprehensive spending review (CSR) in 2004 is coming to the end of its first phase at the end of 2007/08. An amended process is being introduced for the 3 years from 2008/09 onwards
- 98 The current scheme, which was originally known as 'Gershon' had cashable and non-cashable targets of 2.5% per annum of which at least half had to be cashable against a Government prescribed baseline. The Council's cumulative target for the 3 years was £8.8m and the Council is on target to achieve £10.6m, an over achievement of £1.8m. The £10.6m comprises of £9.3m cashable and £1.3m non-cashable savings.
- 99 The whole of the cashable savings declared to date have originated as part of the annual budget process as savings proposals to balance the budget which, after scrutiny, have also met the Government's criteria to be classed as an efficiency saving.
- 100 As part of CSR 07 it was announced that the efficiency agenda would continue although there will be several key amendments to the process. The non cashable element of the savings will be removed and the cashable savings are set as a 3% national target, although there is no requirement to set a target at individual local authority level. The other change is that the whole efficiency approach adopted by the authority is likely to be subject to enhanced scrutiny through the new Comprehensive Area Assessment process which will focus on how the council is tackling efficiency and getting full engagement, as opposed to how much of the target has been achieved.
- 101 Although there is no requirement for the Council to publicly set itself a target for efficiencies it is felt that this will be a useful tool in monitoring progress even if just for internal purposes. The national target equates to 9.3% over the next three years. Given York is already provably efficient in value for money terms this will be a tough target to achieve. It is also a considerable increase over the current cashable target. As such it is proposed that York adopts the national target as its own as that in itself will be a stretching yet realistic target which sends out the right message about the Council's drive for further efficiency. A phased approach to its achievement is considered more realistic for example;

	2008/09	2009/10	2010/11
Target	1.5%	3.1%	4.7%

- 102 The new scheme allows Local Authorities to carry forward any cashable savings that exceeded the current three year target and for York this is estimated at £500k. An initial review of the savings proposals contained in this report for 2008/09 suggests the ones that meet the efficiency criteria could total in the region of £1.5m. The Council will have, therefore, approximately £2m in year 1, which on the revised baseline of £134.7m gives an estimated achievement of 1.48%, before any other efficiencies that may be generated in year from the approved efficiency and strategic procurement programmes. These programmes will need to deliver considerable additional efficiencies

during the next 3 years in order to both meet the target and more importantly to produce savings to help balance the Council's future budgets.

- 103 To assist Local Authorities the Government will be allocating £185m nationally via the new Regional Improvement and Efficiency Partnerships (RIEP's) which are an amalgamation of the Regional Centres of Excellence and the Regional Local Government bodies. It has been suggested that Yorkshire and the Humber could be allocated up to £20m and therefore the Council will need to bid for a share of this funding to assist in achieving the efficiency gains once the detailed criteria are known

Medium Term Financial Position

Overall Position

- 104 While it is a legal requirement that the Council balances its budget for the next financial year and sets a Council Tax, it is essential that this is done in the context of its medium term requirement. This is done to avoid significant swings from year to year; to plan ahead if the financial projections indicate the need for major reductions in spending or Council Tax increases; and to ensure that increasingly scarce resources are correctly targeted.
- 105 In support of this medium term approach the Government have produced a 3 year grant settlement covering 2008/09 to 2010/11. This is a development which will bring greater stability and certainty to funding for local services in the belief this should allow better financial management and more efficient use of resources, and introduce greater stability to the Council Tax. The government has also indicated that in future settlements would mirror the three year cycle of comprehensive spending reviews (CSR) leading to a further 3 year settlement in the 2010 CSR covering 2011/12 to 2013/14.
- 106 Even allowing for a Council Tax increase of 5% Annex 1, summarised in Tables 16 and 17, shows current projections of a shortfall in resources of £7.315m in 2009/10 and £13.797m in 2010/11. At this stage these figures include a number of assumption, including:
- a. An assumed £4m additional departmental recurring growth pressures;
 - b. £5.200m and £5.440m for pay and price increases;
 - c. £0.528m and £0.559m for the overall impact of capital expenditure;
 - d. £0.8m contingency fund in each year.

Funding Available	2009/10 £'000	2010/11 £'000
<u>FUNDING</u>		
Existing Funding	112,423	116,820
Removal of one-off funding for non-rec exp.	-1,823	-1,138
Starting Funding	110,600	115,682

<u>Funding Changes</u>		
Estimated Increase in RSG	1,167	1,113
Contribution from Collection Fund Surplus	-200	0
Use of Reserves	1,138	278
Additional Council Tax Income		
• From Increase in Council Tax	3,400	3,607
• From Additional Properties	715	757
Net Impact of Council Tax Increase of 5%	4,115	4,364
Net Funding Available	116,820	121,437

Table 16– Funding for 2009/10 and 2010/11

Expenditure Requirements	2009/10 £'000	2010/11 £'000
Net Expenditure Budget Brought Forward	112,423	124,135
Less: One-off Funding for non-recurring items	-1,823	-1,138
Starting Expenditure requirement	110,600	122,997
Unavoidable and Corporate Non-Schools Expenditure Pressures		
Recurring	8,996	7,925
Non-Recurring	1,138	278
Total Unavoidable Pressures	10,134	8,203
Directorate Growth Funded via Reprioritisation Assumed Growth	4,000	4,000
Total Expenditure Pressures	14,134	12,203
Adjustments to prior year Savings Proposals	-599	34
Net Budget Growth / Additional Funding Requirement	13,535	12,237
Gross Budget Requirement	124,135	135,234
Funding Available (Table 16)	116,820	121,437
Projected Saving Requirement for 2008/09	7,315	13,797

Table 17 – Expenditure Requirements for 2009/10 and 2010/11

- 107 While the gap does include current known pressures and the implications of decisions proposed in this report, it does not take into account any issues arising from Governmental and Council policy decisions. Prior experience

indicates that such developments may well require funding over and above the levels currently identified.

- 108 In determining its approach the Council needs to pay due regard to a number of factors, not least potential future capping criteria. In this area the Government has made it clear that it anticipates average Council Tax increases to be below 5% for 2008/9 and this blunt % based approach to capping seems set to continue.
- 109 Based on such factors the Council needs to consider a range of future options. Such developments need to focus on:
- The Council's low level of relative expenditure and its need to maximise available resources.
 - Maintaining an annual Council Tax increase of no more than five percent per annum.
- 110 While the above options provide a target range for future Council Tax increases of no more than 5% the Council should continue to look to balance current and future expenditure pressures with the city's position as the lowest spending unitary authority. As such the Council should continue to seek to maximise its income levels both in terms of central Government funding, fees and charges and the levels of Council Tax yield it secures.
- 111 It should be remembered that outside of these concerns the Council needs to correctly manage those services such as schools for which it receives direct grant funding and to ensure that the HRA works towards the decent homes standard whilst maintaining adequate working balances. There is a clear business plan in place to achieve both the decent homes standards and a solvent HRA until 2010, but the financial position of the HRA will worsen after that and work needs to be carried out soon in order to assess the Council's options (including the subsidy buy out option) for maintaining a financially and operationally viable HRA.

Additional Pressures and Risks

- 112 In considering the level of council tax increase and this years proposed budget the authority needs to be aware of the significant pressures that the Council faces in the near future. These include:

a. The future costs of waste management

There are significant cost pressures facing the Waste Management budget over coming years. Landfill Tax is currently increasing by £8 per tonne and the introduction of Landfill Allowances limits the amount of biodegradable municipal waste⁹ that the Council can dispose using landfill. On current forecasts the Council will not achieve the Landfill Allowance Trading Scheme (LATS targets) at some point in the future probably 2009/10 or

⁹ BMW is calculated as being 68% of total waste arisings.

2010/11 and will have to then buy LATS permits or pay fines of £150 per tonne. This is a consequence of the Landfill Allowance falling significantly to 20,640 tonnes by 2020. On current estimates this could potentially cost the Council £11.5m over the following four years leading up to the implementation of the waste PFI solution. The Council needs to refine its LATS strategy during 2008/09 to identify all cost effective options to minimise the need to buy permits or pay fines. The Council also needs to start putting aside significant resources (at least £700k per year) from the start of 2009/10 onwards in order to fund the waste management or LATS costs that will be incurred in the following 4 years and to build up a base budget to fund York's share of the waste PFI solution.

b. The introduction of job evaluation and the settlement of Equal Pay claims

The Council still faces significant cost risks all the time that it doesn't have a new job evaluated pay and grading scheme in place and for at least one year and possibly two after that. The risks relating to job evaluation are that it is extremely difficult to model the costs as they, to a certain extent, depend on reactions to the scheme, staff turnover, and issues such as the number and value of successful appeals and whether new payments for allowances occur as planned. It has been the experience in many councils that the eventual costs of their new pay and grading schemes are considerably more than planned, in some cases over 100% more. Both officers and the unions are working hard to reach a negotiated pay and grading scheme within the existing approved budgets.

The risks associated with equal pay are more difficult to assess. The main issues are the further compensation that will be offered to the 1400 posts affected, and the acceptability of that offer to those staff; and the outcome of the 160 cases currently awaiting tribunal hearings. It is unclear to what extent these can be settled within existing approved budgets, but there is a risk that they cannot be. Further details will be available within 3 months.

c. The deficit on the pension fund

The triennial valuation shows that whilst the overall deficit has reduced slightly and the term for recovery until there is no deficit has reduced to 21 years, there is still a substantial deficit of over £95m. This in itself is a key risk for the authority as the valuation was at a time when stock markets were high compared to the current significant global financial problems and the new contribution rate of 18% is based on an assumption of strong investment returns which now look very questionable. Unless there is a substantial improvement from the current position the next triennial valuation (or possibly even an interim one) may require a substantial increase in the contribution rate. Each 1% increase in the rate costs over £710k per year

d. The level of reserves

The information in this report and Annex 7 forecasts that the need to spend reserves on one-off items is significant in both 2008/09 and 2009/10. It is

quite feasible that reserves will go below the CPA advised limit, although a more significant underspend than currently forecast in 2007/08 is possible and would alleviate the situation. The Council needs to review its reserves and take any action necessary as soon as the year end figures for 2007/08 are known.

e. The increasing numbers of elderly and the costs of services for them

Current estimates envisage that the client base for social care will have increased from 4,892 in 2002/03 to 6,353 by 2008/09. The impact of this growth in the client base will be further magnified should historic increases in the average cost per client also continue.¹⁰ Alongside this a number of actions have been taken to control social care costs. In order to maintain a balanced budget into the future it is imperative that these actions are successfully monitored and delivered. Adult Social Services face a number of significant challenges and changes, mainly related to the personal choice and funding agenda and the procurement of services. The Council's response to these issues and the changing demographics is critical to its future financial stability.

f. The threatened substantial cuts in grants for 'Supporting People'

The Supporting People grant has been significantly reduced from £8.4m in 2006/07, to £8.2m in 2007/08 and then further to £8.0m in 2008/09. Looking ahead, alterations to the allocation formula would mean a further significant reduction in funding over the next 10 years. Supporting People now funds the majority of 22 The Avenue, a Mental Health facility, almost all supported living schemes, a significant element of warden call and all homeless hostels. Such reductions would not just impact on the Council but reduce funding across the sector. Due to the scope of the schemes which Supporting People funds the Council would have to step in to fund services where they were statutory or a statutory obligation to the customer existed (for example if funding for a supported living scheme reduced or ceased then the Council may face increased costs for residential care).

g. The backlog of outstanding works needed to the City infrastructure, in particular roads and Council buildings

Members will be aware that in spite of the recent investment allocated to improve highways the Council has only managed to reduce the rate of deterioration. Further investment in bridges and gulleys is proposed within this budget, but the problems are beyond the scope of what the Council could realistically fund. The Council is thus pursuing a PFI bid which would bring a major investment in the cities highway infrastructure at relatively little additional cost to the Council. The additional cost would be required from 2012 onwards in order to show the Council making an additional financial commitment to the scheme. There is currently no budget for this and it is difficult to estimate as it would depend upon on the outcome of negotiations

¹⁰ For personal care the average costs per client rose from £56 per week in 2001/02 to £95 to 2004/05. Since 2001/02 across all life stages there has been an increase from an average of £58 to £96 (65%).

with the government and a whoever the successful contractor was. It is likely that the additional cost would be between £0.5m and £1.8m per year. There are also likely to be costs falling on Neighbourhood Services due to loss of overhead recovery and profits relating to their Highways team and implications for the City Strategy highways staff.

In terms of Council buildings, the capital resources which were allocated to deal with the repair backlog and access issues have been directed at those buildings which are most used by the public and which the operational services have identified in their Service Asset Management Plans as being retained for service delivery in the foreseeable future. As a result the amount of urgent repairs required (i.e. those which will need doing in the next 2 years) has reduced just over £14m (excluding Housing) and accessibility to buildings continues to improve with DDA compliance now having reached 86%, which is top quartile performance. There is still need therefore to continue with these works using the agreed criteria and continued capital and revenue resources will be needed in the coming years. To address this the council will need a combination of modernisation, asset replacement, partnerships, government funding, asset sales and its own limited internal resources. However, whilst this approach and level of funding is making notable progress in a number of key areas and the government's Building Schools for the Future, Schools Modernisation Funds and Decent Homes targets is resolving issues in those areas, there is overall a significant gap between the level of funding and the required standard of asset repair and maintenance as embodied in the governments new asset management PI's and targets.

h. The Council's reliance on Treasury Management and interest rates

The Council has for a very long time had good Treasury Management performance. In recent years this has become excellent with our borrowing rates being among the lowest in the country and loans almost always being taken out at market low points. Investments have outperformed market benchmarks and cash flow has been very strong, although more could still be done in terms of the timeliness of income collection. This performance and the interest earned is now built into our interest and borrowing budgets and we have to achieve it in order to meet our budget expectations. With the global economic situation there is risk that this will not be achievable. The Council's budget is susceptible to interest rate falls. The positive side of things is that despite having significant future need to borrow for mainly capital projects, the Council is in a position where it doesn't have to borrow in order to fund its spending plans until February 2010. This gives flexibility about when to borrow between now and then. Markets are being carefully monitored to identify the best times to borrow. A fall in long term interest rates within the next 2 years is expected and would be ideal for the Council's long term borrowing needs, but any significant fall in short term interest rates for a prolonged period would have significant adverse effects on the Council's revenue interest earnings.

Specialist Implications

113 The following implications apply to this report:

Financial

114 These comprise the body of the report.

Human Resources (HR)

115 Where requested HR have been involved in the development of the budget proposals and have worked with local managers to identify the HR implications of the proposals. A detailed analysis of the proposals has been undertaken by HR staff and it is expected that the savings proposals will result in a reduction of approximately 24 full time equivalent posts and could potentially lead to a maximum of 9 redundancies (with the associated costs of related redundancy payments). However it is likely that the overall number of redundancies will be lower than this as Human Resources, in conjunction with local managers, will work to mitigate the effect of the savings proposals on individual employees through processes such as redeployment. There are also a number of proposals which may result in staffing reductions, primarily through restructuring exercises, although the precise numbers will depend on the agreement of the final proposals and can not therefore be quantified at this time. In addition the retention of external grant funding in some areas will also reduce the final number of posts to be removed from the establishment below the level currently indicated.

116 The HR implications described above will be managed in accordance with established Council procedures. As part of this process consultation with affected staff and their representatives has been undertaken at a corporate and departmental level. In addition, these reductions will occur in different phases during the next financial year which will help to ensure as many people as possible are found suitable alternative employment with the Council.

117 There is a statutory requirement for consultation with both the trade unions and employees affected where 20 or more posts may be affected. Therefore the Council has issued an Advance Notification of Redundancies (HR1) to the BERR (formerly the Dept of Trade and Industry) and the trade unions. Failure to do so could result in delays to redundancies taking place and penalties associated with non-compliance.

118 A number of the growth items contain bids for additional resources. If these growth items are not agreed, managers will need to revisit departmental service plans and either identify alternative ways of delivering the additional work, or prioritise work that will either not be delivered or will be delivered over longer timescales than currently anticipated. Some of the growth bids, if approved, may provide redeployment opportunities for staff affected by savings proposals elsewhere.

119 Action is already being taken to more effectively manage vacancies in order to provide opportunities for staff who may be affected and recruitment controls

have been developed in order to assist with the redeployment process. This action will continue whilst savings proposals containing staffing implications are implemented.

- 120 In addition, in future years the Council will continue to face significant budget pressures. In these circumstances, it will become increasingly necessary for consideration to be given to how some services can be maintained if further incremental reductions are needed. It would be prudent for the Council to begin the planning process now in order to consider how services may need to be re-designed or delivered in different ways in the future, in order to maintain service standards and performance. Failure to adequately plan for these changes may compromise the Council's ability to achieve excellence in the future.

Equalities

- 121 No equalities issues have been identified in the development of this report. Where potential equality issues arise from individual proposals they will need to be dealt with by operational management as part of any subsequent implementation process.

Legal

- 122 The council has a legal requirement to set a balanced budget on an annual basis. This year the budget must be set by March 7, although given the timing of York's first Council Tax collection on 1 April and the necessary time to print and distribute bills the Council actually needs to set its budget by February 27 at the latest if it is to avoid significant additional cash flow and interest costs of between £250k and £400k. The proposals contained in this report would, if adopted by the Executive and Full Council, enable this duty to be met.

Crime and Disorder

- 123 None other than the growth and savings proposals in this report.

Information Technology (IT)

- 124 This report proposes the funding in full of £424k of the IT development plan. There are 5 schemes costing £38k on which no decision is yet proposed and these would require a bid to the Executive against the Council's contingency in order to proceed. Full details are in the IT Development plan report considered by the Executive in the Autumn of 2007.

Property

- 125 None in this report

Statutory Advice From the Director of Resources/ Comments on Capping

- 126 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 the document. This section also addresses the key risks facing the council in relation to current and future budget provision. The following paragraphs give my views on the budget, reserves and general robustness of the process.

- 127 The proposals in this budget give a balanced budget for 2008/09 and give consideration to the 2009/10 and 2010/11 financial years. The Council has taken many steps to try to put itself on a firmer long term financial footing including addressing some significant Social Services demands and expenditure pressures and taking some significant steps to tackle the challenges of waste management. It has also set up and undertaken some considerable revenue and capital projects which are aimed at improving the long term stability, viability and efficiency of the Council.
- 128 In the coming months the financial implications of a number of significant issues facing the Council will become clearer. These include the outcome of the Highways PFI bid, the results of tendering for the waste PFI project, and the year end outturn figures for 2007/08. These together with latest information of LATS, the implications of the grant settlement and the review of reserves will feed into the production of the revised Medium Term Financial Strategy in the summer of 2008. This will incorporate information on the key issues facing the Council in the next 5 years or so. It is important that the Council takes steps to further prioritise and to redirect expenditure to meet the financially significant changing needs and demands that it will be facing in coming years.
- 129 Notwithstanding the positive steps which continue to be taken, the current low Council Tax levels, low grant funding and low expenditure make it increasingly difficult for the Council to have a resilient long term funding position in relation to its ambitions for good quality service provision. In addition the Council is struggling in terms of its capacity to deliver whilst significant annual savings and cuts have to be implemented to maintain a balanced budget.
- 130 There are no proposals contained within this report to use balances to fund recurring items of expenditure. While the correct level of reserves is a matter of judgement, both the CPA guide limit of 5% and a risk based method have been utilised to inform this decision. The resulting calculation indicates that the council should, as a minimum, hold general reserves of £5.222m for 2008/09 and £5.388m for 2009/10. I am recommending that the Council looks to remain above this target for the next two years, although the current forecasts show the Council will move below these levels in the future. It is thus particularly important that the reserves are reviewed once the 2007/08 outturn is known and a new strategy for reserves developed. This is particularly important as Annex 1 shows that there is potentially great pressure in future years and there will be a need to support aspects of the admin accom project from the Venture Fund from 2009/10 onwards. The decision on the adequacy of the level of reserves is linked to the general robustness of the budget process and the Council's systems of budgetary control and risk management. These need to ensure that the Council will not be exposed to any unforeseen major financial problem requiring the use of reserves to resolve. The Executive has considered and agreed the Council's Risk Management Strategy, which identified the major risks facing the Council and provided details as to how

these would be dealt with. With regard to budgetary control, I believe that the Council has tight control systems in operation that are regularly reviewed by the District Auditor and internally. The Council needs to concentrate and take remedial action in order to control overspends and achieve income targets.

- 131 In coming to my view I have examined York's performance against a range of financial management systems that need to be in place
- a. Service Planning and budget monitoring systems;
 - b. Budgets aligned to responsibility;
 - c. Proper financial reporting;
 - d. Financial policies linked to policy and service objectives;
 - e. Clear roles and responsibilities;
 - f. Financial regulations are appropriate and in place;
 - g. In particular the practice of ensuring that almost all saving proposals are specific, allocated to an individual manager, planned, realistic and achievable should ensure that the Council's overall budget balancing is realistic.
- 132 With regard to the robustness of the budget, I consider that the estimates in the budget are sound and that the proposals to achieve a balanced budget are achievable. The overall package, which includes a Contingency sum of £0.8m, is a realistic approach in dealing with the financial pressures facing the Council next year. I would draw Members attention to the earlier comments on the medium term position and the actions required now to start preparing for these challenges.
- 133 The Government have announced that they will again consider capping Councils who, they feel, are raising Council Tax levels excessively. The capping criteria they use are often based on budget growth and Council Tax increases. The Government have talked about average increases needing to be well below 5% and in the past have clearly meant maximum rises of 5%, but they do not publish the criteria they will use until after we will have set our budget. Based on their actions in the past I believe that in 2008/09 the maximum Council Tax rise that York should consider is the 4.95% in this report. Whilst a lower rate would be safer in terms of capping the consideration of safety needs to be set against the damage to future funding that a rise below the maximum possible will do to York, given the future funding pressures that the Council faces.
- 134 I do have serious concerns about future budget pressures in the forecast and about the pension fund, where the deficit is running at about 85% of our net annual budget. In the light of these pressures, and York's relatively low Council Tax I would recommend that Members set the Council Tax as high as possible, whilst staying below our estimates of the possible capping limit. If it

were not for capping the Council should be considering higher levels of Council Tax (or further savings if it were possible and acceptable to make them) in order to deal more effectively with the pension fund and the other future financial pressures.

- 135 However, in reaching their final decision members need to balance this opinion with the risks and implications of the Council being capped. Not least amongst these are the reputational damage which capping could cause and potential costs of rebilling which are estimated at £170k.

Recommendations

- 136 Members are asked to consider the appropriate levels of Council Tax that they wish to see levied by the City of York Council for 2008/09. In doing so they should pay due regard to factors such as:
- a. Expenditure pressures facing the Council in 2008/09, 2009/10 and 2010/11 as detailed at Annex 1;
 - b. The impacts in 2008/09, 2009/10 and 2010/11 of the growth requirements and savings proposals outlined in Annexes 3 and 4;
 - c. Medium term financial factors facing the Council as outlined from paragraph 104 onwards;
 - d. The levels of reserves projected to be held at the 31 March 2008, 2009 and 2010 (Annex 7);
 - e. Significant future pressures identified in paragraphs 112;
 - f. The statutory advice from the Director of Resources provided from paragraph 126 onwards;
 - g. The need to ensure that any adjustments to these proposals are self balancing within the requirements laid down by the Director of Resources as the Council's Responsible Financial Officer.
- 137 In light of these considerations Members are asked to recommend to Council approval of the budget proposals as outlined in this report, in particular:
- a. The net revenue expenditure requirement for 2008/09 of £112.423mm, as set out in Table 1;
 - b. The housing revenue account proposals outlined in Annex 12;
 - c. The dedicated schools grant proposals outlined from paragraph 80 onwards;
 - d. The revenue growth proposals for 2008/09 outlined in Annex 3;
 - e. The revenue savings proposals for 2008/09 outlined in Annex 4;

f. In terms of the council's reserves to:

- i. Agree the use in 2008/09 of £1.823m of revenue reserves as outlined in paragraph 49;
- ii. Endorse the adoption of a risk based calculation to inform the Director of Resources opinion on the appropriate minimum level of general reserves as described at paragraph 51;

g. The fees and charges proposals in Annex 8.

- 138 Members are invited to consider all of the budget items and suggest any changes to them which retain the proposals in balance. In particular members are requested to respond to the items marked for consultation in Annex 5, none of which are currently contained within the budget proposals, in light of the consultation feedback information in Annex 11.
- 139 The reason for these decisions is to provide full council with a balanced set of budget proposals which it can consider in reaching its decision on the budget and resultant council tax which it will set for 2008/09.
- 140 The effect of approving the income and expenditure proposals included in the recommendations would result in an increase in the City of York element of the Council Tax of 4.95%. It is intended that the total Council Tax increase including the parish, Police and Fire Authority precepts, will be agreed at the full Council meeting on 21 February 2008.
- 141 Members are requested to approve the increase for council dwelling rents by an average of 5.25% in line with government guidance on rent restructuring as set out in Annex 13. Reason: To ensure a balanced Housing Revenue Account.

Contact Details

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Chief Officer Responsible for the report:

Simon Wiles
Director of Resources

Report Approved ☐ Yes Date 1/2/08

Report Approved ☐ Yes Date 4/01/07

Specialist Implications Officer(s) Human Resources

Name Chris Tissiman

Title

Tel No. Extension

Wards Affected: List wards or tick box to indicate all

All ☐ All

For further information please contact the author of the report

Background Papers

Medium Term Financial Strategy - Executive
2nd Finance and Performance monitoring report - Executive
EMAP reports January 2008
Government Grant settlement papers

Annexes

- 1 Summary of Budget
- 2 Contingency
- 3 Growth and Reprioritisation
- 4 Saving Proposals
- 5 Consultation on Budget Proposals
- 6 Use of reserves
- 7 Estimated Reserve Balances
- 8 Fees and Charges (in Member Library)
- 9 Alternate Saving Proposals
- 10 North Yorkshire Pension Fund Triennial Valuation
- 11 Consultation responses
- 12 Housing Revenue Account budget report

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Summary of Budget

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
Net Expenditure Budget Brought Forward	104,538.6	112,422.6	124,134.6
Removal of one-off funding for non-rec exp. from Reserves/Balances	-1,312.0	-1,823.0	-1,138.0
Starting Expenditure requirement	103,226.6	110,599.6	122,996.6
Unavoidable Expenditure Pressures			
Pay Increases for APT&C (2.5%, 2.5%, 2.5%)	1,895.0	2,000.0	2,100.0
Pay Increments	703.0	800.0	840.0
Increase in Superannuation contribution rate	255.0	-	-
Price Inflation (non-avoidable expenditure increases only - all other budgets cash-limited)	1,452.0	2,400.0	2,500.0
Additional financing for borrowing (capital programme)	-	193.0	300.0
Minimum Revenue Provision - new borrowing	81.0	240.0	240.0
Minimum Revenue Provision - Commutation	131.0	95.0	19.0
2007/08 savings not deliverable in following years	504.0	-6.0	-
IT Development Plan - non schools	409.0	500.0	500.0
Interest earned on cash balances	-	422.0	-
Costs no longer capable of funding from capital receipts	260.0	-	-
Cost of asset disposal	50.0	-	-
CONTINGENCY FUND	800.0	800.0	800.0
ADDITIONAL BUDGET PRESSURES IDENTIFIED			
Recurring (see Annex 3 and Annex 6)	7,459.0	1,552.0	626.0
Assumed additional departmental growth pressures in future years	-	4,000.0	4,000.0
Non-recurring (see Annex 6)	1,823.0	1,138.0	278.0
Total Expenditure Pressures	15,822.0	14,134.0	12,203.0
Reduced Costs and Additional Income			
Reduced financing for borrowing (capital programme) 2008/09 only	-273.0	-	-
Interest earned on cash balances 2008/09 only	-510.0	-	-
Under utilisation of 2007/08 contingency fund	-200.0	-	-
Savings on insurance costs	-35.0	-	-
Council wide management savings	-200.0	-	-
Additional funding for Concessionary Fares	-1,112.0	-	-
SAVINGS TAKEN (see Annex 4)	-4,296.0	-599.0	34.0
Total Expenditure Reductions	-6,626.0	-599.0	34.0
Revised Projected Budget Requirement	112,422.6	124,134.6	135,233.6

FUNDING			
Existing Funding	-104,538.6	-112,422.6	-116,819.6
Removal of one-off funding for non-rec exp. from Reserves/Balances	1,312.0	1,823.0	1,138.0
Starting Funding for 2008/09	-103,226.6	-110,599.6	-115,681.6
Funding Changes in 2008/09			
Additional Grant due to Transfers	-2,699.0	-	-
Estimated Increase in RSG	-1,324.0	-1,167.0	-1,113.0
Use of Reserves	-1,823.0	-1,138.0	-278.0
Adjustment for prior year Collection Fund Surplus	650.0	200.0	-
Increased Council Tax from assumed 1% increased base and 4.95% rate (5% in 09/10 and 10/11)	-4,000.0	-4,115.0	-4,364.0
Revised Funding for 2008/09	-112,422.6	-116,819.6	-121,436.6
OVERALL FUNDING GAP	0.0	7,315.0	13,797.0

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Contingency Items

Chief Executive

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
CX new	Members SRA Allowances	44	44	44
	Possible increase in SRAs in line with inflation.			
CX new	Members Allowances - potential superannuation costs	50	50	50
	Possible costs of access to pension fund.			
CXIG3	Equality Officer	37	18	0
	Additional equality officer resources (mid PO) for a period of 18 months to support work on community outreach work and undertake a range of projects in relation to (a) priority equality impact assessments (b) improving equality performance information c) the gender duty (d) employment information/indicators. Work on the latter is vital in ensuring that our workforce is much more representative of the communities of York.			

Total	131	112	94
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Reserve Funding	0	0	0
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General Fund Impact	131	112	94
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City Strategy

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
CSPG1	Highways PFI	750	710	450
	An Expression of Interest was submitted in 2006/7 for pathfinder status for highway maintenance PFI Project. It is currently expected that an announcement will be made by the DfT early in the new year on the success of the submission. If the submission is successful and the Council decides to proceed to outline and final business case stages an project team will need to be assembled of in-house team and external advisors. The funding would be for the in house staff and external legal, financial and technical advisors. It would also be for the review of the highway asset to identify its extent and condition. There would be some incidental costs of printing and publishing.			

Contingency Items

CSIG1	Parking - downturn in PCN income	180	180	180
	Due to a combination of a national increase in the level of compliance for parking contraventions, a reduction in the number of Parking Attendants, the reduction in the council's off-street parking stock and greater emphasis being given to the enforcement of on-street offences, there is a predicted shortfall of £180k in the amount of generated revenue from the payment of penalty charge notices. Over recent years the level of penalty charge notices has fallen from over 28,000 in 2005/06 to a level of 23,000 in 2006/07 and a predicted level of 22,000 in this financial year. The expected income levels have not been altered to reflect this trend of a reduction in penalty charge notices.			
CSPG6	Development of Access York	164	0	0
One-off	Major scheme bid Within LTP2 a projected was described for the a major scheme bid that would support public transport in the city for the future. Since the adoption of the LTP2 the Future York report has been published and major new developments planned for the city. The scheme will seek to provide major transport solutions towards 2029 based upon bus, rail, cycling and walking in tandem with the LTP programmes. The proposal is to prepare an outline business case suitable for submission to the regional transport board and to DfT, alternatively it may be possible to make a bid for productivity transport innovation funding.			
CSIG9	Dealing with flooding emergencies	60	60	60
	The Council responds to flood emergencies which occur from rivers and more recently surface flooding from heavy rainfall. The current budgets £20k. Last year the actual expenditure was c £50k. The summer surface flooding event cost in the order of £27k which would have been in addition to last years river flooding costs. The proposal is to increase the revenue budget to meet the expected increase in river and rainfall flooding active in future years. The proposed budget provides a realistic assessment of the actual cost of dealing with the effects of flooding from both river and heavy rain. Evidence from studies on climate change is showing that we can expect more flash floods in the summer periods and greater volumes of rainfall in the winters. These proposals align the budgets to be better prepared to deal with the events when they happen. The funding provides for deployment of Neighbourhood Services workforce and the provision of sandbagging and pumping equipment.			

Contingency Items

CSIG11	Continuance of current Dial & Ride service	46	46	46
	The Dial a Ride bus travel service is provided by York Wheels under agreement with the Council. The service provides a call up arrangement for those who have difficulty in using public transport to access services such as hospital and shops. The service is operated by York Wheels and funded by the Council. In recent years the cost of running the service has risen significantly with garaging, servicing of vehicles, fuel, insurance and management. The service was recently reviewed by Kendric Ash as part of the Collaborative Transport Project and it is intended that it will be integrated into that service in autumn 2008. The investment would be to meet the day to day costs of running the service by York Wheels. The major costs are for garaging, fuel and staff.			
CSIG10	Warping - increased pressure on budget	15	15	15
	An effect of climate change is wetter winters that result in more river flooding events. Following these events the river side footways and esplanade are covered in silt that needs to be removed. On average in the past we have had to clear the footways 4 times a year, in the last two years this has increased to 7 times a year. It is necessary to clean of the mud and silt from the riverside footways after each flood and the current revenue budget is inadequate to fund the level of work required. Warping has to be carried out irrespective of the budget available. The current budget is £35k but based on the recent experience of the number of flooding events, this needs to be increased to £50k. The funding pays for NS to wash down and clean the silt and mud from the riverside footways, mainly in the city centre area. These areas are well used by visitors.			
CSIG6	Reduction in Markets income	20	20	20
	Newgate market in common with outdoor markets nationally is in structural decline and is unable to meet its target income. The decline has been apparent over a number of years. Last financial year the deficit was some £34k and it is estimated that there will be a slightly higher deficit in the current year.			
CS new	Concessionary Travel - above expected use of passes	200	200	200

Total	1,435	1,231	971
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Reserve Funding	164	0	0
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General Fund Impact	1,271	1,231	971
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Contingency Items

Housing and Adult Social Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
HSIG7	A & I loss of income from health	43	43	43
	Hospital Trust fund the provision of an Advice and Information at the hospital. Having established a PALS (Patient Advice and Liaison Service) and given their budget reductions they are considering withdrawing the funding of £43k. The funding allows us to have an access point for housing and social services advice and information at the hospital. However the funding does not cover the full cost of the service we provide at the hospital. However, the funding does allow us to be flexible in covering 10/12 George Hudson ST and the telephone line. We are reviewing jointly with them the nature of an ongoing presence at the hospital but the loss of this funding would mean we could not continue to provide an access point at the hospital.			
HS new	Inter-authority charging	50	50	50
	Ref to HSMS2. In case full amount cannot be delivered.			

Total	93	93	93
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Reserve Funding	0	0	0
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General Fund Impact	93	93	93
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Learning, Culture & Children's Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
LCDG1	Children's Social Care (Fostering & Legal Fees)	70	70	70
	Demographic pressure on fostering and legal costs within Children's Social Services. The number of children in foster care has risen over the last couple of years (total numbers of looked after children have risen from 140 at the start of 2006/07 to around 160 in 2007/08. This has led to more children being placed through expensive Independent Fostering Agencies as there are not enough places available with York foster carers. In addition there is pressure on legal fees due to an increase in the number of complex (and expensive) court cases involving York children, together with a general increase in the cost of cases due to a national trend for courts to call in more expert witnesses.			
LCDG11	Children's Social Care (Legal Fees)	80	80	80
	Contingency element of LCDG10.			

Contingency Items

LCDG8	Music Service Income Shortfall - The mix of pupils taking up music lessons has shifted with an increasing number qualifying for concessionary rates. The result of this is an ongoing reduction in the amount of income generated and despite some reduction in expenditure there is predicted to be a recurring net pressure within the service.	40	40	40
LCDG4	Library Service Income Shortfalls - The library service currently has a significant ongoing income shortfall against budget. At present the library budget has been balanced partly by reducing expenditure on the book fund, however this is not a long term solution.	44	44	44
New	Increased Charges from Justices Department	72	72	72
	The government are currently undertaking consultation on increased court fees for child protection cases. The final cost of the increase will depend on the outcome of the consultaion, but is expected to be around the value of the increase in indirect government grant to cover these increased costs.			

Total	306	306	306
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Reserve Funding	0	0	0
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General Fund Impact	306	306	306
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Neighbourhood Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
NSNG1b	Landfill Tax	100	100	100
	Landfill Tax will increase by £8 per tonne from 1 April 2008 to 2011.			
New	Ward Committees	50	50	50
	Anticipated cost of double taxation appeals			

Total	150	150	150
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Reserve Funding	0	0	0
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General Fund Impact	150	150	150
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Detailed Growth and Reprioritisation

Chief Executives

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
CXYG1	Impact of revised political arrangements on Members Allowances	10	10	10
	Following the May election there were changes to the committee appointments resulting in a small increase in cost to the Members Allowance budget. This is due to a larger number of Members receiving a responsibility allowance than previously.			
CXYG2	Appointment of new Chief Executive	35	35	35
	In seeking to replace the former Chief Executive members agreed to a change in the remuneration package to be offered. This bid covers the full year cost of the decision.			
CXPG4	Political Assistants for Conservative Group	15	15	15
	To provide a political assistant post to support Conservative group members. Following the May election the Conservative's have a significant representation on the Council (7 Members) and are therefore requesting support. This has been made available during 2007/08 however additional resources are required to make the arrangement permanent.			
CXPG5	Members Allowances - possible outcome of review	44	44	44
	Provision to enable an increase in Members Allowances to reflect inflationary increases since 2003/04 when previously reviewed.			

Total	104	104	104
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Reserve Funding	0	0	0
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General Fund Impact	104	104	104
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City Strategy

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
CSUG2	Increase inspection frequency at Oulston Reservoir	8	8	8
	The Council has a statutory duty to maintain Oulston Reservoir at the head of the River Foss under the Reservoirs Act 1975. The latest 10 year Inspecting Engineer's report recommends for safety reasons that the frequency of Supervising Engineer's inspections should be increased to 9 monthly from annual and that the Council's routine visits should increase to fortnightly from monthly. The reason for the increase is because of the age of the reservoir and the higher risk rating it has received.			
CSUG3	Increase in IDB / RFDC Contributions	41	71	101
	Payment of increased levies to the Environment Agency and Internal Drainage Boards. It is based on 5% inflation (£30k) as well as an assumed increase in the EA levy based on an anticipated request from the Regional Flood Development Committee (£20k)			

Detailed Growth and Reprioritisation

CSNG1a	Shortfall on current reimbursement arrangements	440	440	440
	Under the Concessionary Bus Travel Act the over 60s and the disabled can travel free of charge on buses in York and North Yorkshire from April 2006. In 2006/7 there was a shortfall in funding of £275k met from existing budgets. In 2007/8 there is projected to be a shortfall in funding of £440k as the numbers of people with passes increases as a result of the switch from travel tokens and as more use is made of bus services in the city.			
CSNG1b	Changes and 2007/08 Adjustments to Concessionary Fares Arrangements	1,100	1,100	1,100
	Under the Concessionary Bus Travel Act the over 60s and the disabled can travel free of charge on buses in England from April 2008. The cost of the scheme must be met by the local authority. The local authority where bus user gets on pays the fare. The scheme will be supported by a government grant but this will not meet the full cost of the scheme. It is projected that there will be additional costs to CYC of £1.1m in operating the new scheme.			
CSNG2	Deregulation of Land Charges - need to reduce surplus	150	150	150
	The Dept of Communities and Local Government is preparing a Local land Charges charging guidance document, that is expected to be implemented by 1st April 2008. This document will state that Local Land Charges should set search fees on a cost recovery basis only. The document will have Ministerial backing and local authorities will have to abide by its guidance. The Land Charges Service currently budgets to produce a surplus of £322k.			
CSNG4	Building Control - need to reduce "profit"	50	100	150
	The statutory Central Audit requirement for Building Control is to break even over a 3 year period. CYC Building Control made an operating surplus of £500k between the years 2004/05 to 2006/07. The bid will allow for a reduction in the assumed level of income as well as staffing support for the function.			
CSYG3	Withdrawal of evening parking charges - Minster Badge	75	75	75
	At a meeting of the Urgency Committee on 26 June 2007 it was agreed that Minster Badge holders be allowed to park free of charge in the evening. The implications of that decision are that there will be a shortfall in the revenue income from the car parking account. The anticipated lost income arising from this decision is £75k.			
CSYG5	Waste Strategy - Procurement Development	200	200	0
One off	Repeat of one off budget for PFI procurement, for years 4 and 5 - already in 07/08 budget. Procurement and salary costs for delivering waste PFI contract, taking the partnership through the competitive dialogue approach - withdrawal would mean redundancy costs and leave no plan for council to achieve long terms LATS issues.			

Detailed Growth and Reprioritisation

CSYG7	York North West (British Sugar)	75	75	0
One off	The York Northwest AAP is a development document under the Local Development Framework. It will set the planning framework for an area of the city that will include to development sites of York Central and British Sugar. The preparation of a single Area Action Plan for both sites together will provide the maximum weight within the planning system. It will also allow a co-ordinated planning approach which would maximise the location of different uses and optimise planning benefit for the City. This development has been identified as one of 4 critical growth points in the Leeds City Region and has a regional significance for housing and employment. The funding is the second year of a three year programme to support the preparation of the Area Action Plan with additional in house staff, the preparation of the evidence base, and the costs attached to the consultation and examination.			
CSRG1	Withdrawal of Planning Delivery Grant	310	310	310
	Planning Delivery Grant awarded for planning performance, may no longer be available to LPA's. The current budget for Planning Delivery Grant within Development Control is £310k.			
CSPG4	Advance Purchase of Land Options for Waste Treatment Facilities	31	31	31
One off	Revenue implications of advance land purchase for possible Waste Treatment Facilities as per Executive 23 Oct 2007.			
CSPG9	Cost of principal bridge inspections	80	400	200
	The Principal Inspections (PI) of the bridge stock are now well overdue. The last inspections were carried out in the early 1990's to coincide with the introduction of the 40 tonne vehicles. An general visual inspection is carried out of all the bridges every 2 years. In accordance with the relevant code of practice the frequency of a PI inspection is once every 6 years and the inspections are carried out on the basis of 'being within in touching distance' of all parts of the structure at the time of inspection. The funding would support an ongoing programme of inspections. These inspections involve erection of staging, testing and hands on inspection. The outcome is a condition report, assessment and recommended repair and improvement work.			
CSIG5	Downturn in Section 38 Income	40	20	0
One off	The number of highway adoption agreements entered into over the last three years has fallen from 12 to 6 and it is anticipated that this will not increase in the short term. As a result there is a shortfall in the income to support the service. However there are some significant developments being planned in the city in the medium term that will increase the levels of income back to support the service.			

Detailed Growth and Reprioritisation

CSIG13	City Walls - review of maintenance requirement and tourists.	5	0	0
One off	Increase in the York City Walls Revenue budget for day to day maintenance of the City Walls from £15k (2007-08) to £35k in 08-09 and thereafter. The York City Walls Revenue budget for day to day maintenance of the City Walls has been at the current level for 10 years. This uplift is required to meet essential day to day costs of maintenance to railings, gates, signs, and walls and the increased costs imposed by H&S handling and access standards. This will ensure that the Walls retain their role as a top attraction for residents and tourists.			
CSUG1	Inflation in cost of maintenance	110	110	110
	Highways & Street Ops Redress the impact of high levels of inflation on routine highway maintenance coupled with the adverse impact on revenue of the decline in capital expenditure, putting more strain on the revenue budgets to maintain more roads in poor condition. The average annual inflation for the highway maintenance is 7.4% based on the last 3 years. This is considerably higher than the RPI increase assumed in inflation figures. Additional routine highway maintenance resulting from maintenance revenue budgets being able to keep pace with the rate of inflation of bitumen prices, landfill tax, aggregate tax etc. Roads and footways would be safer to use, resulting in less claims and expense. The appearance of the network would also be improved from having a well maintained asset.			
CSYG6	LDF Development Costs	227	224	0
One off	Under the new planning framework the Council is required to prepare a Local Development Framework. The preparation is monitored by DCLG against the Local Development Scheme. The scheme contains a timetable for production of the framework.			
CSIG8	Highways Drainage survey and repair	200	0	0
One off	Heavy rainfall in June 2007 resulted in several areas around the city being flooding with some properties (living accommodation) being put at risk. In addition road gullies around the city failed to operate as effectively as they should resulting in localised road flooding. This has highlighted the poor quality of information we have about the extent and condition of our highway drainage systems. A survey is required of the network using different techniques and a programme of repairs and improvement work needs to be developed and agreed. Once the programme has been agreed work will need to be carried out to make repairs and improvements to the system. We will be working with other stakeholders including the environment agency, Yorkshire water and the internal drainage boards on this project.			

Total	3,142	3,314	2,675
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Reserve Funding	778	550	31
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General Fund Impact	2,364	2,764	2,644
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Detailed Growth and Reprioritisation

Economic Development

		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
Ref	Brief Description			
CSYG8	Leeds City Region Secretariat	23	23	0
One off	The costs of providing a secretariat function for the Leeds City Region has so far been borne entirely by Leeds City Council. The Leaders Board having already agreed a funding formula based on population levels decided at their October meeting to fund a Secretariat for 2008/9 which would cost £350,000 to run. On the basis of the agreed funding formula this would mean a cost to the City Council of £23,100. Membership of the Leeds City Region will incur an annual contribution the level of which is to be agreed by the Leaders' Board on an annual basis (each autumn).			
Total		23	23	0
Reserve Funding		23	23	0
General Fund Impact		0	0	0

Adult Social Services

		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
Ref	Brief Description			
HSUG2	Supporting People retraction	720	850	850
	Supporting People funding is being withdrawn from a range of providers, mainly in LD and PD services. As the Council has a statutory duty to fund most of the customers the majority of the shortfall in funding must be picked up by the council.			
HSNG6	Increased home care contract costs due to changes in statutory leave entitlement	23	45	45
	Legislation has changed and statutory annual leave entitlements for all independent sector home care staff increases from 4 to 4.8 weeks from the 1 October 2007. The additional costs were not known when the contracts were awarded and are an additional financial cost for providers. The new annual leave entitlement is expected to add approximately 2% to the annual wage bill from October 2007 and a further 2% from April 2009 when legislation further increases the entitlement. This equates to a 1% increase in the hourly rate charged to the Council by the Providers.			
HSDG2	Increased number of LD complex cases & transitions	400	800	1,000
	Known individuals who are transferring from children's services into adulthood- with LD and PD issues. The LD team manages all transitions cases hence this bid is for people with LD and also some who have primarily PD needs. The bid consists of known costs associated with 15 individuals.			

Detailed Growth and Reprioritisation

HSDG5	Maintenance of equipment	35	35	35
	The models of equipment needed to support people to continue to live in their own homes are becoming more complex with an increased reliance on equipment that need regular maintenance and servicing. A successful strategy to support people safely into their own homes means that there is an annual increase in the amount of equipment being issued and maintained.			
HSRG2	Transfer of Access Grant into RSG	1,635	1,635	1,635
	This funding is currently a specific grant and will be rolled into base funding over the next 3 years. The main use of the grant is to fund staffing costs across the service plan.			
HSRG3	Transfer of Delayed Discharges grant into RSG	302	302	302
	This funding is currently a specific grant and will be rolled into base funding over the next 3 years. The main use of the grant is to fund a number of care beds to prevent delayed discharges from hospital. Without this investment the council would have to pay fines to the hospital for each delay.			

Total	3,115	3,667	3,867
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Reserve Funding	0	0	0
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General Fund Impact	3,115	3,667	3,867
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Leisure and Culture

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
LCYG1	Edmund Wilson Gym	66	33	0
One off	Loss of income due to gym provision in a portakabin			
LCYG2	Oaklands closure	80	15	0
One off	One off revenue implications from the closure of the sports centre during the construction period of the new Oaklands Pool			
LCYG5	York Mystery Plays	20	20	20
One off				

Total	166	68	20
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Reserve Funding	166	68	20
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General Fund Impact	0	0	0
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Detailed Growth and Reprioritisation

Children's Services

		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
Ref	Brief Description			
LCUG1	Soulbury Staff Performance Awards (SPA Points)	28	28	28
	New addition to staff terms and conditions entitling Soulbury staff to be considered for an additional increment based on meeting performance targets. Expectation is that the vast majority will be awarded an additional point with a cost of £30k if 100% achieve the required standard of performance.			
LCNG2	School Workforce Census	7	7	5
	The School Census currently has two levels: pupil level and school level. The DfES is currently working with pilot LAs to create a new level — the School Workforce (SWF) level, based on the School Workforce (formerly 'Adult') Common Basic Data Set. York's census will be required from January 2009. The new census will be extensive and will include basic details on all staff, hours worked, pay scales, absence, roles, qualifications and a range of other data. The census is currently being planned as a termly collection. Significant additional work will be required around the collection of data, training for schools, updating of school MIS's and liaison with HR colleagues. York will be carrying out a pilot with 10% of schools in January 2009 and a pilot with all schools in September 2009, with the full termly census to begin in January 2010. Funding is required to support the pilots and for initial set up costs, with ongoing costs expected to reduce as the changes are embedded.			
LCNG3	CRB Clearances	15	15	15
	Implementing the latest government guidance will entail carrying out an increased number of checks on new starters and introducing a regular refresh of the checks for existing staff. The rechecks will be phased over three years based on a risk assessment exercise currently being undertaken.			
LCNG5	SACRE - 5 Year Curriculum Review	5	0	0
One off	Religious Education is not part of the National Curriculum but must be taught in schools by law. The syllabus has to be produced locally and is known as the agreed syllabus. Each local authority must appoint a Standing Advisory Council for Religious Education and one of the functions of this body is to carry out a quinquennial review of the RE curriculum in the local authority. This review is due to be carried out in 2008/09, and will require increased support from the Advisory Service.			
LCYG4	Youth Service Premises Costs	15	15	15
	Costs which are being incurred in maintaining spare premises because of delays in removing these buildings from the Youth Service portfolio following the restructure of the service (e.g. Sanderson House).			

Detailed Growth and Reprioritisation

LCDG6	Home to School Transport	150	50	0
One off	SEN transport costs have risen significantly over the last few years due to more SEN pupils requiring transport and escorts to special schools as a consequence of action taken to maintain children with SEN within the city rather than in expensive out of city residential placements. In addition there has been an increase in discretionary expenditure due to the number of appeals being granted, and the price increases in taxi contracts for all journeys have on average been higher than the budgeted for.			
LCDG7	ICT Support Services	57	0	0
One off	Insufficient resources were transferred to LCCS from HASS at the time of the transfer of Children's Social Services functions to support all of the ICT needs of the new directorate. A requirement for 1.5 - 2.0 ftes was established based on workload by LCCS but HASS were only able to identify resources sufficient for 0.5fte to be transferred. This has been used to employ one full time ICT support technician from October 2007 to September 2008 on a temporary contract. This request is to extend the contract to March 2009 pending a full review of directorate ICT support requirements that is currently being undertaken by the Head of Central ICT.			
LCDG10	Children's Social Care (Legal Fees)	100	0	0
One off	Demographic pressure on fostering and legal costs within Children's Social Services. The number of children in foster care has risen over the last couple of years (total numbers of looked after children have risen from 140 at the start of 2006/07 to around 160 in 2007/08. This has led to more children being placed through expensive Independent Fostering Agencies as there are not enough places available with York foster carers. In addition there is pressure on legal fees due to an increase in the number of complex (and expensive) court cases involving York children, together with a general increase in the cost of cases due to a national trend for courts to call in more expert witnesses.			
LCRG7	Children's Services Grant	459	459	459
	The Children's Services Grant has been transferred to formula grant from 2008/09. The grant funds statutory expenditure across Children's Services.			

Total	836	574	522
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Reserve Funding	312	50	0
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General Fund Impact	524	524	522
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Detailed Growth and Reprioritisation

Neighbourhood Services		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
Ref	Brief Description			
NSUG2	HWRC Site Management & Transportation Contract	20	60	70
	As part of letting a new HWRC Transport & Management contract, increasing levels of recycling performance for the contractor to achieve were included in the contract. The accepted tender had stepped increases in costs from 2008/09 onwards.			
NSUG5	Asbestos Processing	10	10	10
	Anticipated gate fee increases due to enhanced handling legislative requirements			
NSUG6	Sim Hills Former Landfill Site	12	12	12
	In 2006/07 Yorkshire Water reviewed the charges for dealing with trade effluent at Sim Hills former landfill site			
NSNG1a	Landfill Tax	450	970	1,490
	Landfill Tax will increase by £8 per tonne from 1 April 2008 to 2011.			
NSNG5	Draw on additional RSG for the new statutory duty to accept stray dogs 24/7	25	25	25
	Out of hours responsibility previously fell to the police.			
NSNG6	Draw on additional RSG for new duties	25	25	25
	The government has placed new enforcement duties on the council including home information packs, copyright enforcement and food safety on farms enforcement.			
NSYG2	Sales of Bins to Developers	43	43	43
	Unachieved Prior Year Budget Saving. Legal challenge to proposal to charge developers for bins.			
NSDG1	Additional recycling collection round due to growth in property no's	133	133	133
	Increased growth in the number of properties in York and in particular the number of new flats means that the current waste collection rounds are reaching capacity, and therefore to cope with further significant increases in the property base a further vehicle including driver and 2 loaders will be required from 2008/09.			
NSRG1	End of Waste Performance Revenue Grant (WPRG)	203	203	203
	2007/08 is the final year for the Waste Performance and Efficiency Grant.			
NSRG2	End of WPRG - revenue costs previously capitalised	50	50	50
	A prior year saving to be reversed as capital Waste Performance and Efficiency grant has expired.			
NSRG3	Award of Air Quality Monitoring Stations Maintenance contract	32	34	42
	Servicing and maintenance contracts for 6 air quality monitoring stations (AQMS), data management and annual audits of AQMS.			
NSRG4	End of CRED funding for St Nicholas Fields SLA	20	0	0
One off	One off funding to cover grant fall out until full recycling programme is rolled out.			
NSIG1	End of LPSA funding for costs of Kerbsider Vehicles	207	207	207
	To cover operational costs of 5 vehicles.			
NSIG3	Replacement of Grass Cutting machinery for H&S reasons	25	0	0
One off	Replacement machinery which will comply with current H&S standards.			
NSYG1	Replacing ward committee capital budgets with revenue	202	202	202

Detailed Growth and Reprioritisation

One off	Ward committee capital growth of £70k per annum on a recurring basis to maintain the overall budget level with the recurring reduction in the capital element of the ward committee budget.			
NSIG4	Waste Minimisation	50	50	0
One-off	As part of the Waste Strategy agreed in 2004, £50k approved for three years to increase waste minimisation. This amount comes to an end in 2007/8. We have achieved a reduced level of waste entering the waste stream per head of population and was recognised and commented positively on by the CPA inspector.			
NSNG4	Make permanent temporary licensing officer post	19	19	19

Total	1,526	2,043	2,531
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Reserve Funding	297	252	202
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General Fund Impact	1,229	1,791	2,329
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Resources Directorate

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
RESUG3	Audit Commission Fee increases	37	47	57
	Includes increases on grant work, core audit and additional inspection costs			
RESRG1	Reduction in Housing Benefit Admin Grant	86	114	114
	As part of the Comprehensive Spending Review 2007 the Department for Work and Pensions has announced a 5% reduction in funding available for Local Authorities to fund Housing Benefit administration. The reduction for York is likely to be c £32k after assuming 2.5% inflation in the grant.			
RESYG1	HB Venture Fund. Final three years of planned repayments	25	25	25
One-off				
RESIG5	Delphi replacement project costs	85	170	0
One-off	Following the replacement of FMS there is a need to develop and replaced the existing Payroll and HR System, Delphi. This request covers the need for a project team to take the project through from inception to completion. In order to control costs the request is predicated on an assumption that this process would be project managed by the team who are currently successfully running the FMS Replacement Project. This team comprises a Project manager and two Project Support Staff. Such an approach brings a number of advantages ranging from immediate credibility with many key partners, through familiarity with the business and its needs, to the ability to dovetail workloads to minimise downtime and speed up the overall implementation process. It also means there would be no costs or delays due recruitment. Based on this approach it is anticipated that the project could be completed in a maximum of eighteen months compared to a two year timescale of a new team were to be introduced.			

Detailed Growth and Reprioritisation

Total	233	356	196
Reserve Funding	110	195	25
General Fund Impact	123	161	171

Corporate Budgets

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£'000	£'000	£'000
CORPUG14	Loss of YPO Dividend	137	0	0
One-off	The Council has benefitted from dividend paid by YPO since 1996 and has been used to directly support various operational services budgets across HASS, LCCS and Resources.			

Total	137	0	0
Reserve Funding	137	0	0
General Fund Impact	0	0	0

Unavoidable Non-Schools Expenditure Pressures

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£'000	£'000	£'000
	Pay Increases for APT&C (2.5%, 2.5%, 2.5%)	1,895.0	3,895.0	5,995.0
	Pay Increments	703.0	1,503.0	2,343.0
	Increase in Superannuation contribution rate	255.0	255.0	255.0
	Price Inflation (non-avoidable expenditure increases only - all other budgets cash-limited)	1,452.0	3,852.0	6,352.0
	Additional financing for borrowing (capital programme)	-273.0	-80.0	220.0
	Additional running costs for capital programme	-	-	-
	Minimum Revenue Provision	81.0	321.0	561.0
	Minimum Revenue Provision - Commutation	131.0	226.0	245.0
	2007/08 savings not deliverable in following years	-	-	-
	IT Development Plan - non schools	409.0	909.0	1,409.0
	Interest earned on cash balances	-510.0	-88.0	-88.0
	Property - costs not capable of funding from capital receipts	260.0	260.0	260.0
	Property - cost of asset disposal	50.0	50.0	50.0
	CONTINGENCY FUND	800.0	1,600.0	2,400.0
	Under utilisation of 2007/08 contingency fund	-200.0	-200.0	-200.0
	Savings on insurance costs (new)	-35.0	-35.0	-35.0
	Council wide management savings	-200.0	-200.0	-200.0
	Additional funding for Concessionary Fares	-1,112.0	-1,112.0	-1,112.0

Total	3,706	11,156	18,455
Reserve Funding	0	0	0
General Fund Impact	3,706	11,156	18,455

Detailed Growth and Reprioritisation

Dedicated Schools Grant

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
LCHS5	Children In Need - Education Support Worker Post	24	24	24
	Additional resource required within the Schools Budget to fund the General Fund savings LCHS5.			
New	Dedicated Schools Grant Overhead Allocation	50	50	50
	Additional resource required within the Schools Budget to fund increased overhead charges.			

Total	74	74	74
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Reserve Funding	0	0	0
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General Fund Impact	74	74	74
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Detailed Savings Proposals

Chief Executive		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
Ref	Brief Description			
CXMS1	Delete 1fte HR Post re merger of Corporate Teams	-25	-25	-25
	Proposal to merge the Corporate Development Team and Business Development Team resulting in increased operational efficiency and allowing the realignment of resources away from business development to the equalities agenda.			
CXMS2	Restructure of Electoral Services	-24	-24	-24
	Deletion of the post of Electoral and Civic Services Manager and consequent restructuring			
CXMS3	Delete Legal Consultants Budget	-21	-21	-21
	This budget is historically used to pay for locum solicitors to support the service. However in recent years Directorates have bought in external legal support directly resulting in an underspend for Chief Executive's.			
CXHS1	Restructure within Policy Improvements and Equalities	-20	-20	-20
	Re-alignment of the staffing resources within the Policy, Improvement and Equalities Team (PIET) to: (a) respond to changes required due to merging of policy and improvement teams (b) urgently provide a more balanced and sustainable structure (c) ensure resources at targeted at directorate and organisational priorities, whilst reflecting the need to reduce overall costs			
CXLS1	Downgrade vacant research officer to Research Assistant.	-11	-11	-11
	The PO 1-4 role of Research Officer (one of two) is currently vacant. A saving of £11k can be achieved by downgrading this post to a Scale 5 Research Assistant			
CXLS2	Admin Accom Saving - vacate King's Court	-34	-34	0
One off	Relocate legal staff to Guildhall from King's Court, saving 34k rental of King's Court. Saving only available to 2009/10 when included in costings for overall Admin Accom project.			
CXLS3	Set income target for Recruitment Pool Budget	-20	-20	-20
	The existing in-house temporary agency for administrative, clerical and driving staff. The pool generates income by supplying agency staff throughout the council with a percentage mark up on the worker's hourly rate. The savings proposal is to utilise a proportion of the pool's income as a saving which would otherwise be re-invested in the HR Service			
CXHDS1	Reduction in Talkabout Budget	-8	-8	-8
	There is currently £20,000 in the talkabout budget that delivers three questionnaires a year and an annual refresh of the panel (which need to be done regularly to maintain statistical viability). Reducing the budget by £8,000 will mean reducing the questionnaires to two a year and refreshing less frequently than we now do - two refreshes every three years.			
CXMDS1	Delete 0.5fte admin support to AD Head of CD&L Services	-9	-9	-9

Detailed Savings Proposals

	This post provides PA support to the Head of Civic, Democratic & Legal Services (HCDL). It will have an impact on the HCDL, but this could be minimised by the other PA staff in Chief Executive's providing support to HCDL, typing would continue to be provided by existing legal staff.			
CXMDS2	Increase in Guildhall Income	-7	-7	-7
	The hire of the guildhall has been relatively successful in 2007/08 and anticipated to overachieve its income target (£17k). It is proposed to increase charges for the hiring of the guildhall by 10%. Combined it is anticipated that an additional £7k can be achieved.			
CXMDS3	BVPP	-5	-5	-5
	This proposal represents a 30% reduction in the budget held for the production and distribution of the BVPP, corporate strategy and other performance information. Much of this information is mainly for internal stakeholders and partners, but some, for example, the performance information included with council tax bills, is targeted at a much wider audience. The impact of this cut is potentially mitigated by the fact that the Council will no longer have to produce a BVPP from April 2008. It is also possible that performance information provided to residents may be able to be provided more effectively through alternative mechanisms such as the proposed annual report, and/or residents newspaper.			
CXMDS4	Delete Redundancy Counselling Budget	-9	-9	-9
	To remove set budget for redundancy counselling as service can be delivered for free through Future Prospects			
CXLDS1	Reduction of exhibition display trailer maintenance budget.	-4	-4	-4
	This budget was offered last year (£4,000 from £4,290) and taken for one year only. The exhibition unit is still in a reasonable state of repair and is being hired out. Should it be in need of a refit in year this pressure will have to be met by increasing charges.			
CXLDS2	Saving from various office expenses and general budgets.	-6	-6	-6
	Savings on various office equipment and printing and stationary budgets across the department.			
CXLDS3	Reduction in the Market Research Budget £2k (from £10k)	-2	-2	-2
	The majority of this budget is spent on the annual residents opinion survey. We will make the saving by seeking to drive down costs with external suppliers.			
CXLDS4	Reduction in hours of media and publications officer to 4 days	-8	-8	-8
	The council employs three media and publications officers to handle all press work and all council publications. They all work between the disciplines, but broadly speaking one produces Your City, Streets Ahead and other direct communications with residents, and the other two people work on press releases, communications strategies and all aspects of media relations. The proposal is to reduce one of the jobs to four days a week - a saving of £7,500 including add-ons.			
CXLDS5	Subscriptions Budget	-8	-8	-8

Detailed Savings Proposals

	Savings identified from a number of HR subscription budgets			
CXLDS6	Flexible Benefits	-5	-10	-10
	This savings proposal is based upon the sacrifice of half of the current budget and income generated from the production of an in-house benefits publication for all employees in which advertising space is sold, covering the production charges. This would be in addition to a free local government national discounts provider. The current benefits provider contract will end in August 2008 so in subsequent years further money from this budget could be offered.			
CXLDS7	Service Running Costs	-6	-6	-6
	Reduction in running costs for combined Policy, Improvement and Equalities Team.			
CXLDS8	Additional income from Legal Services	-5	-5	-5
	Proposal is to increase legal charges for undertaking S106 agreements to developers from £500 to £750.			
CXLDS9	Admin Restructure	-8	-8	-8
	Savings resulting from minor restructure across Democratic Services. The proposal is to delete 1 Democracy Officer post (Sc4/SO2) and replace it with a Democratic Services Officer (Sc4/5) and reducing the hours of existing f/t Member Support Officer to 3 days per week.			
CXLDS10	Legal Services - Books Budget	-6	-6	-6
	By utilising on-line reference material it should be possible to reduce the budget for books and training within legal services			
CXLDS11	Scrutiny - Misc Budgets	-2	-2	-2
	A reduction in the supplies and services budget within the scrutiny section			

Total Savings	-253	-258	-224
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City Strategy

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
CSMS1	Increase RESPARK permit charges by 5%	-10	-10	-10
	An increase of 5% (2.5%) in the level of Respark Permit Charges for all permits (with the exception of the Visitor permits which would stay at the existing convenient price of £1.00). This would for example increase the £88.00 charge to £92.40 (or £90.20 at 2.5%) and is likely to generate an income of approximately £22k.			
CSMS3	Anticipated increase in Development Control Fees	-165	-165	-165

Detailed Savings Proposals

	Increase in the administration fees for planning applications. Fees have not risen for several years. The Government has stated the increase is intended to offset the loss of Planning Delivery Grant. The proposal is based on a 20% increase in line with consultation undertaken earlier in the year.			
CSMS4	Charge for Planning input into Section 106	-45	-45	-45
	Agreements and for planning information supplied to solicitors and business. Proposed charges for officer time in the negotiation and finalisation of S 106 agreements and for research and information given to Solicitors and Businesses relating to the discharge of planning conditions and obligations			
CSMS5	Review of structure of management support arrangements in City Strategy	-25	-25	-25
	Reduce establishment by 1fte in management support. Proposal will result in reduced management support and may involve a redundancy.			
CSLS1	Reduction in Street Lighting Budget	-40	-40	-40
	With the new contract now in place there is the potential for a £40,000 saving on the new rates as opposed to the old rates. This is increasingly possible if, as part of the new strategy, the decision is made not to paint galvanized columns for the first 5 years (in most situations).			
CSLS2	Improvements in efficiencies across R&BM	-10	-10	-10
	Reduced costs of photocopying, printing and overheads across department			
CSYG8a	Reductions from Regional Governance Arrangements	0	0	0
CSRG1a	Internal efficiencies and new Housing & Planning Delivery Grant	-145	-145	-145

Total **-440** **-440** **-440**

Economic Development

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
CSMS6	Adjust contribution to Science City York	-50	0	0
One off	One-off saving for 2008/09 due to a review of external grant funding and income generated.			
CSMS7	Reduction in contribution to Future Prospects	-20	0	0
One off	One-off saving for 2008/09 due to a review of reserves generated by Future Prospects, enabling the Council to reduce its contribution for a single year.			

Total **-70** **0** **0**

Detailed Savings Proposals

Housing Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
HSL5	Additional income from HMO licencing (non recurring)	-19	0	0
One off	Non recurring resulting from more HMO licences being issued than expected.			
HSL6	Capitalisation of staffing from private sector RHB funding	-13	-13	-13
	This is linked to the Regional Housing Board private sector grant funding.			

Total **-32** **-13** **-13**

Adult Social Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
HSMS1	Reduction in residential and nursing care placements	-85	-85	-85
	Will reflect the reduced level of demand in the service area.			
HSMS2	Reduction in residential and nursing costs following implementation of cross border protocol	-150	-150	-150
	A new cross border protocol relating to the ordinary residence of a customer, is brought into effect.			
HSMS3	Home Care - reduction in home support hours	-22	-97	-97
	The aim of the Home Support Service is to offer support to customers living in their own homes to ensure their safety and physical, emotional and mental health well being. The service is provided to assist customers, who have low level needs, maintain their independence within their own homes and does not include any personal care. As demand for this service has not been at the level anticipated this proposal will reduce the established hours in Home Support services.			
HSMS4	Home Care - create city wide enabling & intermediate care team	-127	-363	-363
	There are currently Promoting Independence teams in 4 locations and one separately contracted Intermediate care service (contract due to expire Dec 07 and be incorporated within the CYC service). This proposal would combine the hours in the PIT service across the city, improving availability of a service that is required on demand and reducing both the total number of hours needed and management costs.			
HSMS5	Home Care - amalgamation of High Dependency and EMI services	-167	-490	-490
	The amalgamation of these 2 teams will create efficiencies and result in fewer hours being needed for the service.			
HSMS6	Administration	-32	-37	-37
	Associated with the introduction of electronic social care record and the new social care data base.			

Detailed Savings Proposals

HSMS7	Day Centre efficiencies	-17	-17	-17
	Achievable due to reconfiguration of budgets.			
HSMS8	Increased continuing care income	-75	-75	-75
	A national framework has been introduced which should result in more customers being eligible for continuing health care, therefore reducing the social services contribution required to an overall package of care.			
HSMS9	Improved attendance management	-30	-60	-60
	Improving attendance and reducing levels of sickness absence across the department. Saving dependent on the council's payroll system being improved to deliver the necessary reports and managers information.			
HSMS10	Inflationary Fee Increases	-195	-195	-195
SHS10	Increase charge for day care	-29	-29	-29
	All customers are financially assessed and only pay what they can afford.			
HSL1	Finance process improvement	-40	-40	-40
	Resulting from efficiency work in the Customer Finance team.			
HSL2	Receptionist	-21	-21	-21
	Give up funding for an unfilled post.			
HSL3	Relocation costs	-14	-14	-14
	Reduction in the budget set aside to meet relocation expenses in accordance with the councils recruitment policy.			
HSL4	IT project team	-38	-38	-38
	Project implementation now complete.			
HSLDS1	Reduction in agency staff budget	-7	-7	-7
	Change in strategic direction of national stock procurement model which York is involved in.			
HSLDS2	Printing of leaflets	-5	-5	-5
	Ceasing to print annual BCHS report and combining HASS A-Z of services with council wide A-Z of services.			
HSLDS3	Increased vacancy factor	-8	-8	-8
	Increased vacancy factor in the department.			

Total	-1,062	-1,731	-1,731
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Leisure and Culture

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
LCMS4	Sports SLAs & Grants	-10	-10	-10
	Abandonment of annual financial support for voluntary organisations delivering competitive and representative school sport programmes (YDSAA), swimming and aquatics programmes (YCBC), athletics development programmes (CoYAC), and sports zone development funding linked to Active York.			

Detailed Savings Proposals

LCMS11	Projected increases in fees and charges	-101	-101	-101
LCHS9	Parks Development Fund	-15	-15	-15
	The fund which is used to progress the Green Flag agenda to new sites e.g. Hull Road Park and bring land back into use on allotment sites e.g. Green Lane.			
LCHS11	Sports Facilities Maintenance Budget Reduction	-10	-10	-10
	In line with the projected ease in maintenance requirements following the Yearsley Pool refurbishment.			
LCHS12	Edmund Wilson Creche Closure	-16	-16	-16
	Reduction of opening hours to proven peak demand times. These are currently Monday to Thursday between the hours of 9am and 1pm.			
NEW	Re above	-10	-10	-10
LCLS4	Park Attendants Restructure	-30	-30	-30
	In order to create a seamless parks service with improved customer care.			
LCHDS5	Swinegate Admin Support - Introduce Voicemail	-4	-4	-4
	Introduce voicemail to reduce the forwarding of phonecalls to other members of staff.			
LCMDS7	Library Stock Procurement Model	-7	-7	-7
	Change in strategic direction of national stock procurement model which York is involved in.			
LCLDS3	Edmund Wilson Health & Beauty Suite - Cease Service	-2	-2	-2
	Cease service due to commercial competition.			

Total **-205** **-205** **-205**

Children's Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
LCMS8	Planning Officers Salary Recharge To Capital	-25	-25	-25
	Achievable due to the increased size of the Children's Services Capital programme over the following three years, mainly attributable to the One-School Pathfinder and York High schemes.			
LCMS9	SEN Transport Schools Budget DSG Charge	-100	-100	-100
	There is provision within the School budget regulations to charge some SEN Transport costs to the Schools Budget and hence fund from the DSG rather than General Fund.			
LCMS10	Multicultural Service Management Restructure	-14	-24	-24
	Merge the management of Travellers' and English as an Additional Language services from two separate posts into one via deletion of one post. NB one post holder is currently considering leaving at the end of the academic year.			
LCMS11	Projected increases in fees and charges	-160	-160	-160
LCHS1	Children & Families Planning Officer	-19	-19	-19

Detailed Savings Proposals

	The post, which is currently working with the Children's Trust, does not provide a statutory service.			
LCHS3	Family Support Staffing Reduction	-24	-24	-24
	Typically staff support the activities of Social Work colleagues with respect to undertaking direct work with children subject to child protection plans, assess and supervise contact of looked after children, and lifestory work in preparation for children's move on to adoption where appropriate.			
LCHS5	Children In Need - Delete Education Support Worker Post	-24	-24	-24
	Following internal study early 2006, discovered that overwhelming indicator for admission to care of the 11-15 year age range, was linked to education, either behavioural or non-attendance. Designated savings from closure of home to address this issue. 'ESW' (not EWO) identifies children most at risk, and implements intensive programme of activities, including: direct education package; brokers return to school with support; brokers reentry via Ed otherwise programme. Assist parents with reasonable expectations, including practical requirements re homework, speaking to schools, positively promoting education. Also, enables children to be properly consulted about, and participate in the design and provision of services that they respond positively to.			
LCHS20	Youth Service Schools Counselling - Cease Service	-23	-23	-23
	Cease Service which currently provides Secondary schools with a minimum counselling service of 3 hours. Some schools choose to extend the service through their own resource.			
LCLS1	Children's Rights Service - Non Staffing Efficiencies	-13	-13	-13
	Non staffing efficiencies linked to supplies and services budgets.			
LCLS5	Interest On School Negative Cash Balances	-25	-25	-25
	The full year effect of additional interest generated on council cash balances from changes to the way cash resources are transferred to schools through the BAFS scheme.			
LCLS6	School Fire Insurance Fund Contribution	-10	-10	-10
	Reduction based on current claims history.			
LCLS7	Office Moves Budget Deletion	-15	-15	-15
	Delete the full budget in business support which is available to support office moves across the directorate.			
LCLS8	School Development Grant Reprioritisation	-33	-33	-33
	In line with the widened scope of the retained part of the SDG.			
LCHDS1	11 Plus Administration Team - Delete 0.5 Clerical Post	-9	-9	-9

Detailed Savings Proposals

	Delete part time post. Post provides performance management support to care leavers services; undertakes reference checks for fostering, adoption, child minders from all agencies and authorities etc; financial arrangements for care leavers which is of significant risk. General admin tasks of reception (very difficult and challenging given our customer group), archiving, updating ICS, servicing meetings, preparing performance management information, etc.			
LCHDS6	Governor Training Sessions Reduction to 19	-2	-2	-2
	Reduction of bought in consultancy sessions from 27 to 19.			
LCMDS1	Looked After Children IT Management System	-7	-7	-7
	This was originally used to pay for access to a fostering website which is no longer in existence, and is now used to fund general computer hardware/software costs across the Children & Families Service.			
LCMDS2	Welfare Service Training Budget Reduction	-2	-2	-2
	There are further potential savings that can be made in the training budget which is expected to be underspent this year and was underspent in 2006/07. It is worth noting however that in previous years this has been actually overspent when two staff completed LDSS course which cost approx. £3k.			
LCMDS3	Access Funding For SELECT Programme	-3	-3	-3
	Reduction in the access fund set up this year to support students who could not otherwise afford the fee for the programme.			
LCMDS4	Lifelong Learning Partnership - Cut Grant	-8	-8	-8
	Cutting of the grant used to support the core costs of the Learning Partnership. CYC is the only organisation to make this contribution in cash (many organisations make significant in kind contributions).			
LCMDS10	Youth Service Training - 12% Budget Cut	-7	-7	-7
	12% Budget Cut which enables the youth service workforce to gain the skills, competencies and knowledge to do their jobs effectively.			
LCMDS11	Trade Union Duties - 5% Cut	-3	-3	-3
	Reduction of 5.0% on Teachers Panel budget = £3,300. A number of options available for achieving this but nothing discussed with the unions yet.			
LCMDS12	MIS Post Reduction to Term Time Only	-3	-3	-3
	MIS has 3 full time scale 3-4 posts. One of these posts could be reduced from full time to term time only which will save about £3,000. Issues - deciding which post to reduce and the impact it will have on the post holder.			
LCMDS13	MIS Reduce External Consultancy Budget	-2	-2	-2
	Reduction in the budget used for consultancy and training for the pupil database.			
LCMDS14	Access Service - Conference Expenses Budget Cut	-2	-2	-2
	Description Can offer up allocated budget for conference expenses.			
LCMDS15	Access Service - Staffing Savings	-6	-6	-6
	Staffing savings by not permanently filling a current vacancy.			

Detailed Savings Proposals

LCMDS16	Access Service - Reduce External Consultancy Budget	-6	-6	-6
	Reduction in the External Consultancy budget.			
LCLDS1	Welfare Officer - Delete Vacant Post	-5	-5	-5
	There is currently a 0.2 fte vacant post in the team which could be left unfilled.			
LCLDS2	Welfare Officer - Reduce Post to Term Time Only	-3	-3	-3
	This saving can be achieved via reduction in the budget allocated for a member of staff who is currently budgeted as full time but actually works term time only.			
LCLDS9	Teacher Line Contribution - Cease	-1	-1	-1
	Cease voluntary annual contribution.			
LCLDS10	Access Service - Printing Budget Reduction	-2	-2	-2
	Can submit a saving on printing costs due to reduction in costs as a result of the centralisation of student support functions to the central processing unit at Darlington.			
New	Increase Directorate staff vacancy factor by 0.5%	-48	-48	-48
New	Increased Overhead Charges to the Schools Budget	-50	-50	-50

Total	-654	-664	-664
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Neighbourhood Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
NSMS1	Increase charges for trade waste at Hazel Court	-15	-15	-15
	Non recyclable + £10/ tonne (new rate £80), Recyclable + £5/ tonne (new rate £40). Assumes no reduction in tonnage. This equates to a 14% increase.			
NSMS5	Absorb new enforcement duties within EHTS by reprioritising work within the department	-25	-25	-25
	Achievable by reprioritising work within the department.			
NSMS6	Remove fleet admin assistant post	-20	-20	-20
	The post currently supports the fleet partnership with ABRO.			
NSMS8	Waste Processing Costs	-130	-130	-130
	Retendering the waste processing contract following post contract negotiations, and reduced tonnes to landfill through continued drive to encourage recycling and diversion of waste away from landfill.			
NSMS9	Trade Waste Fees - increase charges by 10%	-250	-250	-250
	Increase charges for commercial waste collection.			
NSHS3	Reduce staffing in the Animal Health Unit by 0.5 FTE	-10	-10	-10
	This is the only 'dedicated' dog warden post in the team. The other 3.5 FTE in the team are multi functional animal health officers.			
NSHS5	Reduce the frequency of hiring vehicles	-37	-37	-37
	Reduce the frequency of hiring in vehicles to support the service.			
NSLS1	Reduce the number of staff in the Waste Strategy Unit	-17	-17	-17

Detailed Savings Proposals

	Removal of a vacant post leaving 5 staff members in the unit.			
NSLS2	Reduce budget for abandoned vehicles	-10	-10	-10
	Costs will be reduced due to increased value of scrap metal.			
NSLS3	Reduce to 1 toilet attendant at all times at Union Terrace Toilets	-18	-18	-18
	Move to 1 Toilet attendant at all times at Union Terrace Car Park toilets. These are provided by the service provider. Cleaning duties will be shared with existing staff.			
NSLS5	Increase crematorium and cemetery fees by 5%	-60	-60	-60
NSLS6	New income stream for licensing related to Gambling Act 2005	-25	-25	-25
	The Gambling Act became operative on 1st September 2007. This introduced new responsibilities for the local authority which attract licence fees. Total income estimated to be 30k but there 5k in budget for related functions which has been deducted.			
NSLS7	Reduce target hardening budget	-10	-10	-10
	This reflects the removal of the need to part fund the Local Authority Liaison Officer with NYP as this post is no longer in use.			
NSLS8	Delete 0.5 FTE admin post from the department structure	-12	-12	-12
	Deletion of 0.5 FTE admin post from the Neighbourhood Management team.			
NSLS10	Reduce staffing budget for the Neighbourhood Management Unit pending a review of the structure	-23	-23	-23
	Reduction of the staffing budget by £23k.			
NSLS11	Make charge for the canteen assistant to the canteen Committee	-11	-11	-11
	Make charge for the canteen assistant to the Canteen Committee rather than the Admin Account.			
NSMDS1	Increase pest control fees above 5% target	-4	-4	-4
NSLDS1	Reduction in support officer and general costs	-4	-4	-4
NSLDS2	Income from enforcement penalties	-5	-5	-5
NSLDS3	Reduce food sampling budget	-6	-6	-6
NSLDS4	Do not renew the leases of the 3 remaining cars in the department	-6	-6	-6
NSLDS5	Crematorium new income stream for internment of cremated remains	-4	-4	-4
NSLDS6	Increase discretionary licensing fees by 5%	-9	-9	-9
NSLDS7	Reduce expenditure in licensing	-4	-4	-4
NSLDS8	Reduce staffing in the department by 0.5 FTE	-9	-9	-9
NSLDS9	Cease FTA/CTA subscription	-1	-1	-1

Detailed Savings Proposals

-725	-725	-725
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Resources Directorate

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
RESMS1	Increased Recovery of Housing Benefit Overpayments.	-20	-20	-20
	Since transferring to Exchequer in 2005 the HB Overpayments Team has consistently increased the levels of recovery. This saving reflects this on-going increase in performance.			
RESMS2	Request to increase the level of court costs relating to non payment of Council Tax and Business Rates.	-40	-40	-40
	Every time a non paying customer is summonsed to court there is a charge that the court imposes on that customer. Any increase would need to be approved by the court. We would then to collect the costs in addition to any other debt outstanding. By increasing the court costs we have the potential to increase the amount of money we collect			
RESMS3	Improved performance in the benefits service could result in an increase in subsidy income payments.	-46	-46	-46
	By reducing the amount of local authority error overpayments to below the challenging government target we will receive additional subsidy income. This proposal assumes the council budgets to receive 40% subsidy with LA errors totalling £190k. This is a challenging target and failure to meet the target will have significant financial impact on the service.			
RESMS4	Review of Benefits and overpayments budgets	-100	-100	-100
	A large amount of work has been carried out (and is still ongoing) to establish the budget position relating to the benefits service and the complex relationship between the benefit paid out and the benefit subsidy income received from the Department for Work and Pension. The financial situation has also improved due to the higher levels of performance within the benefits service and the resulted subsidy rewards			
RESMS5	Improved Council Tax / NNDR collection rate	-150	-150	-150

Detailed Savings Proposals

	When calculating the levels of income that will be received from the council tax an allowance is made for those debts which are not able to be collected. At present the assumption is that 98% of council tax income will be successfully collected. Where this figure is exceeded the additional income is shared between the council, the police and the fire authority. Over recent years the level of collection has consistently exceeded the 98% target and so it is possible to increase the potential levels of collection. This proposal suggests that the assumed collection rate is increased to 98.25% releasing an additional £150k into the base budget. Failure to hit this target will result on a deficit on the collection fund which would then need to be met by the three precepting authorities. The Director of Resources deems such a risk to be low. It should be noted that this increase, whilst built into the base budget, will result in lower collection fund surpluses from 2009/10 onwards.			
RESMS6	Lease Drop Outs	-168	-168	-168
	The proposal is to buy-out leases terminating both in year plus additional savings from buy-outs in previous year. The saving is dependent on negotiating with lease providers over the residual value of equipment.			
RESMS7	IT&T - Reduction in Staff Resources	-28	-28	-28
	Proposal is to reduce the Support Team resource requirements by one fte following the migration of the Corporate Print Services to the Central Print Unit			
RESMS8	Additional Income within IT&T for expanding use of network	-15	-15	-15
	User Support - Income from additional service sales by expanding the use of the existing Corporate Remote Access System.			
RESHS2	Reduce resources within Internal Audit / Fraud by one fte	-24	-24	-24
	To delete a post from the existing Audit and Fraud team establishment. This will have a significant impact on the team's ability to deliver the annual Audit and Fraud Plan which is currently under-resourced. It is likely that in actioning this saving that there will be adverse comment from the District Auditor and may impact on future CPA score.			
RESLS1	Venture Fund Loan Repayment	-251	-251	-251
	Following an underspend in 2006/07 the Directorate was able to repay two venture fund loans that have budgeted repayments in 2007/08 and future years. Repaying the procurement loan freed up £50k of resources within the audit and risk management budget and repaying the SX3 loan freed up £201k in the IT&T budget.			
RESLS2	Strategic Finance - Service Budget Savings	-17	-17	-17

Detailed Savings Proposals

	A review has been undertaken of budgets within the corporate accountancy service. This review has identified three areas where savings can be taken on existing budgets without a significant impact on performance. These areas cover the replacement in 2007/08 of a Senior Accounting Technician will a Trainee Accounting Technician (£10,000); deleting the consultancy budget established to support the council's current financial ledger (£5,000); and realising savings on the letting of a new contract for specialist treasury advice to the council at £2,000 lower price than was previously the case.			
RESLS3	Working with Arclight to support them to become a registered social landlord	-20	-24	-24
	If Arclight becomes a registered social landlord, then benefit claims will no longer be subjected to referral to the rent officer / local housing allowance and therefore benefit will be paid without a penalty /reduction in benefit subsidy payable by the Department for Work and Pensions.			
RESLS4	Savings arising from Projects being cancelled or completed under budget.	-57	-57	-57
	Following a review of IT&T projects a total of 6 projects have been completed under budget (£-24k) whilst a further 4 projects have been cancelled following a change in use requirements (£-24k). There is a further saving from no longer requiring the ITT Printing Service (£-9k).			
RESLS5	Price increases for commercial property (annual rent review)	-60	-60	-60
	Increase in rental income from the following rent reviews Coppergate £6k, Miscellaneous rents £9k, Kings Court £3k, Shambles £11k, Castle Car park £6k, Terry Avenue £10k, River lets £2k, Hospital Fields Rd £13k.			
RESLDS1	Review of Overhead budgets within IT&T	-4	-4	-4
	Review and reduce overhead budgets in relation to subscriptions, conference and subsistence costs.			
RESLDS2	Review Admin Budgets	-5	-5	-5
	Make savings on various departmental supplies and services budgets			

Total	-1,005	-1,009	-1,009
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Items for Consultation

Chief Executive

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
	Scrutiny Management Committee budget increase	14	14	14
	The Scrutiny Management Committee requested a budget of £20k. This is £14k higher than the existing budget of £6k.			
Total For Consultation		14	14	14

City Strategy

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
CSYG2	End of Prudential Borrowing	100	100	100
	Highways & Street Ops At Budget Council in 2004/05 approval to use Prudential Borrowing of £500k over a 4 year period was obtained. The money was used to carry out a £4million programme of essential resurfacing and construction schemes over the period. This was funded from a reduction of £250k from reactive maintenance. The investment period comes to an end in 2007/08 and this growth bid seeks the reallocation of the £250k per year back into highway maintenance revenue budgets. As a result of successive savings on routine highway maintenance revenue budgets there is insufficient funding to keep pace with the rate of deterioration. The reallocation of the £250k will enable more maintenance work to be carried out such as helping to remove the backlog of drainage problems to reduce flooding, or surfacing defects to reduce public liability claims. Essentially the re-establishment of this funding in highway maintenance will return the budgets to a similar position to that prior to 2004/05.			
CSMS2	Increase Standard Stay Car Parking Charges by 10p	-250	-250	-250
	There are 9 standard stay car parks in the city which currently charge £1.30/£1.00 per hour. The last time the charges increased was in 2004/05. Currently the charges range from £1.30 for the first hour to £5.50 for four hours. The proposal is to increase the charge by 10p / hour up to 4 hours - an average increase of 8%. This is a very modest increase and given the length of time since the last increase it is anticipated there would be modest resistance to the increase and some criticism.			
CSIG16	Inflationary increase to voluntary Sector Grants - Voluntary organisations funded through City Strategy (ex Chief Executives) have not received any inflationary increases in funding since 2004/5. This means a cut in real terms. This has a direct impact on	20	20	20
CSHS6	Withdraw Council contribution to york-england.com	-30	-30	-30
	Deletion of annual grant of £30k to York England - the sub-regional inward investment agency.			

Items for Consultation

CSHS4	Reduction in support to subsidised bus services	-96	-96	-96
	There are 27 subsidised bus services and it is projected that they will carry approximately 600,000 fare paying passengers in 2007/8. Some of these are below the threshold of 11 passengers/bus hour and have significant subsidies / passenger. It is proposed to delete the following services 14, 14A, 18A, 20 22 and 195. These services are all below the threshold, have a high subsidy or have alternative services available.			
CSHS2	Withdraw provision of tokens within Council area Concessionary travel tokens are provided as an alternative to a concessionary bus pass. The tokens are valued at £40 / claimant / year. It is estimated there could be 11,500 claimants in 2008/9 at a total	-125	-125	-125
CSHS3	Highway Resurfacing	-238	-238	-238
CSNG1c	Start concessionary arrangements at 9:30 rather than 9:00	-40	-40	-40

Total For Consultation

-659	-659	-659
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Housing and Adult Social Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
HSIG1	Residential & nursing fee increase	50	500	750
	Discussions have continued with the ICG aimed at increasing the fees that CYC pa. It has become difficult for the Council to secure placements at appropriate fee levels and CYC increases have not fully taken account of increased costs such as insurance, utilities, regulatory fees and increases in labour costs over the past two years. The Council has indicated that in order to stabilise the market, assist in meeting demands upon capacity in specialist areas and to stimulate growth it would like to agree a Fair Price Fee level with Providers. Increases in fees will also enable Providers to improve quality and compliance with CSCI standards.			
HSHS12	Reduction in mediation service	-35	-35	-35

Items for Consultation

	To reduce the Face to Face mediation Service:- Funding currently received from HGF, HRA, Supporting People, LCC, Safer York Partnership and other LAs. Proposal is to realign service within guaranteed funding from HRA and Supporting People and secured long-term funding from LCC/Schools. At the same time to remove the general fund element of funding. This would provide a core service to council tenants and "vulnerable" people within SP definition. People in private sector or in housing associations who did not meet vulnerability criteria would not be provided a service unless funded on case by case basis. Management arrangements for the service would be re-shaped to achieve the savings as well as a reduction in paid sessional mediators.			
HS13	Homelessness casework / prevention worker	-27	-27	-27
	Reduction of homeless casework / prevention worker. There are currently 8 casework / prevention workers who carry out the councils statutory duties under the 2002 Homelessness Act. The proposed saving is to reduce this team to 7.			
HS2	Closure of CYC component of Sycamore House	-111	-142	-142
	Remove CYC staffing from Sycamore House and associated day care budgets. Replace with commissioned voluntary sector service to provide drop in facility to support the NHS services. This service is now an integral part of the Recovery Service (day services). The building also accommodates a service previously housed in a PCT building. Staff from Sycamore House now also work in other parts of the day services designed to meet specific needs, e.g. employment and improving mental health as well as providing the drop in sessions. Loss of these staff would seriously undermine the structure of day services which have been agreed by CYC. Loss of the service would be detrimental to the other mental health services from a whole systems perspective.			
HS11A	Increase eligibility criteria to substantial	-200	-300	-300
	The savings would be achieved across all service areas for people with moderate needs including home care, day care, transport and support services. It is impossible to identify the exact level of savings achievable without individually reviewing the needs of every customer. The figures contained in this proposal are estimates based on the current customer base.			
HS9	Increased income from charges - DRB policy change	-216	-216	-216

Items for Consultation

	Currently the council's charging policy is to disregard 35% of disability related benefits in lieu of an individual assessment of Disability Related Expenditure (DRE). This proposal suggests that 100% is taken into account when calculating the maximum assessed charge but that all customers are offered an individual DRE assessment. Approximately 80% of customers (around 1000 individuals) would be affected. It's difficult to predict the exact outcome as all customers would need an individual assessment.			
HS14	Reconfigure early intervention and prevention contract	-20	-20	-20
	Currently have a contract with the Salvation Army to provide early intervention and prevention of rough sleepers. Provides a drop in centre, counselling. A lot of street work to encourage rough sleepers to use hostel accommodation. Contributes to the rough sleeper counts that are done 4 time a year.			

Total For Consultation

-559	-240	10
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Learning, Culture & Children's Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
LCMDS6	School Swimming Support - Cease Service	-2	-2	-2
	Cease support for schools swim teaching scheme and teacher training packs or attempt full cost recovery from schools. The scheme is run collaboratively with the councils Swim York scheme and the operational budget for this scheme levers in partnership funding to the tune of £10k from the Amateur swimming Association and Yorkshire water for water safety activities. School swimming is a statutory element of the national curriculum for PE. This scheme helps to train school and swimming teachers to deliver a quality assured swimming curriculum and raise the rates of pupils achieving the end of key stage 2 target.			
LCMDS5	Burton Stone Lane Flexible Learning Centre Closure	-4	-4	-4
	BSL is one of five flexible learning centres across the city. Whilst it is located within one of the most deprived areas in the city it has not been as successful as some of the other centres in attracting students. Given that any budget savings must not adversely effect student numbers (because we cannot be seen to be making savings with resources from the LSC) this is the area where it would have least effect. It is likely to effect 40 learners as this was the number who were supported in provision in 2006/07.			
LCHS13	Archive One Day Closure	-16	-16	-16
	Reduce opening hours by a day (or number of days) saving of £16k a day. The Archives are currently closed for 2 days a week.			

Items for Consultation

LCHDS4	Edmund Wilson Reduced Sunday Opening	-2	-2	-2
	Reduction in public swimming and gym access by:150 hrs/yr if closing from 6pm on Sundays.			
LCHDS3	Swimming Pool Bank Holiday Closure	-3	-3	-3
	Closure of Edmund Wilson and Yearsley Swimming Pools and Gym on bank holidays. Closure of pools will result in a reduction in public swimming provision and gym access by:45 hrs/yr if closed for 5 bank holidays (Already close X-Mas & Boxing Day & New Years Day).			
LCHS19	Theatre Royal SLA 5% Cut	-15	-15	-15
	The current 3 year funding agreement with the Theatre Royal is being reviewed for 2008/9 and therefore we have the possibility of reducing funding and taking a consequent cut in the programme provided at the Theatre.			
LCHS15	Branch Library Closure	-20	-20	-20
	Closure of Branch Libraries - see table which indicates the performance and cost of each library and ranks them in those terms.			
LCHS2	Social Worker Staff Reduction 0-10 Group	-47	-47	-47
	Social Work Service, responsible for Initial and Core assessments of children in need and at risk, undertaking s47 enquiries, responsibly as key workers for children looked after and / or subject to a child protection plan. Proposal to delete 0.5 SW post from 3 SW teams in my service area (0-10 W,E and R&A).			
LCHS14	Central Library One Day Closure	-54	-54	-54
	Close the central library for one day a week.			
LCHS17	City Of Festivals	-57	-57	-57
	We will lose a significant number of popular festivals for example:- York Music Live/ York Carnival, Festival of the Rivers and Dance York. We will not have the ability to lever in additional funds to support York Early Music Festival, Illuminating York and the Viking Festival. This will also remove our ability to support the community programme alongside all of the city's festivals.			
LCHS18	Performing Arts Centres	-88	-88	-88
	This cut would close 3 centres: Canon Lee, Millthorpe and Archbishop Holgate's Schools with additional extended provision at York High (Lowfield site) which provides 450+ young people and 60+ young adults with weekly music and performing arts sessions. This provision costs £136k to run but recovers £32k in fees and also received central government grant of £42k. This leaves £62k which is funded by the authority. The recently recruited Young Person's arts officer would need to be redeployed or made redundant. The centres are recognised as providing high quality activity and are well supported by local residents. TOTAL SAVING £88K.			
LCMS1	NSPCC Partnership Secondment - Cease	-17	-17	-17

Total For Consultation

-325	-325	-325
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Items for Consultation

Neighbourhood Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£(000)	£(000)
NSNG7	Pilot the extension of recycling to terraced properties	80	160	160
	Pilot the expand the recycling service to terraced properties per Executive Report 9th October 2007.			
NSIG2	End of LPSA funding available for Out of Hours Noise Service	88	93	97
	The money is required to continue the funding of the weekend Noise Patrol enforcement service when government support ceases on 31 March 2008. The service investigates and resolves complaints of noise nuisance, licensing enforcement, planning breaches and other anti social behaviour. It would also fund the employment of 2 officers required to deliver the service.			
NSIG5	Improve recycling levels	30	30	30
	On going marketing of recycling is imperative to maintaining performance.			
NSLS4	Increase entry charge to Union Terrace Toilets from 20p to 40p	-10	-10	-10
NSMS4	Reduce gumbusting carried out by targeting priority areas	-17	-17	-17
	This saving represents a 50% reduction in labour costs. The operative would be redeployed on street cleansing and thus reduce agency costs.			
NSMS7	Closure of St Georges Car Park Toilets	-20	-20	-20
	Close toilet facility, which is currently only open for 6 months of the year (April to Oct), direct customers to Coppergate toilets. This facility is at risk of flooding and when this occurs has high repair and maintenance costs. There are current outstanding repair and maintenance issues.			

Total For Consultation

151	236	240
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Corporate Services

Ref	Brief Description	Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£'000	£'000	£'000
Corpnew2	Council funded christmas lights & firework display	30	30	30
Corpnew2	Remove contingency for capital running costs (historic)	-350	-350	-350

Total For Consultation

-320	-320	-320
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Use of Reserves

		Net Cost 2007/08 £'000	Full Year 2008/09 £'000	Full Year 2009/10 £'000
Ref	Brief Description			
CSYG5	Waste Strategy - Procurement Development	200	200	0
One off	Repeat of one off budget for PFI procurement, for years 4 and 5 - already in 07/08 budget. Procurement and salary costs for delivering waste PFI contract, taking the partnership through the competitive dialogue approach - withdrawal would mean redundancy costs and leave no plan for council to achieve long terms LATS issues.			
CSYG7	York North West (British Sugar)	75	75	0
One off	The York Northwest AAP is a development document under the Local Development Framework. It will set the planning framework for an area of the city that will include to development sites of York Central and British Sugar. The preparation of a single Area Action Plan for both sites together will provide the maximum weight within the planning system. It will also allow a co-ordinated planning approach which would maximise the location of different uses and optimise planning benefit for the City. This development has been identified as one of 4 critical growth points in the Leeds City Region and has a regional significance for housing and employment. The funding is the second year of a three year programme to support the preparation of the Area Action Plan with additional in house staff, the preparation of the evidence base, and the costs attached to the consultation and examination.			
CSPG4	Advance Purchase of Land Options for Waste Treatment Facilities	31	31	31
One off	Revenue implications of advance land purchase for possible Waste Treatment Facilities as per Executive 23 Oct 2007.			
CSIG5	Downturn in Section 38 Income	40	20	0
One off	The number of highway adoption agreements entered into over the last three years has fallen from 12 to 6 and it is anticipated that this will not increase in the short term. As a result there is a shortfall in the income to support the service. However there are some significant developments being planned in the city in the medium term that will increase the levels of income back to support the service.			
CSIG13	City Walls - review of maintenance requirement and tourists.	5	0	0

Use of Reserves

One off	Increase in the York City Walls Revenue budget for day to day maintenance of the City Walls from £15k (2007-08) to £35k in 08-09 and thereafter. The York City Walls Revenue budget for day to day maintenance of the City Walls has been at the current level for 10 years. This uplift is required to meet essential day to day costs of maintenance to railings, gates, signs, and walls and the increased costs imposed by H&S handling and access standards. This will ensure that the Walls retain their role as a top attraction for residents and tourists.			
CSYG6	LDF Development Costs	227	224	0
One off	Under the new planning framework the Council is required to prepare a Local Development Framework. The preparation is monitored by DCLG against the Local Development Scheme. The scheme contains a timetable for production of the framework.			
CSIG8	Highways Drainage survey and repair	200	0	0
One off	Heavy rainfall in June 2007 resulted in several areas around the city being flooding with some properties (living accommodation) being put at risk. In addition road gullies around the city failed to operate as effectively as they should resulting in localised road flooding. This has highlighted the poor quality of information we have about the extent and condition of our highway drainage systems. A survey is required of the network using different techniques and a programme of repairs and improvement work needs to be developed and agreed. Once the programme has been agreed work will need to be carried out to make repairs and improvements to the system. We will be working with other stakeholders including the environment agency, Yorkshire water and the internal drainage boards on this project.			
CSYG8	Leeds City Region Secretariat	23	23	0
One off	The costs of providing a secretariat function for the Leeds City Region has so far been borne entirely by Leeds City Council. The Leaders Board having already agreed a funding formula based on population levels decided at their October meeting to fund a Secretariat for 2008/9 which would cost £350,000 to run. On the basis of the agreed funding formula this would mean a cost to the City Council of £23,100. Membership of the Leeds City Region will incur an annual contribution the level of which is to be agreed by the Leaders' Board on an annual basis (each autumn).			
LCYG1	Edmund Wilson Gym	66	33	0
One off	Loss of income due to gym provision in a portakabin			
LCYG2	Oaklands closure	80	15	0

Use of Reserves

One off	One off revenue implications from the closure of the sports centre during the construction period of the new Oaklands Pool			
LCYG5	York Mystery Plays	20	20	20
One off				
LCNG5	SACRE - 5 Year Curriculum Review	5	0	0
One off	Religious Education is not part of the National Curriculum but must be taught in schools by law. The syllabus has to be produced locally and is known as the agreed syllabus. Each local authority must appoint a Standing Advisory Council for Religious Education and one of the functions of this body is to carry out a quinquennial review of the RE curriculum in the local authority. This review is due to be carried out in 2008/09, and will require increased support from the Advisory Service.			
LCDG6	Home to School Transport	150	50	0
One off	SEN transport costs have risen significantly over the last few years due to more SEN pupils requiring transport and escorts to special schools as a consequence of action taken to maintain children with SEN within the city rather than in expensive out of city residential placements. In addition there has been an increase in discretionary expenditure due to the number of appeals being granted, and the price increases in taxi contracts for all journeys have on average been higher than the budgeted for.			
LCDG7	ICT Support Services	57	0	0
One off	Insufficient resources were transferred to LCCS from HASS at the time of the transfer of Children's Social Services functions to support all of the ICT needs of the new directorate. A requirement for 1.5 - 2.0 ftes was established based on workload by LCCS but HASS were only able to identify resources sufficient for 0.5fte to be transferred. This has been used to employ one full time ICT support technician from October 2007 to September 2008 on a temporary contract. This request is to extend the contract to March 2009 pending a full review of directorate ICT support requirements that is currently being undertaken by the Head of Central ICT.			
LCDG10	Children's Social Care (Legal Fees)	100	0	0

Use of Reserves

One off	Demographic pressure on fostering and legal costs within Children's Social Services. The number of children in foster care has risen over the last couple of years (total numbers of looked after children have risen from 140 at the start of 2006/07 to around 160 in 2007/08. This has led to more children being placed through expensive Independent Fostering Agencies as there are not enough places available with York foster carers. In addition there is pressure on legal fees due to an increase in the number of complex (and expensive) court cases involving York children, together with a general increase in the cost of cases due to a national trend for courts to call in more expert witnesses.			
NSRG4	End of CRED funding for St Nicholas Fields SLA	20	0	0
One off	One off funding to cover grant fall out until full recycling programme is rolled out.			
NSIG3	Replacement of Grass Cutting machinery for H&S reasons	25	0	0
One off	Replacement machinery which will comply with current H&S standards.			
NSYG1	Replacing ward committee capital budgets with revenue	202	202	202
One off	Ward committee capital growth of £70k per annum on a recurring basis to maintain the overall budget level with the recurring reduction in the capital element of the ward committee budget.			
NSIG4	Waste Minimisation	50	50	0
One-off	As part of the Waste Strategy agreed in 2004, £50k approved for three years to increase waste minimisation. This amount comes to an end in 2007/8. We have achieved a reduced level of waste entering the waste stream per head of population and was recognised and commented positively on by the CPA inspector.			
RESYG1	HB Venture Fund. Final three years of planned repayments	25	25	25
One-off				
RESIG5	Delphi replacement project costs	85	170	0

Use of Reserves

One-off	<p>Following the replacement of FMS there is a need to develop and replaced the existing Payroll and HR System, Delphi. This request covers the need for a project team to take the project through from inception to completion. In order to control costs the request is predicated on an assumption that this process would be project managed by the team who are currently successfully running the FMS Replacement Project. This team comprises a Project manager and two Project Support Staff. Such an approach brings a number of advantages ranging from immediate credibility with many key partners, through familiarity with the business and its needs, to the ability to dovetail workloads to minimise downtime and speed up the overall implementation process. It also means there would be no costs or delays due recruitment. Based on this approach it is anticipated that the project could be completed in a maximum of eighteen months compared to a two year timescale of a new team were to be introduced.</p>			
CORPUG1	Loss of YPO Dividend	137	0	0
One-off	The Council has benefitted from dividend paid by YPO since 1996 and has been used to directly support various operational services budgets across HASS, LCCS and Resources.			

Total 1,823 1,138 278

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Estimated Reserve Balances

	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000
General Fund Reserve				
Balance at 1 April	(7,702)	(7,366)	(4,744)	(3,656)
Less: Already Committed To Annual Budget	1,312	1,823	1,138	278
Carry Forward Underspend from Previous Years	1,519	1,085	-	-
Agreed spend from prior year underspend	223	-	-	-
Supplementary Estimates (see Annex 12)	791	-	-	-
Revised General Fund Reserve	(3,858)	(4,458)	(3,606)	(3,378)
Add: <u>Other Adjustments</u>				
Release of Bellwin Reserve	(300)	-	-	-
NDR Rebates	(250)	(150)	(50)	(50)
Additional LABGI grant received	(537)	-	-	-
Transfer funds from Insurance reserve	-	(300)	-	-
Potential call for non-recurring contingency items	480	164	-	-
	(607)	(286)	(50)	(50)
Net Underspend on General Fund	(2,901)	-	-	-
Expected General Fund Reserve as at 31 March	(7,366)	(4,744)	(3,656)	(3,428)
Trading Activities Reserve				
Balance at 1 April	(439)	(154)	(154)	(154)
Less: Use of Reserve	139	-	-	-
Less: Forecast loss in Year	146	-	-	-
Estimated Commercial Services Reserve at 31 March	(154)	(154)	(154)	(154)
Venture Fund				
Balance at 1 April	(1,611)	(1,898)	(1,222)	(833)
Plus: Repayments	(1,633)	(602)	(611)	(82)
Less: Advances	1,346	1,278	1,000	900
Estimated Venture Fund Balance as at 31 March	(1,898)	(1,222)	(833)	(15)
Total Revenue Reserves as at 31 March	(9,418)	(6,120)	(4,643)	(3,597)
Estimated Minimum Reserves Threshold	5,201	5,222	5,388	5,388
Headroom In Reserves	(4,217)	(898)	746	1,792

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Details of EMAP fees and charges proposals have been provided separately in the Member's Library.

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Proposals Rejected Not Part of Consultation

Chief Executive

		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£'000	£'000
CXPG2	Development of Organisational Effectiveness Programme (OEP)	85	85	85
	Additional resource to support the Council's OEP. The Council has a number of Champions leading Improvement initiatives however there is a lack of corporate support coordinating the programme.			
CXPG6	Transforming People Management	44	44	44
	Additional HR Corporate Advisor to lead the transformation of people management in the Council.			

129	129	129
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City Strategy

		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£'000	£'000
CSPG11	Set aside to fund revenue implications of Waste PFI	500	500	500
	Projections presented to the Executive in September 2006, March 2007 and July 2007 set out the significant increased costs associated with Waste Disposal / PFI project. It is an option to provide for the estimated increase in cost to the council from 2008/09, in order to prevent a significant cost increase at the time the contract commences.			
CSIG12	Smarter Choices - Promoting Sustainable Travel	25	25	25
	The development of a package of marketing, awareness and support measures that will achieve a significant modal shift to more sustainable forms of travel. The investment would enable a coordinated programme of effective publicity campaigns, promotional material and tailored information to be delivered to achieve a significant shift to the use of more sustainable forms of transport and travel such as bus, cycle and walking.			
CSIG17	Contribution to City Region Transport Projects	15	15	15
	City of York Council's contribution to the upkeep of a bespoke strategic transport model for the Leeds City Region used for modelling the effects of policy or transport measures or proposed development within the Leeds City Region, which encompasses York.			

Proposals Rejected Not Part of Consultation

CSS25	Introduce concessionary arrangements at 09:30 rather than 09:00	40	40	40
	The national scheme requires passes to be accepted on all buses after 09:30. The local scheme in York and North Yorkshire Concessionary Fares partnership allows travel after 09:00. To delay introduction will lead to a small saving.			

580	580	580
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Housing and Adult Social Services

		Net Cost 2008/09 £(000)	Full Year 2009/10 £'000	Full Year 2010/11 £'000
HSHS3	Re-provision of day support with private sector	1	44	44
HSHS4	Withdrawal of funding from various voluntary sector commissioned services	89	119	119
HSHS5	Closure of Elderly Persons Homes	22	50	98
HSHS6	Outsource Home Care	101	500	827
HSHS7	Yorkcraft	54	132	132
HSHS8	Increase charges for "double" carers	92	92	92

359	937	1312
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Learning, Culture & Children's Services

		Net Cost 2008/09 £(000)	Full Year 2009/10 £'000	Full Year 2010/11 £'000
LCMS3	Family Group Conference	31	31	31
	This saving would cease the service with loss of one fte post.			
LCHS6	CAMHS Social Worker - Delete Post	22	22	22
	The post undertakes social work tasks with children and young people who attend the out-patient and in-patient unit at Limetrees.			
LCHS4	Children in Need - Cease Contribution to Youth Service	21	21	21
	This saving would cease the service.			
LCHS8	Welfare Officer - Delete Post	15	15	15
	Delete a 0.5 fte Welfare Officer post out of a team of 9.0 fte's, supporting schools and parents to encourage and increase attendance.			
LCHS21	EDS Advisor or Consultant Post Deletion	26	45	45
	Deletion of one fte post in EDS. This would result in a reduction in the amount of support given to schools.			

Proposals Rejected Not Part of Consultation

115	134	134
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Neighbourhood Services

		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£'000	£'000
NSHDS1	Reduce R&M in community centres	-4	-4	-4
NSHS4	Close 4 city centre air quality monitoring stations	-8	-8	-8
NSMS2	Cease the provision of free black sacks	-30	-30	-30
NSMS3	Reduce York Pride Budget	-66	-66	-66

-108	-108	-108
------	------	------

Resources

		Net Cost	Full Year	Full Year
		2008/09	2009/10	2010/11
		£(000)	£'000	£'000
RESHS1	War Pension - amend pension disregard	20	20	20
	The law relating to Housing and Council Tax Benefits provides Council's with the option of not taking into account income from war pensions when calculating entitlement to benefit. City of York Council does not include this income in the calculation. A saving of £20k could be achieved by disregarding income below £114 per week when calculating benefit eligibility.			

20	20	20
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North Yorkshire Pension Fund – Triennial Valuation

1. The assets and liabilities of the North Yorkshire Pension Fund must be valued by the Fund's actuary every three years. This valuation sets the Employer's Contribution Rate for the following 3 years, i.e. the percentage of pensionable payroll which must be paid over to NYPF on an annual basis as the employer's contribution to employees' pension costs.
2. In calculating the Employer's Contribution Rate the actuary has regard to the following: -
 - investment returns (shares and bonds)
 - inflationary pressures
 - payroll increases
 - longevity / mortality rates
 - the profile of the workforce (age/sex)
 - changes to the Local Government Pension Scheme
 - the surplus or deficit of funds available
3. The Employer's Contribution Rate has two elements:-
 - **Future Service** – the amount payable in respect of the future service of current employees
 - **Past Service** – the amount required to repay the deficit (or shortfall) in the overall level of funding over a period of time.

A deficit in the funding level is caused by a number of factors:-

 - unfunded early retirements and the award of additional years of service
 - lower than assumed investment returns
 - changes to the Scheme benefits
 - previous "pension holidays"
4. Prior to 2004 the Past Service contribution rate was set at a level that would theoretically remove the deficit over a period of 15 years. However, the 2004 valuation date of 31st March 2004 coincided with a considerable downturn in investment returns, leaving many pension funds with vastly inflated deficits and employers facing greatly increased contribution levels. In order to dampen the impact of this on council tax the government allowed individual funds the opportunity to increase the deficit recovery period from 15 years to a maximum of 30 years.
5. The total deficit of the North Yorkshire Pension Fund as at 31st March 2004 was £524.5 million, which represented a funding level of just 59% of future liabilities. CYC share of the deficit was £97.6 million. NYPF decided to make use of the maximum recovery period of 30 years in order to reduce the pressure on contribution rates but it allowed individual employers within the fund to determine their own recovery period. In 2004/05 CYC had been paying contributions of 17.6% of pensionable payroll and it was decided to

maintain this level of contribution for the 3 years from 2005/06. This extended CYC's recovery period from 15 to 24 years.

6. CYC's Employer's Contribution rate from 2005/06 to 2007/08 comprised of:

Future Service	10.2%
Past Service	7.4%
Total Contribution	17.6%

Recovery Period	24 years
------------------------	-----------------

7. The actuary has just completed the triennial valuation as at 31st March 2007, which shows that, whilst the overall deficit in the Fund has increased to £618.5 million, the funding level has improved to 67.2%. CYC's share of this is £95.3 million. As stated earlier, the actuary makes the valuation using assumptions on the factors listed in Para 2 above. One factor involves an estimate of ill-health retirements per year for each employer. The cost of these retirements is then build in to the Employer's Contribution Rate. Traditionally, the actuary has considerably over-estimated the number of ill-health retirements. For example, it was assumed in 2006/07 that CYC would have 32 ill-health retirements but there were only 9. The actuary has reworked his assumptions on ill-health retirements and reduced the anticipated annual figures by 50%, which in turn allows a small reduction in the Employer's Contribution Rate.
8. The actuary's initial Employer's Contribution Rate for CYC, for the period 2008/09 to 2010/11, is:

Future Service	12.4%
Past Service	6.9%
Total Contribution	19.3%

Recovery Period	21 years
------------------------	-----------------

The main reason for the increase in the Future Service cost is the changes to the Local Government Pension Scheme which come into force in April 2008. These give a number of improved benefits to Scheme members – an improved accrual rate from 1/80th to 1/60th, better death in service benefits, partners and co-habitee pensions, improved enhancement on ill-health retirement – which cost more. The Past Service cost has decreased in line with the improved funding position of the Fund.

9. The actuary has also calculated a Maximum Additional Return Adjustment, which assumes that actual investment returns will be greater than the more prudent assumptions used in the valuation of the Fund as a whole. If CYC wish to include this option the target contribution rate will reduce:

Future Service	12.4%
Past Service	6.9%
Maximum Additional Return Adj.	(1.3)%

Total Contribution	18.0%
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Recovery Period	21 years
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10. The inclusion of the Maximum Additional Return Adjustment means that CYC will need to increase its current level of contributions by 0.4% of pensionable payroll (an estimated £285k per year). This will need to be an approved budget growth in the 2008/09 budget.

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Budget Consultation Feedback

The Council's budget has been more widely consulted on, in a greater variety of ways than in previous years. The forms of consultation included the following

- 1) the postal and web based survey of citizen's priorities for budget growth and savings
- 2) meetings of partners, the voluntary sector and the business community where an in depth analysis of the situation and options were presented
- 3) EMAP meetings where budget proposals, options and details including Service Plans were presented
- 4) The Residents Opinion (ResOp) survey, where questions about greater or lesser levels of investment were asked

There was no significant consultation feedback to report from the EMAPs. The ResOp results are not yet available. In terms of the meeting involving partners, the voluntary sector, the business community etc the event was very well received and much positive feedback was given mainly about the opportunity it gave to gain greater understanding of the issues and the style and content and the clear presentation of the issues. The main consultation feedback issues were a general support for community focussed services, understanding and support for the need to raise Council Tax above inflation and support for ending travel tokens as part of the move to a national free bus pass.

The main form of consultation was the postal and online survey of citizen's views. The information in this report is based on counted survey returns totalling 5,757 (5,188 postal and 569 on line). This is almost a 7% return which is quite good for this type of survey. Full final figures will be included in the Full Council budget report, but returns from 5,757 people are more than sufficient to provide statistically significant results.

At the Council meeting on 24 January 2008 a petition with 21 signatures was presented by Cllr Looker objecting to proposed cuts to Council services at Sycamore House. Copies of the petition can be made available to Members if they wish to see it. Members should consider this petition as part of the consultation process.

Members are in no way bound by the consultation as it is not a referendum, but is a process to gather opinion and aid informed decision making. Members are reminded that none of the consultation options are included in the budget proposals in this report and that the aim is for members to propose the ones they wish to approve, whilst ensuring that the overall budget still balances.

It should be noted when considering the results that the % represents the % of respondent who placed that issue in their top 5 for additional investment, top 2 for savings or top 5 for protecting services from cuts, not the actual % in favour or against a particular option. The results so far are as follows with postal percentage shown first and on line % shown in brackets. For the final results these will be combined but for the purposes of this report the postal votes are the dominant figures:-

Top priorities for spending (highest first)

- 1) maintain highway and footpath maintenance at current levels allowing for inflation 43.7% (35.6%)
- 2) pay enhanced fees to private sector residential and nursing homes for the elderly 33.1% (24.6%)
- 3) Invest more in improving highways drainage 30.4% (19%)
- 4) Pilot the extension of door step recycling to terraced properties 25.3% (34%)

There was a significant gap between the first four options chosen and the level of support for the rest, the main two of which were

- Increase grants to Voluntary Organisations 12.1% (16.7%)
- Invest in waste minimisation and recycling advice 10.4% (17.2%)

The remaining 5 options all scored below 9%. These were:- Fund the Out of Hours noise nuisance reduction service; fund better Christmas lights, fund an annual firework display; invest in developing an up to date planning framework,; help the Council understand and respond to the diverse needs of all communities in York, thus reducing inequalities

Top priorities for making savings (highest first)

- 1) Increase standard stay parking charges for visitors by 20p to £1.50 per hour, residents charges stay at £1 per hour. 63.3% (73.5%)
- 2) Discontinue free travel tokens for the over 60's leaving them with free bus passes. 51.1% (53.6%)
- 3) Start free busd travel for the over 60's at 9.30 rather than 9am. 50% (59.6%)

There was a significant gap between support for these three options and the next 7 options

- 4) Increase the entry charge to Union terrace car park toilets from 20p to 30p. 32.8% (35.6%)
- 5) Close the Central Library and City Archives for one day each per week. 32% (27.6%)
- 6) Relocate Burton Stone Lane Flexible Learning Centre to Clifton Library. 27.55 (23.6%)
- 7) Reduce the amount spent on removing chewing gum from footpaths. 25.5% (24.3%)
- 8) Withdraw the Council contribution to York-England.com. 22.5% (21.3%)
- 9) Cease funding City of Festivals etc. 21.4% (14.1%)
- 10) Cease funding some bus services. 20.3% (20.6%)

There was a significant gap between the options above and the remaining 11 options, none of which scored more than 15%

Top priorities for protecting from cuts (highest first)

- 1) Cease providing social services to elderly and disabled people with moderate needs, leaving provision in place only for those with substantial and critical needs. 62.5% (58.2%)
- 2) Closure of Council Drop in centre at Sycamore house for people with mental health issues. 39.4% (44%)
- 3) Reduce the numbers of social workers working with children. 38.9% (43.1%)
- 4) Reduce the level of Highway and footpath resurfacing work by 5%. 39.4% (30.2%)
- 5) Close swimming pools on Bank Holidays and hours of Sunday opening. 33.1% (27.2%)
- 6) Cease contribution to NSPCC domestic violence service. 29.2% (30.1%)

There was a clear gap between the level of support for those listed above and

- 7) close a branch library. 24.6% (28.5%)
- 8) close the Council's 3 young people's Performing Arts Centres. 21.4% (33.4%)
- 9) Close the Central Library and City archives for one day per week each. 20.25 (24.8%)

All of the other 12 options scored below 20% (i.e. less than one in five said they wanted to protect them)

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Housing Revenue Account (HRA)

- 1 Local Housing Authorities 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. Thus the terms 'ring-fenced' or 'landlord' account are now referred to, as transfers between the HRA and General Fund are normally prevented.
- 2 The Act also outlined the new subsidy arrangements whereby subsidy would be allocated on a 'notional' HRA. This account is based on Government assessments of what local authorities should charge in rents and expenditure on management and maintenance etc., rather than what they actually do.
- 3 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. In previous years any surplus on the account was used to fund the housing capital programme through a direct revenue contribution to capital.
- 4 The HRA is required to make a net saving year on year. Any growth must therefore be matched by compensatory savings elsewhere within the account.

HRA Negative Subsidy

- 5 The two major sources of funding HRA expenditure have been Government subsidy and rent income. Due to the removal of the payment of rent rebates through the HRA there is now a net surplus on the 'notional HRA' as the rent income now exceeds the subsidy payable by the government for HRA expenditure on management and maintenance etc. This results in a 'negative' subsidy payable by the authority to the government of £5,349k for 2008/09. This compares to £5,392k for 2007/08.

	2007/2008 Estimate £'000	2008/2009 Estimate £'000
HRA Subsidy Payable (including MRA)	17,727	18,941
Notional Rent Income from Council Tenants	(23,119)	(24,290)
Negative Subsidy	(5,392)	(5,349)

HRA Borrowing and Debt Repayment

- 6 From 1 April 2004 authorities can determine for themselves what capital investment is required and have the freedom to borrow (within prudential principles) to deliver housing services. Some supported borrowing continues and the interest charges for the elements used to fund HRA capital expenditure is paid from the HRA and refunded through subsidy. Prudential borrowing which takes place over and above the (supported) capital financing requirement is “unsupported” in that the authority must find the means of paying back interest and principal from within its own resources. There are no proposals to undertake prudential borrowing for HRA purposes in 2008/09.
- 7 Previously authorities were required to make a revenue provision to repay 2% of net HRA debt and this was funded through HRA subsidy. Authorities are no longer compelled to make this provision and any voluntary contribution will not be paid by subsidy. Guidance suggested it would be advisable to make a voluntary contribution. From 2004/05 it was considered prudent to continue to make a provision based on the previous rules of 2% of the outstanding HRA debt and that future borrowing be repaid over the life of the capital scheme e.g. tenants’ choice would be repaid over 30 years. This will continue in 2008/09.
- 8 The result of all the adjustments outlined within this report is an in-year surplus of £1,188k. Together with the brought forward working balance of £5,577k from 2007/08, and after making a contribution to the capital programme, this leaves a working balance of £6,478k on the account.
- 9 The HRA surplus is broadly in line with that forecast in the HRA business plan. The HRA surplus needs to remain on the account to be reviewed once the HRA business plan is updated to reflect both the budget detailed in this report and the 07/08 outturn position. Members are reminded that the HRA surplus is needed to fund future years in line with the Business Plan approved at Housing EMAP in July 2005.

Annex 12

Savings Proposals

Ref	Brief Description	Net Saving 2008/09 £(000)	Net Saving 2009/10 £(000)	Net Saving 2010/11 £(000)
HRALS1	Reduced Bad Debt Provision Housing Services have been focusing on performance improvements within the operational service areas. As a result of improved performance on recovering rent arrears, the requirement for bad debt provision has reduced. A £100k reduction in current arrears relates to a reduction in bad debt provision of approximately £60k.	60	60	60
HRALS2	Reduced Revenue Contribution to Capital Housing Services have recently changed the product specification for replacement of gas central heating systems, moving from conventional boilers to combination boilers. This results in reduced capital cost of replacing a central heating system as a result of removing the need for a hot water cylinder and associated pipe work.	33	33	44
HRALS3	HRALS3 Additional income from Tees valley properties Tees Valley Housing Association properties are managed by the council in return for a management fee. This saving reflects an increase in the number of properties being managed in 2008/09 within existing resources.	15	15	15
	Total	108	108	119

Annex 12

Service Pressures Recommended

Ref	Brief Description	Net Saving 2008/09 £(000)	Net Saving 2009/10 £(000)	Net Saving 2010/11 £(000)
HRAUG1	Provision of Legionella testing and reporting	30	37	34
	A contract to be set up for testing and reporting on water services within sheltered housing schemes to reduce the risk of an outbreak of legionella spores.			
HRAUG2	Increase costs in Annual Gas Servicing Contract	250	225	200
	The current gas servicing contracts are due to expire at the end of the current financial year. A benchmarking exercise has been carried out with Northern Housing Consortiums framework agreement for gas servicing and a proposal has been made to include the whole of the councils gas servicing within the Repairs Partnership with Neighbourhood Services. The costs for the service will increase, but are within the tolerances of what would be expected if the service was externally tendered.			
	Total	280	262	234

Appendix 1

Housing Revenue Account 2008/09 Budget

ORIGINAL ESTIMATE 2007/08 £'000	PROJECTED OUTTURN Q2 2007/08 £'000	ACTIVITY AREA	BASE BUDGET 2008/09 £'000	GROWTH 2008/09 £'000	SAVING 2008/09 £'000	TOTAL BUDGET 2008/09 £'000
Expenditure:						
Repairs & Maintenance						
4415	4651	Jobs General	4573	280		4853
923	923	Projects	904			904
242	242	Estate Improvements	248			248
18	22	Publicity	18			18
102	102	Decoration Allowance	105			105
47	47	Rechargeable Repairs	47			47
5747	5987		5895	280		6175
General Management						
1716	1678	Recharges	1716			1716
3081	3218	Housing Services	3262			3262
4797	4896		4978			4978
Special Services						
17	16	Central Warden	17			17
724	725	Sheltered Housing	748			748
54	54	Energy Costs	56			56
416	425	Single Homeless	427			427
661	685	Temporary Accommodation	685			685
6	2	York Independence Bungalow	6			6
360	357	Grounds Maintenance	366			366
184	148	Caretaking - Employees	188			188
18	18	- Cleaning	19			19
3	4	- Communications	3			3
38	44	Lifts	39			39
3	3	Communal Aerials	3			3
6	6	Contribution to Energy Efficiency	6			6
2490	2487		2563			2563
Rents etc.						
5	4	Rent & Rates	5			5
154	144	Insurance	148			148
1		RTB Legal Fees	1			1
160	148		154			154
Provision for Bad and Doubtful Debts						
151	105	Council Housing	156		-60	96
151	105		156		-60	96
Housing Subsidy						
5354	5392	HRA Subsidy	5349			5349
5354	5392		5349			5349
Capital Charges						
9226	9226	Depreciation	9226			9226
344	344	Voluntary Debt Repayment	373			373
16111		Interest				
25	23	Debt Management	22			22
25706	9593		9621			9621
44405	28608	TOTAL EXPENDITURE	28716	280	-60	28936

ORIGINAL ESTIMATE 2007/08 £'000	PROJECTED OUTTURN Q2 2007/08 £'000	ACTIVITY AREA	BASE BUDGET 2008/09 £'000	GROWTH 2008/09 £'000	SAVING 2008/09 £'000	TOTAL BUDGET 2008/09 £'000
Income:						
Rents						
-23310	-23398	Council Housing	-23991			-23991
-124	-124	Single Homeless	-131			-131
-505	-411	Temporary Accommodation	-429			-429
-23939	-23933		-24551			-24551
Non Dwellings Rents						
-268	-272	Council Garages	-273			-273
-241	-246	Council Shops	-246			-246
-14	-15	General Rents	-15			-15
-523	-533		-534			-534
Charges for Services and Facilities						
-160	-168	Fees & Charges - Council Housing	-160		-15	-175
-111	-85	Cookers - Council Housing	-98			-98
-1		- Temporary Accommodation				
-19	-19	Charges - Central Warden	-20			-20
-456	-469	Fees & Charges - Sheltered Housing	-476			-476
-2	-1	- Temporary Accommodation	-1			-1
-87	-100	Leaseholder Admin Charge	-87			-87
-836	-842		-842		-15	-857
Contribution Towards Expenditure						
-13	-12	- Sheltered Housing	-12			-12
-11	-13	- Single Homeless	-11			-11
-47	-47	- Rechargeable Repairs	-47			-47
-826	-885	- Supporting People	-869			-869
-897	-957		-939			-939
Housing Subsidy						
-2	-2	Defects Act				
-2	-2					
Transfer from General Fund						
-3	-3	Amenities Shared by the Whole Community	-3			-3
-29	-29	Warden Recharge - Temporary Accommodation	-29			-29
-32	-32		-32			-32
-26229	-26299	TOTAL INCOME	-26898		-15	-26913
18176	2309	NET COST OF SERVICE	1818	280	-75	2023
AMRA						
-16111		Interest Charged to HRA				
1131	1121	Loan Interest	1171			1171
-4507	-4504	Non-Dwelling Depreciation	-4075			-4075
Interest Received						
-212	-212	Revenue Cash	-300			-300
-7	-7	Mortgages	-7			-7
-1530	-1293	NET OPERATING SURPLUS / DEFICIT	-1393	280	-75	-1188

HOUSING RENTS 2008/09

1. In 2000 the Government announced that from April 2002 all councils and housing associations had to set their rents on a new, fair and consistent basis. This involved a phased change in rents over 10 years beginning in April 2002 based on a formula for rent setting created by Central Government. This is known as rent restructuring and will mean that rents charged will move towards a Government set target rent. By 2012 similar properties should be charged similar rents regardless of who owns the property. This is known as rent convergence.
2. Current Government rents' policy assumes that through the process of rent restructuring there will be eventual convergence between the rents in the local authority and registered social landlord (RSL) sectors. At this point actual and guideline rents for a single authority should all have the same value.
3. The actual rent is the rent charged to the tenant. The guideline rent is a notional rent and a feature of the HRA subsidy system. This is the level of rent the HRA subsidy system assumes an authority is receiving for the purpose of calculating its HRA subsidy entitlement and is generated by a Government formula. The actual average council weekly rent figure in 2007/08 is £57.14.
4. This Government formula rent takes account of various factors including the number of bedrooms a property has, property valuation, average earnings and the date at which all rents are expected to converge.
5. Continuing to implement rent restructuring would result in an average increase in council rents (on a 52 week basis) of 6.28%. This would result in council rents being on line to achieve convergence with the formula rent for the majority of properties by 2011/12.
6. However, the CLG have proposed in the draft subsidy determination that the convergence deadline is extended to 2016/17. This revised timescale applies for 2008/09 only and is subject to review in future years. The effect of the extension is to reduce potential rent increases for tenants. If the rent calculations are altered to take account of this extension the average 2008/09 rent increase would be 5.25%.
7. Increasing rents by 6.28% in line with the council's policy on rent restructuring would be against the Government guidance on rent restructuring which has indicated that the date for rent convergence should be extended to 2016/17 pending a further review of rent restructuring and HRA subsidy in 2008/09. This level of rent increase would generate additional income over and above the level assumed in the Governments subsidy calculation and the HRA budgets.
8. The recommended option is to increase rents in line with Government guidance, resulting in an average increase of 5.25%. This is in line with the recommendation from CLG and matches the assumed level of income in the HRA subsidy calculations.
9. The rent increase will apply to all council properties including hostels and travellers sites. It is necessary to serve notices on tenants to vary their current rent and a minimum of four weeks notice is required.

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Executive**12th February 2008**

Report of the Director of Resources

Capital Programme Budget 2008/09 to 2010/11**Summary**

1. The purpose of this report is to
 - a) set out the position for the proposed capital budget for the period 2008/09 to 2010/11;
 - b) highlight the capital bids from departments that have been through the revised Capital Resource Allocation Model (CRAM) process;
 - c) estimate the capital resources position for 2008/09 with predictions for a further two years;
 - d) provide options to allow the Council to achieve a balanced three year capital programme.

Background

2. This report is part of the suite of reports outlining the Council's spending and funding plans for the next three years, and as such should be read in conjunction with the Revenue Budget report and the Treasury Management Strategy and Prudential Indicators report, both of which are on this agenda. These reports are inter-related and take account of the recommendations made in this report.
3. The current four year capital programme was approved by Council on 21st February 2007 to run between 2007/08 and 2010/11, this was to align it with the Council's political cycle. In line with the intentions when this four year plan was set, it is proposed that the programme reverts to the traditional three year cycle, setting out the capital spending plans of the Council up to 2010/11. The Council is legally required to set a minimum three year capital programme.
4. The existing capital programme, as amended by the Executive at Monitor Two, stands at £135m for 2008/09 to 2010/11. It is financed from £107m of external funds and £28m of capital receipts. When the 2007/08 to 2010/11 capital programme was set by Council, it was recognised that there was a potential capital receipts shortfall over the period of £0.25m (0.18% of the gross capital programme) which would have the first call on any surplus capital receipts generated. The capital receipt projections over the next 3 years, has improved since the budget and is estimating a small capital receipts surplus of £0.6m by 31st March 2011. However, there are a number of unavoidable pressures that have

emerged since Monitor Two resulting in an available surplus of £0.3m. Table 1 summarises the current funding position on the capital programme from 2008/09.

	2008/09 £m	2009/10 £m	2010/11 £m	Total £m
Gross Capital Programme	79.4	37.2	18.4	135.0
Funded by				
Supported Borrowing	8.0	5.9	5.6	19.5
Grants and Contributions	39.8	10.7	8.7	59.2
Prudential Borrowing	9.5	17.1	1.9	28.5
Total External Funding	57.3	33.7	16.2	107.2
Funding to be Financed from Capital Receipts	22.1	3.5	2.2	27.9
Total Capital Funding	79.4	37.2	18.4	135.0
Expected Capital Receipts	-13.0	-3.8	-8.1	-25.0
Receipts b/fwd (surplus)/deficit	-3.5	5.6	5.3	-3.5
Receipts c/fwd (surplus)/deficit	5.6	5.3	-0.6	-0.6

Table 1 : Current Approved Capital Programme 2008/09 to 2010/11

5. Proposals have been developed under the framework of the Capital Resource Allocation Model (CRAM) process which is designed to align capital investment decisions with the Council's Corporate Strategy and enable a balanced budget.
6. If all of the recommendations in this report are approved, the Council will have a capital programme for 2008/09 to 2010/11 of £170m, an increase in investment of £35m on the existing planned programme, highlighted in Table 1. Paragraphs 7 to 17 illustrate the corporate strategy and highlight the capital investment that is being made in these priority areas. The majority of this increase in spend is in the Children's Services capital programme, where the Council has been successful in securing over £30m of additional funding. The additional schemes to where this funding is allocated to are highlighted in paragraph 8 e to 8 j.
7. **Priority - Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city**
and
8. **Priority - Increase people's skills and knowledge to improve future employment prospects:**
 - a) £27.4m rebuild of Joseph Rowntree Secondary School to accommodate 1,320 pupils and other services for pupils with autism;
 - b) £13.7m investment in the new York High School, allowing a substantial extension and refurbishment of the existing building, increasing its capacity to 1,050 pupils aged 11-16 with state of the art classrooms, laboratories, ICT facilities, learning rooms and social spaces;

- c) £3.5m contribution to a £17.5m new build for Manor CE Secondary school, allowing an additional 261 pupils from the West side of the city to be taught in an up to date 900 pupil building with enhanced, modern facilities;
 - d) The completion of the 8, £4.8m Integrated Childrens Centres schemes with Sure Start across the city;
 - e) £8.7m of devolved formula capital to be handed directly to all York schools, with an average primary school receiving £35k, secondary school receiving £112k and special schools £27k. This will allow funding to be passed directly to Head Teachers and Governors to target directly at priority areas within the buildings;
 - f) £5.4m on school modernisation projects addressing the highest priority building requirements at schools in the city (an increase of £3.4m);
 - g) £1.6m towards improving the IT available in schools;
 - h) £8m towards building improvements to enable the delivery of the 14-19 diploma and provision for pupils with special educational needs in secondary schools;
 - i) £8.4m as part of a 14 year programme to transform education in the primary school sector across the city;
 - j) £0.9m making improvements to accessibility in schools.
9. **Priority - Improve the actual and perceived condition and appearance of the city's streets, housing estates and publicly accessible space,**
and
10. **Priority - Increase the use of public and other environmentally friendly modes of transport**
- a) £4.085m on resurfacing and reconstructing over 13km of carriageway and 17km of footway across the city and strengthening the parapets on Clifton Bridge
 - b) £152k on City Walls and Oulston Reservoir Maintenance.
 - c) £3.706m on Integrated Transport schemes including bus priorities on Fulford Road, new signals at the Beckfield Lane/ Boroughbridge Road junction, improved cycle routes over Clifton Bridge and other safety improvements
11. **Priority - Reduce the environmental impact of council activities and encourage, empower and promote others to do the same;**
- a) £0.5m investment in energy efficiency and carbon reduction technologies in the Council's buildings, to reduce the Council's carbon footprint and make revenue savings;
 - b) The Administrative Accommodation project will reduce the Council's carbon footprint by at least 2,400 tonnes per annum, a 12% reduction on existing output.
 - c) The York High will reduce carbon emissions by 500 tonnes per annum;
 - d) The new Oakland's Pool will see reductions in emissions of 25 tonnes per annum, when compared to Edmund Wilson Pool.
 - e) The project at Joseph Rowntree is aiming at carbon reductions of 50% compared to the existing school output.

12. **Priority - Improve the economic prosperity of the people of York with a focus on minimising income differentials**
 - a) £100k contribution to a new Visitor Information Centre, to provide a boost to business and tourism in the city.
 - b) £1.8m match funding towards the £9m scheme to develop the Yorkshire Museum, gardens and Art Gallery turning that part of the City in to the new cultural quarter and enabling the York Museums Trust to strengthen its business model further to maintain its position as a key supplier of cultural services within the region,
13. **Priority - Improve the quality and availability of decent, affordable homes in the city**
and
14. **Priority - Improve the actual and perceived condition and appearance of the city's streets, housing estates and publicly accessible spaces**
 - a) £6m on a programme of replacement heating systems in 2,101 homes;
 - b) £12.2m on tenants choice schemes at 1,000 properties placement heating systems for 1,947 homes, insulation at 248 homes, and projects to improve communal areas,
 - c) £1.4m to enable older and disabled people to live independently,
 - d) £5.7m of housing grants to improve homes across the city,
 - e) £1.8m on a new Homeless Hostel on Fishergate
 - f) £0.4m on new town centre public toilets
15. **Priority - Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are the poorest**
 - a) £6m on a new 25 metre public pool with training pool integrated with the recently refurbished sports centre on the York High School site;
 - b) £2m contribution to the proposed state of the art competition standard pool on the University of York Heslington East campus;
 - c) £1m on reproviding social services functions, including a £0.5m hydrotherapy pool at the Oakland's Sports Complex, funded as part of the Administrative Accommodation project;
 - d) £0.2m investment in Telecare equipment to enable elderly and disabled people to live independently for longer;
 - e) £0.3m in Fire Safety improvements at the Council's Elderly Peoples Homes.
16. **Value - Delivering what our customers want**
and
17. **Value - Encouraging improvement in everything we do**
 - a) £35m on the Administrative Accommodation project to make long term savings by rationalising the Council's 17 main office buildings to four, centred around the main build on the Hungate regeneration site.

- b) The project will deliver efficiency savings of over £5m (in today's prices) and improvements to customer contact by operating from a purpose built integrated site.
- c) The project also includes the refurbishment of the remaining sites, including the historic Guildhall.

Consultation

- 18. The CRAM process invited bids from the departments asking them to put forward their main capital priorities as identified by their asset management plans which are aligned to the Councils Corporate Strategy.

Council Funding Position

- 19. CAPMOG and officers from Property Services have reviewed the assets that are surplus to requirements and these are attached at Confidential Annex A. There are a total of 40 assets deemed to be surplus to requirements and these are earmarked for disposal to fund the Council's capital priorities. Compared to the current approved capital programme new sales, valued at £1.4m have been identified, in addition to the anticipated surplus of £0.3m, making available £1.7m for capital investment.
- 20. The Revenue Budget report recommends that the Ward Committee Local Improvement scheme is removed from the existing programme and funded from surplus revenue reserves over the following four years. The Council's revenue budget has benefited over the past 12 months from its Treasury Management activities of managing the Council cash resources. Much of this benefit is from investing capital grants that have been received in advance of need. Part of the Treasury Management underspend can therefore be attributed to the capital programme. By removing the ward committee scheme in to the revenue budget, funded from reserves (the treasury underspend) releases additional £0.2m in to the capital programme.
- 21. Since the introduction of the prudential code in 2004, the Council now has the powers to borrow in order to invest in capital assets, providing safeguards are met, specifically that the level of debt held by the Council is prudent, affordable and sustainable. The Treasury Management Strategy report on this agenda sets out the overall borrowing strategy and ensures that these safeguards are adhered to. During last years budget process the Council agreed to borrow £250k to support the general aims of the capital programme. Higher than budgeted capital receipts has meant that this was not needed. In order to meet the Council's priorities it is proposed that £500k of prudential borrowing is allocated as funding for the 2008/09 to 2010/11 capital programme, and that any capital receipts over and above the target are allocated to reduce the level of borrowing required. The £500k borrowing represents less than 0.3% over the proposed programme, and the annual revenue cost of borrowing this is approximately £45k per annum, allowing for the cost interest and capital repayment, and this has been built in to the revenue assumptions in 2010/11 when the borrowing is expected to take place.

22. This means that there is £2.4m available to address the Council's capital priorities over the next three years.

Capital Budget Proposals

23. A total of 33 bids were received. Of these bids 14 are fully funded from external sources (Annex B) and will bring an additional £32m of capital funding in to the Council, which if approved, will mean that the Council will have attracted over £75m of fully externally funded schemes over the next three year, of which £34m is attributable to Children's Services, £25m to Housing and £16m to Highways.
24. The remaining 19 bids are requesting approval for an additional £31m (Annex C). If all bids were accepted an additional £24m of capital receipt funding would be required. Clearly this is significantly in excess of the available funding so the proposals target these scarce resources to the Council's priorities.
25. A number of proposals are categorised as Health and Safety Schemes, which the Council is required to comply with because of legislation. There were five bids made under this category totalling £3.9m, an increase on the existing approved programme by £3.4m. Analysis by the Corporate Capital Monitoring Group (CAPMOG) recommends that three schemes are progressed:
- Fire Regulation Adaptations - £300k - A Regulatory Reform Order was issued in October 2006, which has effectively removed the existing fire health and safety rules and replaced them with new minimum standards. In response to this regulation, the Fire Authority, as the responsible body for auditing establishments, have conducted a number of assessments on Council buildings and a programme of works is now necessary to bring the buildings up to the minimum standards. A prioritised programme of works will be required to deal with the highest risk buildings, specifically Elderly Peoples Homes.
 - Oulston Reservoir - £25k - The Council is responsible for Oulston Reservoir in the Hambleton Hills, part of the Foss Navigation, since 1853. It has a statutory duty to maintain it under the Reservoirs Act 1975. The recent 10 yearly Inspecting Engineer's report requires the Council to rectify the problem of leakage through two valves installed in pipe work 5 years ago. The Inspecting Engineer's report requires the Council to investigate and remedy this within 3 years. If this is not done a further Inspecting Engineer's inspection will be required, and continued inaction could result in prosecution by the Environment Agency as enforcement authority, or them carrying out the works and recharging the Council with the costs.
 - Towthorpe Household Waste Site - £20k – The steps and scaffolding to the skips are falling short of modern health and safety requirements and become slippery when wet. This scheme will provide higher quality steps to the skips improving the facility and encouraging people to go there to recycle and therefore diverting the amount of waste that goes to landfill.

26. The scheme proposal for Mercury Abatement at the Crematorium is in advance of a proposed new emissions trading scheme that is due to start in 2012. The Council will have to fit the abatement equipment to avoid having to pay for emitting mercury gases produced during cremations. The estimated cost to fit the filters is £840k, although work does not have to commence until 2011, and with changes to technology and methods of financing it is proposed to undertake further work in to the options available before resources are committed.
27. Assuming the above three bids are approved at a cost of £345k, there will be £2.055m available for allocation.
28. Schemes that attract matched funding, have a gross expenditure of £9.4m which requires £2.9m of capital receipts funding. The majority of this is a prudential borrowing request towards the Waste PFI project (£1.7m), which may not be required depending on the success of the PFI bid and the final approach adopted. CAPMOG have proposed that the following proposals are funded:
 - Carbon Management – to enable the Council to pump prime energy efficiency and carbon reduction schemes before the carbon trading scheme is introduced in 2010/11. It is likely that the carbon trading will allocate a cost to producing carbon which is likely to increase over time, in a similar way to the Landfill Allowance Trading Scheme (LATS). This initiative, seeking £250k, to match fund an interest free loan from the government, aims to address the quick win areas in carbon management.
 - Visitor Information Centre – The move of the VIC from the De Grey Rooms to refurbished accommodation at Blake Street is likely to require £100k for a general fit to match the £100k bid for from Yorkshire Forward.
29. Assuming that these two schemes are authorised there will be £1.705m available for the discretionary schemes.
30. The remaining schemes are for discretionary schemes that require 100% capital receipts funding. There are seven bids requesting £21.6m. The highest priority schemes are:
 - The bid for Silver Street Public Toilets in the city centre to replace the facilities on Parliament Street is an existing scheme that requires an additional £100k of funding to make feasible. This will improve the accessibility of public toilets in the city centre and bring them in to line with modern requirements.
 - The installation of Telecare equipment for elderly and vulnerable people enabling them to live independently for longer will cost £225k in a three year scheme to fit sensors in customers homes that trigger an alarm which will be received by the Community alarm service if certain circumstances are met. This will help those who are more vulnerable and may not be able to, or are unlikely to, ask for help when they have a

difficulty, to receive support and help quickly and automatically. Risks can be better managed through an agreed, personalised, response to specific alerts for each individual customer. It will include, for example, faster responses provided to people who fall, which will help to reduce the longer term health impacts of the fall. Prompts can be provided to people with dementia, either by a recorded message or by a phone call from the community alarm centre. And remote monitoring of key daily living activities, means that any changes in pattern can be picked up and key support staff alerted to take early action. The use of sensors will mean that people who have relied on visits from support agencies to ensure that they are safe, or have taken their medication, will have 24 hour monitoring instead of one or two visits a day. There is growing evidence from national research that telecare sensors and support services can reduce the need for residential care, by helping people stay in their own homes for longer, and that it can reduce the need for home care 'checking' visits, although it will not replace the personal care services.

- The Highways Resurfacing and Reconstruction rolling programme scheme was budgeted to reduce by £250k per annum following a transfer to the revenue budget. However, pressure on the revenue budget and the high priority of the highway infrastructure has meant that the £250k reduction in the programme in 2008/09 can be deferred for a year, costing the programme £750k.
- The Special Bridge Maintenance scheme costing £300k is a major scheme to address condition issues on some of the city's bridges.
- The Discus Bungalow scheme is part of the wider Housing Business Plan and the £27k will come from the capital receipt generated from the sale of the site. The proposed spend will provide adaptations to the new homes of tenants who have been relocated as part of the Discus site redevelopment programme.

31. It is not intended to award any funding for the other discretionary bids highlighted in Annex C due to the funding restrictions that the Council is facing. Specifically:
- a) the bid requesting matched funding for the Disabled Facilities Grant (DFG) has been met from Housing Revenue Account resources, for 2008/09, although pressure to meet the decent homes standards does remain and the sustainability of financing the scheme from right to buy receipts is in question as the number of receipts diminish and the Business Plan comes under further pressure.
 - b) the bid for the Health and Safety Repairs and DDA requirements was a request for additional funding over and above the £550k already in the base programme. The Repairs and Maintenance Strategy approved by the Executive in November 2007 is focused on reducing the level of repairs backlog, responding to issues of Health & Safety and improving the accessibility of public buildings. The large programme of works being undertaken as part of the provision of a new Council Headquarters will address the majority of issues in that part of the portfolio by 2011. Children's Services capital modernisation and replacement programme is addressing

many of the repair and maintenance issues in schools. There is still a significant need for investment in the repair and maintenance of the remainder of the council's property assets. This level of funding proposed would be insufficient if there was a need to respond to a major building failure on council property. Such risks will be closely monitored as part of the on going performance management and monitoring in Property Services. At this stage, however, it is proposed to leave the level of investment on this scheme over the next 3 years at the £550k that is currently budgeted for. This will be reviewed as part of the 2009/10 CRAM process.

32. If approved, the schemes highlighted in paragraph 30, cost £1.4m, leaving £300k unallocated.

Prudential Borrowing

33. The Executive Member for Leisure & Culture agreed at his EMAP meeting on 4 September, 2007 to direct £200k of the Museum Development capital programme to provide a contribution to the cost of developing the Hospitium as a first element of the scheme to refurbish the Yorkshire Museum and Gardens. This funding has been paid over to the York Museums Trust (YMT).
34. The scheme (which has now started on site) will create a conferencing and hospitality facility that will generate an income stream for YMT contributing to the agreed objective of decreasing, over time, YMT's reliance on Council funding (as well as improving the Council's capital asset).
35. The total cost of the scheme is approximately £455k. YMT had intended to borrow around £255k from a high street bank to fund the full cost of the works. Because the Council can borrow at a cheaper rate than YMT, and already provides an annual revenue grant to provide the Museums facilities in the city, it would be beneficial to the success of the trust for the Council to lend the £255k at a lower rate of interest. The repayments would be deducted from the annual grant payments to ensure they are repaid.
36. The business plan for operating the Hospitium as a conferencing facility shows that it has the potential to generate income of £130k p.a. which will comfortably support the proposed level of borrowing and annual repayments of £60k per annum over a 5 year period.
37. It is recommended that £255k of borrowing is added to the capital programme to allow the Hospitium works to be completed.

York High School

38. It is proposed to use the remaining £300k of unallocated funding to address the needs of the York High project. The scheme is as a result of a successful strategic review of secondary education in the West of York and came about as a result of careful asset management planning in the area. The Council has been successful in attracting external funding of £8m through the Department of Children, Schools

and Families' (DCSF) Targeted Capital Fund (TCF) and includes a further £13.5m of funding towards the new Manor School which formed part of the 'Westside Review'.

39. The refurbishment and extension of the former Oakland's school building is likely to cost marginally more than available funding. This is largely because of the nature and complexity of the existing building. Whilst the contractors are on site it is proposed to take advantage of this and undertake refurbishment and remodelling of the existing building as well as improving sustainability and upgrading services to provide a whole school that is fit to deliver a modern curriculum.

Analysis and Summary of Proposals

40. The outcome of the proposals outlined in paragraph 11-22 above are illustrated in Table 2, and in detail in Annex D.

	2008/09 £000	2009/10 £000	2010/11 £000	Total £000
Children's Services	44,103	13,579	17,122	74,804
City Strategy	7,943	6,566	6,050	20,559
City Strategy (Econ Dev't)	100	0	0	100
Housing	8,579	8,682	8,851	26,112
Leisure & Heritage	7,198	2,063	200	9,461
Neighbourhood Services	370	0	0	370
Resources	16,604	17,616	3,213	37,433
Social Services	255	305	280	840
Total by Department	85,152	48,811	35,716	169,679

Table 2 Proposed capital programme 2008/09 – 2010/11

Robustness of the Budget

41. The Local Government Act 2003 places responsibilities upon the Council's Chief Finance Officer to advise the Council on the robustness of the budget proposals. I consider that the estimates in the capital budget are sound and that the proposals to produce a balanced capital programme are achievable. The overall package is a realistic approach in dealing with the financial pressures facing the capital programme next year. The programme is fully funded. Over the next three years there are potential financial problems and the situation will be monitored throughout next year so remedial action can be taken where necessary.
42. It should be noted that in agreeing the capital expenditure proposals the Council is committing itself to dispose of all the assets listed in Confidential Annex A to fund the expenditure plans. The Council will need to closely monitor the position on capital receipts to ensure they meet the expectations in terms of size of receipt and timing. This is essential to ensure the successful delivery of the expenditure plans within this report. In addition members and officers should note that there is no scope for additional capital expenditure above that included in the three year programme. New schemes will only be considered if it is fully funded by external

resources or a scheme with the current programme is removed to release resources.

43. The Council remains reliant on a small number of high value capital receipts. The majority of these are subject to planning and are expected over the life of the programme. If for any reason planning permission is not granted on any of these major scheme the Council will be required to review its capital programme. In addition, the majority of the receipts are likely to be sold to housing developers, who are facing a back drop of a slowing economy and the full impact of the 50 per cent affordable housing policy. The impact of these events are not fully known in York, and the city may not be affected by the national picture. However, these events do point to a slowdown in the housing market and therefore a potential downward pressure on capital receipts. Continued monitoring throughout the year will enable any problems to be identified and reported accordingly through the monitoring process.
44. The council faces real challenges if it is to continue to deliver the proposed capital programme. The growth in the size of the capital programme has increased from just over £15m in 1997/98 and is expected to be over £84m in 2008/09 as work starts on the rebuild of Joseph Rowntree Secondary School (£24m), the new offices at Hungate (£15m), York High Schools refurbishment (£9m) and the York Pools Strategy (£7m) on top of the base programme. The Council faces pressure on its capital resources and has put in place controls, such as the Capital Strategy, the Capital Resource Allocation Model. Creative and innovative solutions to the funding pressure, such as coordinated bidding for external funding, and disposal of under utilised or high cost assets, are being developed to assist in delivering a challenging capital programme. The increase in capital expenditure over the last 11 years is illustrated in Figure 1 along with the known funding for 2008/09 to 2010/11.

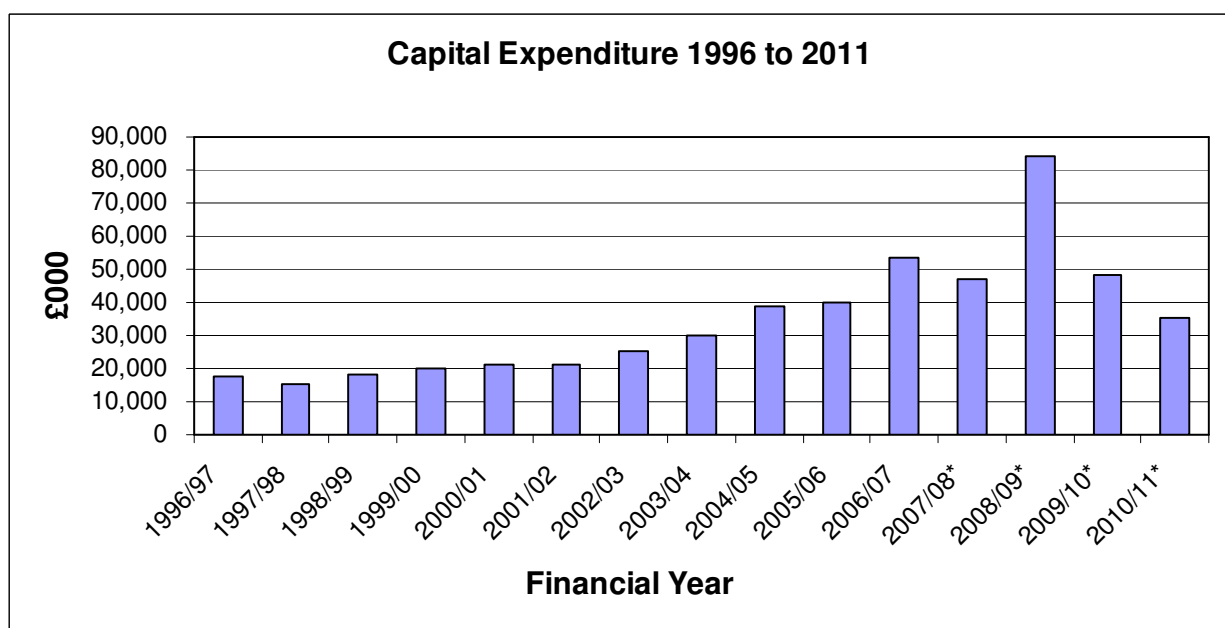


Figure 1 – Capital Expenditure 1996 to 2011

*capital expenditure based on current known funding

45. The programme is expected to peak in 2008/09 and then reduce to fall in line with historic levels of spend. This reflects the Council's position in regard to available capital receipts and the general tightening of central government spending. The peak in the programme, does cause additional workload pressures, although specific project teams have been established to carry out the Joseph Rowntree and Administrative Accommodation projects to relieve pressure on the base resources.

Corporate Priorities

46. The CRAM process ensures that all bids received for capital funding addresses the aspirations of the Corporate Strategy. The capital schemes are derived from the service and area asset management plans which look at the capital needs and requirements of the service. Paragraphs 7 to 17 detail the elements of the Corporate Strategy that the capital programme supports.

47. Implications

- a) **Financial** - Included within the body of the report
- b) **Human Resources (HR)** - None
- c) **Equalities** - None
- d) **Legal** – The Council is legally required to set a balanced 3 year capital programme
- e) **Crime and Disorder** – None
- f) **Information Technology (IT)** - None
- g) **Property** – Included within the body of the report
- h) **Other** - None

Risk Management

48. The Director of Resources has highlighted the challenge presented by the proposed capital programme, which includes significant Council driven schemes, such as the new Administrative Accommodation. There is a significant reliance on a small number of high value capital receipts, without which the programme in its proposed form could not be delivered. In addition the recent increase in the size of the programme has meant the Council has to ensure that the key skills are in place to allow the programme to be successfully delivered.
49. To mitigate the risks the capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Corporate Capital Monitoring Group (CAPMOG) meets regularly to plan monitor and review major capital

schemes to ensure that all capital risks to the Council are minimised. The development of the revised CRAM process and capital strategy has put in place gate keeping controls to ensure that only projects that can be delivered are put forward for approval by the Council.

Recommendations

50. The Executive is requested to recommended to Council that they approve the three year capital programme proposals as summarised in this report, in particular:
- a) Agree the asset sales shown in confidential Annex A;
 - b) Agree the use of £500k of prudential borrowing in 2010/11 as per paragraph 21;
 - c) Agree the inclusion in the capital programme of all fully funded schemes as detailed in Annex B and discussed in paragraphs 23;
 - d) Agree the inclusion in the capital programme of the bids recommended in paragraphs 25, 28 and 30;
 - e) Agree the advance of £255k of prudential borrowing to York Museums Trust for the refurbishment of the Hospitium in the Museum Gardens, as outlined in paragraphs 33 to 37;
 - f) Agree the additional £300k of funding proposed for York High School, as outlined in paragraphs 38 and 39;
 - g) Approve the full programme as summarised in Annex D.
51. Reason: To set a balanced capital programme as required by the Local Government Act 2003.

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 Simon Wiles
 Director of Resources

**Report
 Approved**

☐ Y

Date 30/01/08

Simon Wiles
 Director of Resources

**Report
 Approved**

☐ Y

Date 30/01/08

Specialist Implications Officer(s)

N/a

Wards Affected:

All ☐ Y

For further information please contact the author of the report

Background Papers:

2007/08 – 2010/11 Capital Monitoring Reports
 Department EMAP Capital Budget Reports
 2008/09 CRAM Bids

Annexes

Confidential Annex A – Proposed Capital Receipts 2008/09 to 2010/11;
 Annex B – Externally Funded CRAM Bids 2008/09 to 2010/11;
 Annex C – Discretionary CRAM Bids;
 Annex D – Proposed Capital Programme 2008/09 –2010/11

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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100% Externally Funded Schemes

ANNEX B

CRAM Bids - Fully Externally Funded			Gross Costs						CYC Costs			Total £000
Cat	Scheme Name	Scheme Summary	2008/09 £000	2009/10 £000	2010/11 £000	2008/09 £000	2009/10 £000	2010/11 £000	2008/09 £000	2009/10 £000	2010/11 £000	
			change	change	change							
3	NDS Modernisation	Formula based funding for the modernisation of school buildings across the city, this represents an increase of £3.7m on the existing programme. LCCS distribute the funding based on condition surveys and a bids system whereby the schools can bid for funding.	1,685	-315	1,893	+1,893	1,893	+1,893	0	0	0	0
3	Schools Access Initiative	Capital funding to ensure that all schools are accessible to all and exceed DDA requirements.	288	+288	288	+288	288	+288	0	0	0	0
3	Harnessing Technology	Grant to up grade ICT technology across schools over the next 3 years.	535	+535	523	+523	528	+528	0	0	0	0
3	Targeted Capital Fund 14-19 Diploma	The £8m scheme for York to improve diploma provision for 14-19 year olds; improving facilities for young people with Special Educational Needs; and improved kitchens and dining rooms in secondary schools;	0	+0	2,000	+2,000	6,000	+6,000	0	0	0	0
3	Primary School Strategic Programme	Forms part of the governments vision to rebuild remodel or refurbish half of the UK's primary schools.	0	+0	3,000	+3,000	5,378	+5,378	0	0	0	0
3	Extended Schools	Programme to extend the facilities and services provided at schools to include wrap around childcare and some children's social services functions.	250	+250	265	+265	137	+137	0	0	0	0
3	Devolved Formula Capital	Capital Fund devolved directly to schools to spend on small scale projects or for the school to use to contribute to larger schemes.	2,948	+2,948	2,898	+2,898	2,898	+2,898	0	0	0	0
3	Modernisation of Local Authority Homes	Programme of modernisation works to Council housing to modernise kitchens, heating systems and bathrooms.	460	+358	276	+315	83	+0	0	0	0	0
3	Repairs to Local Authority Homes	Programme of repairs to local authority housing to keep them at decent homes standard.	2,208	+472	2,635	+458	2,642	+164	0	0	0	0
3	MRA - Tenants Choice	The Major Repairs Allowance schemes allow tenants to have a choice about what modernisation project they can have on their property.	4,062	-729	3,897	-941	4,200	-746	0	0	0	0
3	Adaptations to disabled tenants homes	To provide adaptations to meet the needs of disabled tenants living in council homes in order they can live as independently as possible.	323	-27	325	+0	327	+0	0	0	0	0
3	Private Sector Grants	To allow payments of grants and other forms of assistance in line with council policies (last reviewed in March 2007). These grants are aimed at vulnerable owner occupiers and private tenants to help in the repair of items affecting their health and safety and making their homes decent (PSA7). Currently the scheme is fully funded from Regional Housing Board grants. A three year (2008-2011) bid for £2.7m has been submitted. Should the bid be unsuccessful either in total or in part then funding would be required to sustain the programme at its current level.	850	-620	900	-570	950	-520	0	0	0	0

100% Externally Funded Schemes

ANNEX B

CRAM Bids - Fully Externally Funded			Gross Costs						CYC Costs			Total £000
Cat	Scheme Name	Scheme Summary	2008/09 £000		2009/10 £000		2010/11 £000		2008/09 £000	2009/10 £000	2010/11 £000	
				change		change		change				
3	LTP	The Second Local Transport Plan (LTP) is the council's five year strategic transport plan which runs from 2006/07 to 2010/11. The LTP is a statutory plan and the implementation is currently funded through borrowing approvals in the "single capital pot". Implementation of the plan includes expenditure on local safety and traffic management measures, pedestrian and cycle improvements, highway and bridge maintenance, new public transport infrastructure and other transport schemes as appropriate.	6,397	+1,176	5,356	+423	5,091	+468	0	0	0	0
3	Road Safety Grant	The Capital element of the Road Safety Grant is used to support the enhancement of highway infrastructure to reduce the number of road casualties. These projects are complemented by the revenue element of the grant which funds campaigns and education to change driver behaviour.	44	+44	43	+43	42	+42	0	0	0	0
5	York Museums Trust - Hospitium	This scheme converts the Hospitium's building in Museum Gardens into a high-quality conference and wedding venue. The scheme comprises new internal staircase, lift, kitchen, toilets, new external staircase and sound insulation.	255	+255	0	+0	0	+0	0	0	0	0
	Fully Funded Schemes Total		20,305	+4,635	24,299	+10,595	30,457	+16,530	0	0	0	0

Discretionary Bids for CYC Resources

ANNEX C

CRAM Bid Submissions - Requesting Council Funding		Gross Costs						CYC Costs			Total	Proposed
Scheme Name	Scheme Summary	2008/09		2009/10		2010/11		2008/09	2009/10	2010/11	£000	Additions
		£000		£000		£000		£000	£000	£000		£000
		change		change		change						
Health and Safety Schemes												
Fire Regulation - Adaptations	A Regulatory Reform Order was issued in October 2006, which has effectively removed the existing fire health and safety rules and replaced them with new minimum standards. Assessments have been done on a number of Council buildings and a programme of works is now necessary to bring the buildings up to the minimum standards. A prioritised programme of works will be required to deal with the highest risk buildings.	100	+100	100	+100	100	+100	100	100	100	300	300
Oulston Reservoir Value Repair	The Council is responsible for Oulston Reservoir in the Hambleton Hills, part of the Foss Navigation, since 1853. It has a statutory duty to maintain it under the Reservoirs Act 1975. The recent 10 yearly Inspecting Engineer's report requires the Council to rectify the problem of leakage through two valves installed in pipework 5 years ago. The Inspecting Engineer's report requires the Council to investigate and remedy this within 3 years. If this is not done a further Inspecting Engineer's inspection will be required, and continued inaction could result in prosecution by the Environment Agency as enforcement authority, or them carrying out the works and recharging the Council with the costs.	25	+25	0	+0	0	+0	25	0	0	25	25
Towthorpe HWS	Scheme to improve the steps up to the skips. They are currently falling short of health and safety standards and are not conducive to encouraging recycling.	20	+20	0	+0	0	+0	20	0	0	20	20
H&S repairs and DDA requirements	Continuation of programme of urgent works (started in 2003/4) to a) carry out Health & Safety repairs to Council Buildings and land to safeguard delivery of services and b) improve public and staff access to Council Buildings and land to comply with the requirements of the Disability Discrimination Act 1995. Funds have been provided since 2003/4 for this project and the recently approved revised Corporate AMP has highlighted the urgent need for this funding to continue.	900	+650	900	+700	900	+800	650	700	800	2,150	0
Mercury Abatement - Crem	This scheme is to install mercury abatement equipment to the crematorium to meet government requirements. By December 31st 2012 mercury emissions must be reduced from UK crematoria by 50%. The equipment removes gaseous mercury from flue gases as well as a range of other pollutants. This is a revised proposal to that submitted previously in view of developing technologies.	0		840	+840	0	+0	0	840	0	840	0
City Walls Risk Reduction	To consolidate the £20k a year urgent works programme to a one off £65k bid to immediately address areas where there is a high risk of people falling from the walls.	65	+45	0	-20	0	-20	65	0	0	65	0
Health and Safety Schemes Sub Total		965	+695	1,740	+1,520	900	+780	860	1,640	900	3,400	345

Discretionary Bids for CYC Resources

ANNEX C

CRAM Bid Submissions - Requesting Council Funding		Gross Costs						CYC Costs			Total	Proposed
Scheme Name	Scheme Summary	2008/09		2009/10		2010/11		2008/09	2009/10	2010/11	£000	£000
		£000		£000		£000		£000	£000	£000		
		change		change		change						
Match Funded Schemes												
Carbon Management	To support capital schemes that increase revenue savings from energy efficiencies and reduce the carbon emissions of council owned buildings in line with the council's Carbon Management target to reduce CO2 emissions by 25% by 2013. An application to match this fund to £500,000 is being sought from Salix; the Government's carbon spend to save fund.	500	+500	0	+0	0	+0	250	0	0	250	250
VIC	Relocation of the City Centre Visitor Information Centre (VIC) from the De Grey Rooms to former Council office buildings on the corner of Blake Street and Museum Street. As the new location, the partners have commended for further investigation the former offices on the corner of Blake Street and Museum Street, adjacent to Ask. This was agreed by City Strategy EMAP on 10 September. Proposals for the service include: a ground floor visitor information facility, including accommodation booking, event ticketing service, call centre and managers' office, retail and display space to showcase regional attractions and produce, and first floor accommodation with potential as offices for the newly formed York Tourism Partnership or a possible public facility.	100	+100	0	+0	0	+0	100	0	0	100	100
Disabled Facilities Grant	To allow payment of mandatory disabled facilities grants in line with statutory and council policies (Housing Grants, Regeneration and Construction Act 1996 and Grants policy last reviewed in March 2007). Have bid for government subsidy (£375K) to be matched funded by the council (£274K). This shortfall has previously been funded by RTB receipts which can no longer be sustained.	649	+649	649	+649	649	+649	274	274	274	822	0
Waste PFI	The project is for the diversion of residual waste. An Outline Business Case has been submitted to DEFRA and the Treasury and £65m has been awarded in PFI credits to support the project. The acquisition of sites and associated planning activities are being funded directly by the 2 authorities, as this reduces the planning risk to bidders significantly. The bid included relates to sites, that are able to hold residual waste treatment facilities (1MBT and 1EFW) and associated planning activities. The total costs are estimated to be £6,876k of which NYCC will contribute 75% and CYC 25%	6,875	+6,875	0	+0	0	+0	1,719	0	0	1,719	0
Match Funded Schemes Sub Total		8,124	+8,124	649	+649	649	+649	2,343	274	274	2,891	350
Discretionary Schemes												
Replacement of Parliament St Toilets	Replacement of existing facilities with a purpose built, modern, above ground toilet facility that meets the needs of all users, and reflects well on York as a major tourist destination.	350	+100	0	+0	0	+0	100	0	0	100	100
Discus Bungalows	To provide adaptations to meet the needs of disabled tenants who are required to move due to the redevelopment of the Discus Bungalows	27	+27	0	+0	0	+0	27	0	0	27	27

Discretionary Bids for CYC Resources

ANNEX C

CRAM Bid Submissions - Requesting Council Funding		Gross Costs						CYC Costs			Total £000	Proposed Additions £000
Scheme Name	Scheme Summary	2008/09 £000		2009/10 £000		2010/11 £000		2008/09 £000	2009/10 £000	2010/11 £000		
			change		change		change					
Telecare Equipment	Funding for 'Telecare' equipment - sensors which will 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 to problems from our warden service. Telecare is a relatively new development and a 2 year grant for development funding from the Department of Health ends in March 08.	50	+50	100	+100	75	+75	50	100	75	225	225
Highways R&R - Halting	Programme to halt the deterioration in the Highways Stock. This is the estimate to maintain the standard of the roads at existing levels over the next 3 years.	6,276	+5,276	6,451	+5,701	6,633	+6,133	6,276	6,451	6,633	19,360	750
City Walls Rolling Programme	This bid continues the rolling programme, established in 1991, of essential repair and restoration to the City Walls. The bid will pay for works which will ensure the continued structural integrity and stability of the Walls.	90	+23	90	+23	90	+23	90	90	90	270	0
Bridge Maintenance	To carry out a planned programme of bridge maintenance schemes which have resulted from a long term lack of investment in the Council's bridge stock.	220	+220	220	+220	220	+220	220	220	220	660	0
City Centre Resurfacing	This scheme would enable large scale renewal of the existing flags and setts. They would be taken up, replaced as necessary and bedded correctly, eliminating trips, reducing ongoing maintenance costs and improving the appearance. Streets included are Blake St, Davygate, Feasgate, Market St, High Ousegate.	400	+400	0	+0	0	+0	400	0	0	400	0
Stonegate Resurfacing	A considerable amount of money has to be spent annually re-bedding the York stone flags in Stonegate. This scheme would enable all the existing flags to be taken up, replaced as necessary, and bedded correctly, eliminating trips, reducing ongoing maintenance costs and improving the appearance of this tourist attraction. Stonegate is hugely popular with visitors and should be in excellent condition to promote the city to visitors from across the world.	210	+210	0	+0	0	+0	210	0	0	210	0
Discretionary Schemes (100% Match Funded) Sub Total		7,623	+6,306	6,861	+6,044	7,018	+6,451	7,373	6,861	7,018	21,252	1,102
Grand Total		16,857	+15,270	9,350	+8,313	8,667	+7,980	10,576	8,775	8,192	27,543	1,797

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Capital Budget - 2008/09 to 2010/11

	Proposed Budget				
	2008/09	2009/10	2010/11	Gross	Increased
	Start	Start	Start	Capital	Investment
	Budget	Budget	Budget	Programme	
	£000	£000	£000	To be Funded	£000
				£000	
Children's Services					
NDS Modernisation	1,685	1,893	1,893	5,471	3,471
- External Funding	1,685	1,893	1,893	5,471	3,471
- Cost to City	0	0	0	0	0
Westside Review - Oaklands	9,291	550	0	9,841	300
- External Funding	7,291	250	0	7,541	0
- Cost to City	2,000	300	0	2,300	300
Westside Review - Manor	3,493	0	0	3,493	0
- External Funding	0	0	0	0	0
- Cost to City	3,493	0	0	3,493	0
Joseph Rowntree One School Pathfinder	24,750	2,162	0	26,912	0
- External Funding	24,750	2,162	0	26,912	0
- Cost to City	0	0	0	0	0
Integrated Children's Centres	600	0	0	600	0
- External Funding	553	0	0	553	0
- Cost to City	47	0	0	47	0
Derwent MUGA	263	0	0	263	0
- External Funding	0	0	0	0	0
- Cost to City	263	0	0	263	0
Schools Access Initiative	288	288	288	864	864
- External Funding	288	288	288	864	864
- Cost to City	0	0	0	0	0
Harnessing Technology	535	523	528	1,586	1,586
- External Funding	535	523	528	1,586	1,586
- Cost to City	0	0	0	0	0
Targeted Capital Fund 14-19 Diploma	0	2,000	6,000	8,000	8,000
- External Funding	0	2,000	6,000	8,000	8,000
- Cost to City	0	0	0	0	0
Primary School Strategic Programme	0	3,000	5,378	8,378	8,378
- External Funding	0	3,000	5,378	8,378	8,378
- Cost to City	0	0	0	0	0
Extended Schools	250	265	137	652	652
- External Funding	250	265	137	652	652
- Cost to City	0	0	0	0	0
Devolved Formula Capital	2,948	2,898	2,898	8,744	8,744
- External Funding	2,948	2,898	2,898	8,744	8,744
- Cost to City	0	0	0	0	0
TOTAL GROSS EXPENDITURE	44,103	13,579	17,122	74,804	31,995
Less :External Funding	38,300	13,279	17,122	68,701	31,695
COST TO CITY OF YORK	5,803	300	0	6,103	300
City Strategy (Planning & Transport)					
Highway Resurfacing & Reconstruction (Struct Maint)	1,250	1,000	750	3,000	750
- External Funding	0	0	0	0	0
- Cost to City	1,250	1,000	750	3,000	750
Local Transport Plan (LTP)	6,397	5,356	5,091	16,844	2,067
- External Funding	6,397	5,356	5,091	16,844	2,067
- Cost to City	0	0	0	0	0
York City Walls - Repairs & Renewals (City Walls)	67	67	67	201	0
- External Funding	0	0	0	0	0
- Cost to City	67	67	67	201	0
York City Walls - Health & Safety (City Walls)	60	0	0	60	0
- External Funding	0	0	0	0	0
- Cost to City	60	0	0	60	0
Developer Contribution schemes (LTP Struct)	0	0	0	0	-1,238
- External Funding	0	0	0	0	-1,238
- Cost to City	0	0	0	0	0
Government Grants (LTP Struct)	0	0	0	0	-129
- External Funding	0	0	0	0	-129
- Cost to City	0	0	0	0	0
Special Bridge Maintenance (Struct maint)	100	100	100	300	300
- External Funding	0	0	0	0	0
- Cost to City	100	100	100	300	300

Capital Budget - 2008/09 to 2010/11

	Proposed Budget			Gross Capital Programme To be Funded £000	Increased Investment £000
	2008/09 Start	2009/10 Start	2010/11 Start		
	Budget £000	Budget £000	Budget £000		
Oulston Reservoir	25	0	0	25	25
- External Funding	0	0	0	0	0
- Cost to City	25	0	0	25	25
Road Safety	44	43	42	129	129
- External Funding	44	43	42	129	129
- Cost to City	0	0	0	0	0
TOTAL GROSS EXPENDITURE	7,943	6,566	6,050	20,559	1,904
Less :External Funding	6,441	5,399	5,133	16,973	829
COST TO CITY OF YORK	1,502	1,167	917	3,586	1,075
<u>City Strategy (Economic Development)</u>					
Visitor Information Centre (VIC)	100	0	0	100	100
- External Funding	0	0	0	0	0
- Cost to City	100	0	0	100	100
TOTAL GROSS EXPENDITURE	100	0	0	100	100
Less :External Funding	0	0	0	0	0
COST TO CITY OF YORK	100	0	0	100	100
<u>Housing</u>					
Modernisation of Local Authority Homes	460	276	83	819	478
- External Funding	460	276	83	819	478
- Cost to City	0	0	0	0	0
Repairs to Local Authority Properties	2,208	2,635	2,642	7,485	1,094
- External Funding	2,208	2,635	2,642	7,485	1,094
- Cost to City	0	0	0	0	0
Adaptations to Disabled Tenants Homes	0	0	0	0	0
- External Funding	0	0	0	0	0
- Cost to City	0	0	0	0	0
Assistance to Older & Disabled People	323	325	327	975	-27
- External Funding	323	325	327	975	-27
- Cost to City	0	0	0	0	0
Housing Grants & Associated Investment (Gfund)	850	900	950	2,700	-1,710
- External Funding	850	900	950	2,700	-1,710
- Cost to City	0	0	0	0	0
Disabled Facilities Grant (Gfund)	649	649	649	1,947	1,947
- External Funding	649	649	649	1,947	1,947
- Cost to City	0	0	0	0	0
MRA Schemes	4,062	3,897	4,200	12,159	-2,416
- External Funding	4,062	3,897	4,200	12,159	-2,416
- Cost to City	0	0	0	0	0
Discus Bungalows	27	0	0	27	27
- External Funding	0	0	0	0	0
- Cost to City	27	0	0	27	27
TOTAL GROSS EXPENDITURE	8,579	8,682	8,851	26,112	-607
Less :External Funding	8,552	8,682	8,851	26,085	-634
COST TO CITY OF YORK	27	0	0	27	27
<u>Leisure and Culture</u>					
Museum Service Heritage Lottery Bid	455	763	200	1,418	255
- External Funding	255	0	0	255	255
- Cost to City	200	763	200	1,163	0
York Pools Strategy -	6,643	1,300	0	7,943	0
- External Funding	1,529	0	0	1,529	0
- Cost to City	5,114	1,300	0	6,414	0
Parks and Open Spaces	100	0	0	100	0
- External Funding	100	0	0	100	0
- Cost to City	0	0	0	0	0
TOTAL GROSS EXPENDITURE	7,198	2,063	200	9,461	255
Less :External Funding	1,884	0	0	1,884	255
COST TO CITY OF YORK	5,314	2,063	200	7,577	0

Capital Budget - 2008/09 to 2010/11

	Proposed Budget				
	2008/09 Start	2009/10 Start	2010/11 Start	Gross Capital Programme To be Funded	Increased Investment
	Budget £000	Budget £000	Budget £000	£000	£000
Neighbourhood Services (Environmental Services)					
Silver Street Toilets	350	0	0	350	100
- External Funding	0	0	0	0	0
- Cost to City	350	0	0	350	100
Towthorpe Household Waste Site (HWS)	20	0	0	20	20
- External Funding	0	0	0	0	0
- Cost to City	20	0	0	20	20
Ward Committees - Improvement Schemes	0	0	0	0	-202
- External Funding	0	0	0	0	0
- Cost to City	0	0	0	0	-202
TOTAL GROSS EXPENDITURE	370	0	0	370	-82
Less :External Funding	0	0	0	0	0
COST TO CITY OF YORK	370	0	0	370	-82
Resources					
Admin Accom	15,134	17,316	3,013	35,463	0
- External Funding	6,040	17,138	1,918	25,096	0
- Cost to City	9,094	178	1,095	10,367	0
Property Key Components (H&S)	250	200	100	550	0
- External Funding	0	0	0	0	0
- Cost to City	250	200	100	550	0
Carbon Management	500	0	0	500	500
- External Funding	250	0	0	250	250
- Cost to City	250	0	0	250	250
Fire Safety Regulations - Adaptations	100	100	100	300	300
- External Funding	0	0	0	0	0
- Cost to City	100	100	100	300	300
IT Equipment	620	0	0	620	0
- External Funding	620	0	0	620	0
- Cost to City	0	0	0	0	0
TOTAL GROSS EXPENDITURE	16,604	17,616	3,213	37,433	800
Less :External Funding	6,910	17,138	1,918	25,966	250
COST TO CITY OF YORK	9,694	478	1,295	11,467	550
Social Services					
Community Equipment Loans Store	105	105	105	315	0
- External Funding	0	0	0	0	0
- Cost to City	105	105	105	315	0
Disabled Support Grant	100	100	100	300	0
- External Funding	0	0	0	0	0
- Cost to City	100	100	100	300	0
Telecare Equipment	50	100	75	225	225
- External Funding	0	0	0	0	0
- Cost to City	50	100	75	225	225
TOTAL GROSS EXPENDITURE	255	305	280	840	225
Less :External Funding	0	0	0	0	0
COST TO CITY OF YORK	255	305	280	840	225

Capital Budget - 2008/09 to 2010/11**Gross Expenditure by Department**

	Proposed Budget				
	2008/09 Start	2009/10 Start	2010/11 Start	Gross Capital Programme To be Funded	Increased Investment
	Budget £000	Budget £000	Budget £000	£000	£000
Children's Services	44,103	13,579	17,122	74,804	31,995
City Strategy (P&T)	7,943	6,566	6,050	20,559	1,904
City Strategy (Econ Devt)	100	0	0	100	100
Housing	8,579	8,682	8,851	26,112	-607
Leisure & Heritage	7,198	2,063	200	9,461	255
Neighbourhood Services	370	0	0	370	-82
Resources	16,604	17,616	3,213	37,433	800
Social Services	255	305	280	840	225
Total by Department	85,152	48,811	35,716	169,679	34,590

Total External Funds by Department

Children's Services	38,300	13,279	17,122	68,701	31,695
City Strategy (P&T)	6,441	5,399	5,133	16,973	829
City Strategy (Econ Devt)	0	0	0	0	0
Housing	8,552	8,682	8,851	26,085	-634
Leisure & Heritage	1,884	0	0	1,884	255
Neighbourhood Services	0	0	0	0	0
Resources	6,910	17,138	1,918	25,966	250
Social Services	0	0	0	0	0
Total External Funds by Department	62,087	44,498	33,024	139,609	32,395

Total CYC Funding required by Department

Children's Services	5,803	300	0	6,103	300
City Strategy (P&T)	1,502	1,167	917	3,586	1,075
City Strategy (Econ Devt)	100	0	0	100	100
Housing	27	0	0	27	27
Leisure & Heritage	5,314	2,063	200	7,577	0
Neighbourhood Services	370	0	0	370	-82
Resources	9,694	478	1,295	11,467	550
Social Services	255	305	280	840	225
Total Capital Receipt Funding required	23,065	4,313	2,692	30,070	2,195

Breakdown of External Funds per funding statement

Developers Contributions	937	500	500	1,937	-4
Government Grant	38,369	10,898	13,798	63,065	27,197
Major Repairs Allowance	4,062	3,897	4,200	12,159	-2,416
Capital Receipts in Lieu of SCA/GG	0	0	0	0	0
Non Government Grant	0	0	0	0	0
Other Contributions	0	0	0	0	0
Prudential Borrowing	9,744	17,138	1,918	28,800	255
Revenue Contribution	1,991	2,236	2,052	6,279	1,545
Right to Buy Receipt	274	274	274	822	-1,218
Supported Capital Expenditure	6,710	9,555	10,282	26,547	7,036
Venture Fund	0	0	0	0	0
					0
	62,087	44,498	33,024	139,609	32,395
				0	0

Total CYC Funding required**Forecast Capital Receipts****Deficit/(Surplus) b/fwd****Deficit/(Surplus) c/fwd**

23,065	4,313	2,692	30,070
-13,067	-5,236	-8,085	-26,388
-3,181	6,817	5,894	-3,181
6,817	5,894	501	501

to be funded from prudential borrowing



Executive**12 February 2008**

Report of the Director of City Strategy

Access York Phase 1: Park & Ride Development**Proposed Submission to the Regional Transport Board****Summary**

1. This report provides details of a proposed bid for the funding of 3 Park & Rides sites planned to be submitted to the Regional Transport Board on 15 February 2008. Members are asked to consider the proposal and endorse the submission of the bid.

Background**LTP Strategy**

2. The transport strategy of the Council to address traffic congestion, safety, air quality and accessibility issues is identified in the city's Local Transport Plan (LTP). Between 2001 and 2006 the strategies in the first LTP to address congestion were a combination of Park & Ride (P&R), demand management using parking charges, improvements to the cycling and walking network, use of technology to realise the most out of the network and the introduction of bus priorities on key radial routes. This successfully increased bus patronage by nearly 50% and kept the traffic levels in the urban area static at 1999 levels.
3. The strategy in the 2nd LTP period from 2006 to 2011 and beyond for tackling congestion and improving the quality of life for York's residents is to build upon the successes already achieved and undertake further improvements to public transport provision. The key proposals identified in the LTP are to increase the capacity of the Outer Ring Road (ORR) to reduce congestion in the city centre and allow reallocation of road space to buses, cyclists and pedestrians, provide additional park and ride sites to intercept traffic on all main radials, provision of an orbital and cross city bus network and manage the demand using parking charges and possibly access restraint over the city centre bridges. The Access York project combines the major infrastructure improvements required into a single scheme to provide a step change in the transport provision for the city.
4. Owing to the cost of the proposed strategy and the reducing LTP allocation the current level of funding is inadequate to undertake the proposed works. The

LTP included the proposal to bid for funding for the Access York project from the Department for Transport using the Major Scheme Bid process.

5. The proposed scheme supports the Regional Spatial Strategy which recognises York as a growth point and identifies improved access to the city centre as one of the regional transport priorities. The Leeds City Region transport vision includes improved connectivity between key cities as a priority with improvements to the Outer Ring Road specifically identified.

Access York Major Scheme Bid Summary

6. The Access York Major Scheme Bid enables a step change in transport provision to be achieved whilst complimenting the improvements provided using funding from the LTP block settlement. The scheme will help to deliver an integrated transport vision for the city where the most sustainable travel option will be available to all. The Access York proposal provides the infrastructure to enable improved interchange between road, rail, tram and bus modes.
7. The overall concept is to increase the capacity of the ORR to reduce traffic diverting through the City centre and enable road space to be used for bus priorities and enhanced cycling and pedestrian routes, the provision of enhanced P&R services to cover additional radial routes and the implementation of improved bus priority measures on key routes. All new P&R sites are on rail corridors and have the added future potential to be included in the tram/train proposal for the city. This would enable the ride element of the service to be provided by a fast rail alternative avoiding the city centre road network, reducing journey times and maximising reliability.
8. There are 5 existing P&R sites covering most of the main radial routes into the City. The Access York proposal will enable the remaining key corridors to benefit from traffic reduction and bring the total number of P&R sites up to 7. P&R operates particularly successfully in York with the combination of commuters, visitors and back trips to attractions at the sites providing an income to the city whereas most other P&Rs across the country are subsidised. The Council have recently awarded a contract for the provision of P&R bus services to First York, that will see major new investment in the bus fleet with leading edge environmentally friendly engines. Additional coach parking for visitors would also be incorporated into the designs for the sites and the opportunity for providing connections to rural bus services developed.
9. The main elements of the proposal are:
 - Phase 1: 2 new and 1 replacement Park & Ride sites.
 - Phase 2: Outer Ring Road Improvements

Bid Process

10. A new process introduced in 2006 gives the Regions more control over a Regional Funding Allocation (RFA) for major transport schemes proposed on Local Authority and Trunks roads which are not of national strategic importance. The RFA for transport is approximately £90m per year with £845m allocated up to 2015/16. The Regional Transport Board (RTB) of the Yorkshire

and The Humber Region reviews all larger schemes (generally over £5m) and manages the programme. The RTB advises the Department for Transport (DfT) which schemes they wish to promote within the Region and Ministers take account of this advice when determining the list of projects to be funded.

11. To obtain funding for a scheme the promoter must first ensure that the project is included in the Regional programme. The DfT will then consider the submission of a Major Scheme Bid to check the value for money of the project and its alignment with government policy. The full indicative programme of all schemes in the Region up to 2015/16 was approved by Ministers in 2006. No schemes in the York area were approved although Haxby Station was included providing the viability was confirmed by Network Rail.
12. Progress on the schemes within the regional programme has been slower than anticipated opening up a potential underspend of £93m in the early years. In addition the RTB has decided to include a 20% allowance for overprogramming in 2008/09 and 2009/10 to enable better management of slippage meaning that there is approximately £129m currently unallocated. The RTB is also proposing to refresh the full programme (extended up to 2017/18) in the Autumn of 2008.
13. The RTB issued an invitation for the submission of bids to cover the projected underspend on 14 December 2007 with a deadline of 15 February 2008 for the receipt of bids. All schemes had to have estimated costs below £30m and be deliverable before 2013/14.
14. Owing to the short timescale and the limit on the maximum value of the bid, the Access York proposal has been split into two elements with the Park & Ride proposal being progressed in advance to meet the February deadline. It is proposed to develop the bid for the improvements to the Outer Ring Road over the next few months and submit a proposal in the Autumn.
15. Halcrow were commissioned to prepare the traffic modelling and economic appraisal elements of the Park & Ride bid. Cost estimates and outline designs have been prepared in house by Engineering Consultancy.
16. Acceptance by the RTB is the start of a long process to deliver the scheme. If the bid to the RTB is successful additional appraisal work will be undertaken before submitting a full Major Scheme Bid to the DfT later in the year. The DfT have a three stage approval process prior to releasing funds for construction.
17. The DfT anticipate that they will take approximately 6 months to analyse the bid and determine whether it is acceptable for Programme Entry status. Following approval by the DfT additional design work would be undertaken and statutory approvals, such as planning consent, obtained prior to re-submitting the bid for Conditional Approval. Before granting Final Approval of the scheme the DfT require tenders for the construction works to have been received. Providing there have not been significant changes to the value for money of the scheme the DfT will grant Final Approval and construction can commence.

Access York Submission

Phase 1 – Development of Park & Ride Service

18. The proposed bid is for the development of the Park & Ride (P&R) operation in York including the provision of three sites and associated bus priority road improvements at an estimated cost of £26.2m (Outturn Costs). The proposal increases the number of P&R sites in York to seven, covering all main radial routes, by relocating and enlarging the existing site at Askham Bar (1250 spaces), providing a new site on the A59 (750 spaces) and constructing a new site on Wigginton Road (500 spaces). Total Park & Ride spaces will increase from 3,750 to 6,250. Bus priorities would be provided on each route with significant work required at the congested A59/A1237 roundabout adjacent to the A59 P&R site to enhance capacity.
19. All of the sites are close to existing railway corridors which would enable a potential tram/train link to be installed in the future. Schematic drawings of the proposals are included in the annex to this report.
20. The bid is flexible as each site could be developed independently to suit the availability of funding. This allows the Regional Transport Board scope to allocate funds for one of the sites at anytime during the programme period. However, it is anticipated that there would be cost reductions of approximately £1.5m if the full package was progressed at one time owing to economy of scale benefits.

Askham Bar P&R Relocation (Outturn Cost £6.9m)

21. Askham Bar is the principal gateway site for travellers from the A64 west, A1 and Leeds. The existing Park & Ride site has operated very successfully since opening in 1990 with the viability supported by significant back trips for students to the new York College. Over 600,000 passengers per year are carried by this service but the existing 550 space site is undersized and regularly full by 10:00am. This leads to diversion to alternative P & R sites or the use of city centre car parks. It is not possible to extend the existing site owing to the constrained boundaries.
22. The new 1250 space site proposed on a former landfill tip would enable additional trips to be intercepted and reduce traffic at the Moor Lane roundabout exit to the existing site. The increased size would ensure that all drivers arriving from the west could make use of the most convenient P&R site. It is projected that at peak times approximately 50% of the vehicles on the north end of Tadcaster Road would be intercepted by the Park & Ride site. There is also the potential to provide off site parking at this location for developments in the south and west of the city, particularly the redevelopment of the Terry's site. The proximity to the East Coast Mail Line rail corridor allows options for a tram/train based solution to be developed in the future.
23. The scheme comprises a 1250 space car park with associated landscaping and office/toilet buildings. A new signalised junction would be provided on the A1036 Tadcaster Road to allow access to the site for cars. The preferred route for buses would be a dedicated bus lane passing to the rear of the supermarket and exiting via the existing Park & Ride route to the Moor Lane

Roundabout thus avoiding traffic on the main road. It is anticipated that the current number of 5 articulated vehicles would need to be increased to 7 at peak times and on Saturdays.

A59 (Poppleton) P&R, A59/A1237 Junction Improvement and Bus Priorities
(Outturn Cost £13.8m)

24. A P&R site on the A59 would ensure that traffic from the north west and Harrogate would be intercepted before it reached the outer ring road. The proposed 750 space site with space available for an additional 500 cars for York Northwest development would benefit from significant back trips for employees at the adjacent Northminster Business Park. For the P&R to operate successfully the adjacent A59/ORR roundabout would also have to be upgraded to ensure delays to buses crossing the ring road were minimised. The A59 site would be particularly beneficial for the proposed York Northwest development reducing the level of car traffic into the York Central section. In addition the York Northwest site provides the opportunity to provide a purpose designed bus priority route directly into the city centre from the A59 P&R site. Pending this route being available additional bus priorities will be provided on Boroughbridge Road.
25. Modelling suggests that approximately 40% of the traffic on the north end of Boroughbridge Road in the am peak would be intercepted by the Park & Ride site.
26. Two sites are under consideration to the north and south of Northminster Business Park, however in transport terms, the site closest to the A59 is preferred. The northern site also provides the opportunity for a future link to a tram/train service running along the Harrogate to York line.
27. The scheme comprises a 750 space car park with associated landscaping and office/toilet buildings. A new signalised junction would be provided on Northfield Lane to allow access to the site for cars and buses. A separate route into and around the site would be provided for buses to limit conflict with car users and create priority. A new signalised junction would be provided at the existing Station Road/Northfield Lane intersection with the A59 to allow access for cars to the site and provide priority for the Park & Ride bus service. An option to provide a dedicated access from the south off the A1237 will be developed providing traffic flows can be accommodated on the existing Northfield Lane. The existing A59/A1237 Roundabout will be enlarged (diameter approximately doubled) within the highway boundary to increase capacity and ensure that the Park & Ride service is not delayed. A safe crossing point for pedestrians/cyclists by means of a subway will be provided close to the roundabout.
28. Bus priorities will be provided along the A59 into the city centre to minimise delays and provide a time advantage for the service. Bus priority measures including bus gates and sections of bus lane are proposed at Beckfield Lane, Carr Lane, Water End, The Fox and Hamilton Drive. It is anticipated that a fleet of 5 artic and rigid buses would provide the necessary capacity for the service with enhancements at peak times and Saturdays.

Clifton Moor P&R and Bus Priorities (Outturn Cost £6.9m)

29. The 500 space site on Wigginton Road would intercept traffic from the north using the road from Helmsley and the North Yorks Moors. This route, although not on the Primary Route Network, carries as much traffic as the A19 at peak times. The bus service from the site would stop at the District Hospital reducing the need for traffic to pass through congested areas on the network. There are two potential sites close to the ORR roundabout which could be progressed. The site closest to the city could have the added benefit of the possibility of a future link to a tram/train service along the Scarborough to York line.
30. The scheme comprises a 500 space car park with associated landscaping and office/toilet buildings. A new signalised junction would be provided on Wigginton Road to allow access to the site for cars and buses. A separate route into and around the site would be provided for buses to limit conflict with car users. Improvements to the A1237/Wigginton Road roundabout would be required for the northernmost site. Bus priorities including a section of bus lane and bus gate close to the level crossing would also be provided along Wigginton Road to minimise delays to the service. It is anticipated that a fleet of 6 rigid buses would provide the necessary capacity for the service with enhancements at peak times and Saturdays.

Transport Modelling

31. Halcrow have undertaken the modelling work using the York SATURN model and EMME2 Public Transport model to determine the effect of the proposal on the network and determine the size of the sites required. The models predict travel behaviour during the am peak hour in 2011 and 2021.
32. It is projected that the full project will deliver an average 8% reduction in journey times on the Inner Ring Road and an average 5% reduction in journey times on the Outer Ring Road in 2011. Approximate 5% reductions relative to the do nothing scenario are projected for 2021. More significant improvements to journey times are experienced on the radial routes with the new Park & Ride sites. A 12 % reduction in journey time relative to the do nothing scenario is anticipated for Wigginton Road and 19% for the A59 in 2011 (11.5% and 26.5% in 2021).

Economic Appraisal

33. The economic appraisal of the proposals has been undertaken by Halcrow in accordance with DfT guidance. Estimates for the schemes have been prepared by Engineering Consultancy based upon the costs for the Monks Cross site completed in 2004. Each individual site and the package of 3 sites has been assessed.

Askham Bar Park & Ride Site

34. There is an economic case for development of the Askham Bar Expansion scheme, underlined by a benefit to cost ratio of 2.4. The main driver of the economic benefits are travel time savings, reliability benefits and external benefits to highway users generated by a reduction in road user vehicle kilometres. Expansion of the Askham Bar Park and Ride site generates an additional 123,000 public transport trips in 2011, increasing up to 246,000 (with York Central) by 2021.

A59 (Poppleton) Park & Ride Site and Roundabout Improvements

35. An expected 250,000 public transport trips per annum in 2011 will result from the development of a Park and Ride facility at this site, rising to 289,000 by 2021 (with York Central). Development of the A59 Park and Ride site and the associated junction improvement is expected to generate large travel time savings to highways and public transport users. The benefit cost ratio is 7.3 implying a strong economic case for development of this option.

Clifton Moor Park & Ride Site

36. A strong economic case exists for the development of this option. The benefit is driven almost entirely by public transport travel time savings. This scheme represents high value for money supported by a BCR of 3.7. An extra 121,000 public transport trips are expected in 2011 increasing to 130,000 by 2021.

Package of 3 Park & Ride Sites

37. The package of benefits represents high value for money with a BCR of 5.0 and over £70m worth of economic benefits. This represents 76% of benefits generated by the individual packages if they were to be introduced separately. There is a strong economic case for taking the package to a further stage of development with the package resulting in large highways and public transport benefits.
38. Based on the results of this appraisal, it is recommended that the full package of options is taken forward due to the large economic benefits expected. The schemes have the potential to reduce travel times to both highway and public transport users by generating a significant amount of modal shift from highways to public transport. The full development is expected to increase annual trips made by public transport by 432,000 in 2011 and up to 545,000 by 2021.

Deliverability

39. The RTB are particularly concerned that any schemes which are included within the programme are deliverable to the specified timescale. The bid emphasises the recent experience of the Council in delivering Park & Ride sites and major highway improvement schemes to time and budget. The principal risks to delivery relate to obtaining planning consent and purchase of land for the sites. Ground conditions at the A59 roundabout and the proposed Askham Bar site will affect construction methods but the risks will be mitigated by undertaking ground investigation surveys at an early stage in the development of the schemes.

Phase 2 – Reducing Congestion on the Outer Ring Road

40. Since the ORR was built in the 1980s it has significantly reduced the number of trips through the city centre and enabled areas of employment growth at Monks Cross and Clifton Moor to be developed. However traffic levels using the road have increased by approximately 50% over the last 15 years with journey times lengthening and the duration of the peak periods extending. Orbital and radial traffic flow is severely disrupted by the 12 roundabouts along its 10 mile length. At peak times traffic diverts through the city and surrounding villages to avoid the congestion on the ring road. End to end journey times in the morning peak are projected to increase to over an hour in 2021.

41. The Outer Ring Road Study, which was accepted by members in July 2005, is currently being reviewed in light of the changes to the anticipated development in the area and making use of the latest transport models available for analysing traffic flows. A number of options for improvements are being investigated ranging from enlarged roundabouts with or without grade separation to possible dualling of the most congested sections.
42. The ORR also acts as a barrier to non-motorised users severing communities particularly at Strensall Road. The study will include options for the provision of enhanced crossing points such as subways at key locations and the possibility of a section of orbital cycle route between Strensall Rd and Wigginton Rd opening up routes for cyclists to the Clifton Moor employment/retail site.
43. The results of the study will be presented to members in the Summer prior to preparing a bid for funding to the Regional Transport Board in the Autumn. The bid will need to include the most cost effective combination of the proposed solutions, taking into consideration the environmental impact and consequences on transport across the city.
44. The Highways Agency are proposing to submit a bid for funding to the RTB in February for reducing congestion at the Hopgrove Roundabout at the eastern end of the ORR. It is anticipated that the improvements proposed by the Highways Agency will compliment any solution for the remainder of the ORR and will reduce evening clockwise peak time delays by half.

Consultation

45. Internal consultation on this report has been held with Finance, Property, Environmental Protection and Transport Planning to ensure that the proposals are acceptable. Owing to the short timescale no separate external consultation has been undertaken but the proposals were included in the Local Transport Plan which was widely reviewed by stakeholders across the city and specific consultation on the A59 site was undertaken in 2005. If the RTB bid is successful it is planned to consult local residents and include their views in the final bid before submission to the DfT.

Corporate Priorities

46. The development of the Park & Ride service is a key element of the Council's transport strategy set down in the Local Transport Plan. In addition it supports the Council's strategy to increase the use of public and environmentally friendly modes of transport.

Implications

47. The provision of a successful and efficient Park & Ride service is essential for the continued prosperity of the city and the desire to reduce congestion and improve air quality in the city centre. There are implications across a wide range of areas both within the Council and externally.

48. **Financial Implications** The DfT approves funding for Major Schemes on the basis that 10% of the funding is locally sourced. The local funds could be from the LTP settlement, developer contributions or Council resources. If the full bid for approximately £26m was progressed up to £3.3m spread over 3 years would need to be contributed from local sources.
49. If this contribution was funded from the LTP settlement it would mean approximately 30% less would be available for other integrated transport schemes across the city during that period. Currently it is not anticipated that any developer contributions would be available to support the provision of the Park & Ride sites in the timescale required however it may be possible to fund future expansion of the sites from specific developments. In particular it is anticipated that developer contributions from the York Northwest development may be available to expand the A59 site to meet the increased demand. If the relocation of the Askham Bar site was progressed it is anticipated that proceeds from the sale of the existing site could be used as part of the contribution to fund the full package of Park & Ride development.
50. Preparatory costs incurred prior to the acceptance of the scheme by the DfT are not recoverable through the Major Scheme Bid process and would need to be provide from Council Revenue sources. It is anticipated that approximately £200k would be required to prepare a Major Scheme Bid for the full package. A contingency item of £164k is included within the proposed budget for 2008/09. Additional funding would be sourced from within existing City Strategy revenue budgets. Once the bid has been accepted by the DfT 50% of the further development costs after acceptance to take the bid through the approval process are recoverable from the DfT. The DfT will then fund 90% of the construction costs and 50% of any additional risk costs up to an agreed level. Any additional costs above this agreed level would have to be funded fully from local sources.
51. There will be financial implications to the Council relating to the operation of the new sites. Currently a licence fee is paid to the Council by the operator of the service. The contract for the operation of the new sites would need to be procured in accordance with the Council's financial regulations which may result in a lower rate being received for the new sites owing to the risk associated with patronage numbers in the early years of operation.
52. **Human Resources (HR)** There are no Human Resource implications for staff employed by the Council. The role of the Park & Ride monitoring officer will change to include the additional sites. A project team will need to be created to progress the construction of the new sites however it is likely that some of the work will be undertaken by Consultants.
53. **Equalities** There are no equalities implications of progressing the bid at this stage.
54. **Legal** There are no equalities implications of progressing the bid at this stage.
55. **Crime and Disorder** There are no crime and disorder implications.

- 56. **Information Technology (IT)** There are no IT implications.
- 57. **Property** If the new site at Askham Bar is constructed the existing site, owned by the Council, would be vacated and available for possible sale.
- 58. **Other** None.

Risk Management

- 59. In compliance with the Council's risk management strategy the main risks that have been identified in this report are those which could lead to financial loss, non-compliance with legislation, damage to the Council's image and reputation and failure to meet stakeholders' expectations. However measured in terms of impact and likelihood, the score for all risks has been assessed at less than 16. This means that at this point the risks need only to be monitored as they do not provide a real threat to the achievement of the objectives of this report.
- 60. At this stage in the bid process the Council does not commit to funding or underwriting the construction of the new sites. Separate reports will be submitted to the Executive as the bid progresses indicating the financial commitment and level of risk at each stage.

Recommendations

- 61. Members are asked to:
 - 1) Endorse the submission of the bid to the Regional Transport Board for the funding of 3 Park & Ride sites.
 - 2) Authorise the expenditure of contingency funding up to a limit of £164k to progress the bid subject to the acceptance of the 2008/09 budget by Full Council and acceptance of the bid by the Regional Transport Board.

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

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Director of City Strategy

Report Approved ☒ **Date** 6/2/08

Damon Copperthwaite
Assistant Director City Development and
Transport

Report Approved ☒ **Date** 6/2/08

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Wards Affected: List wards or tick box to indicate all

All ☒

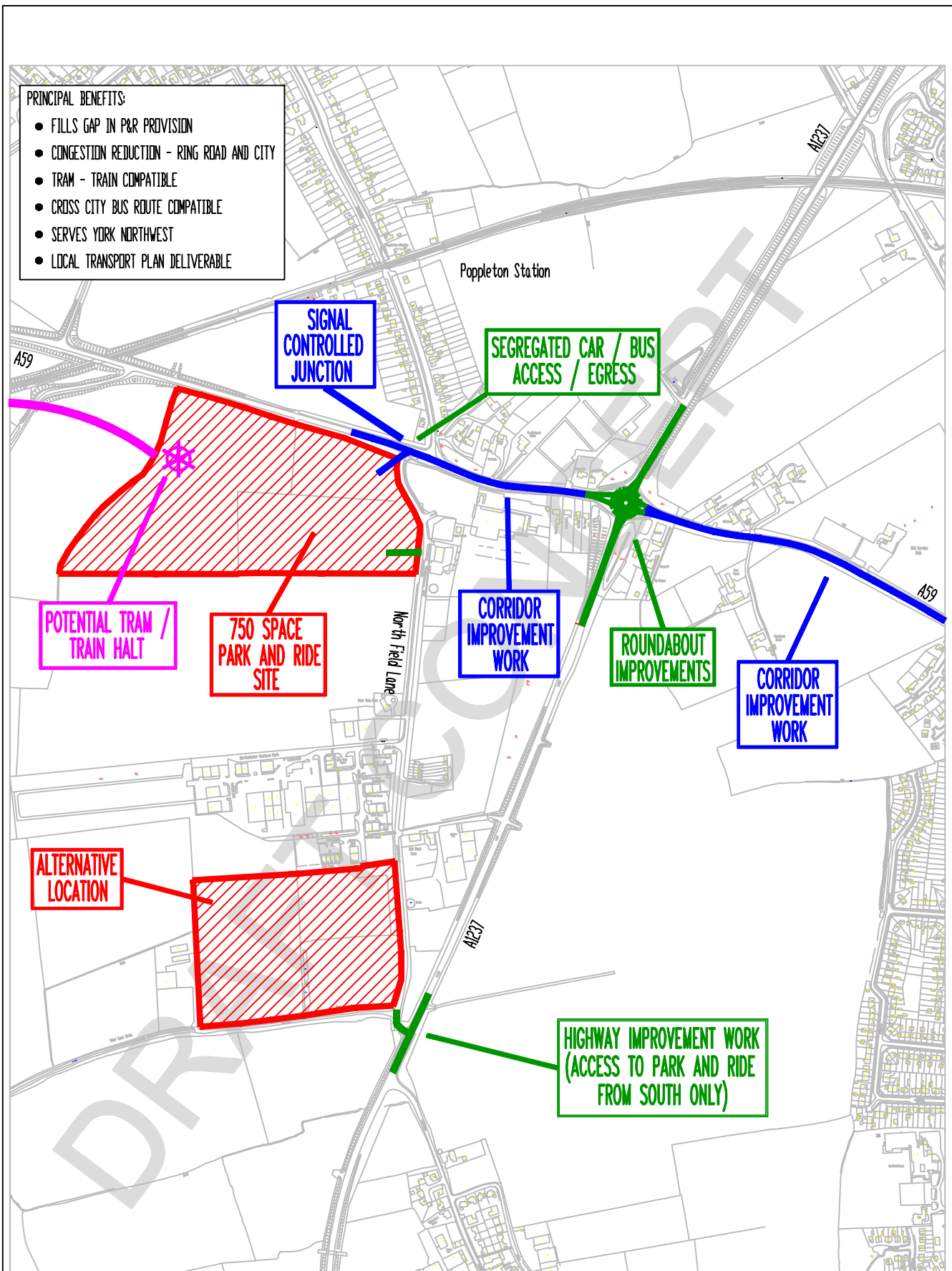
For further information please contact the author of the report

Background Papers:
2nd Local Transport Plan

Annexes

Annex 1 Schematic Drawings of proposed Park & Ride Sites

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MAJOR SCHEME BID A59 (POPPLETON) PARK AND RIDE

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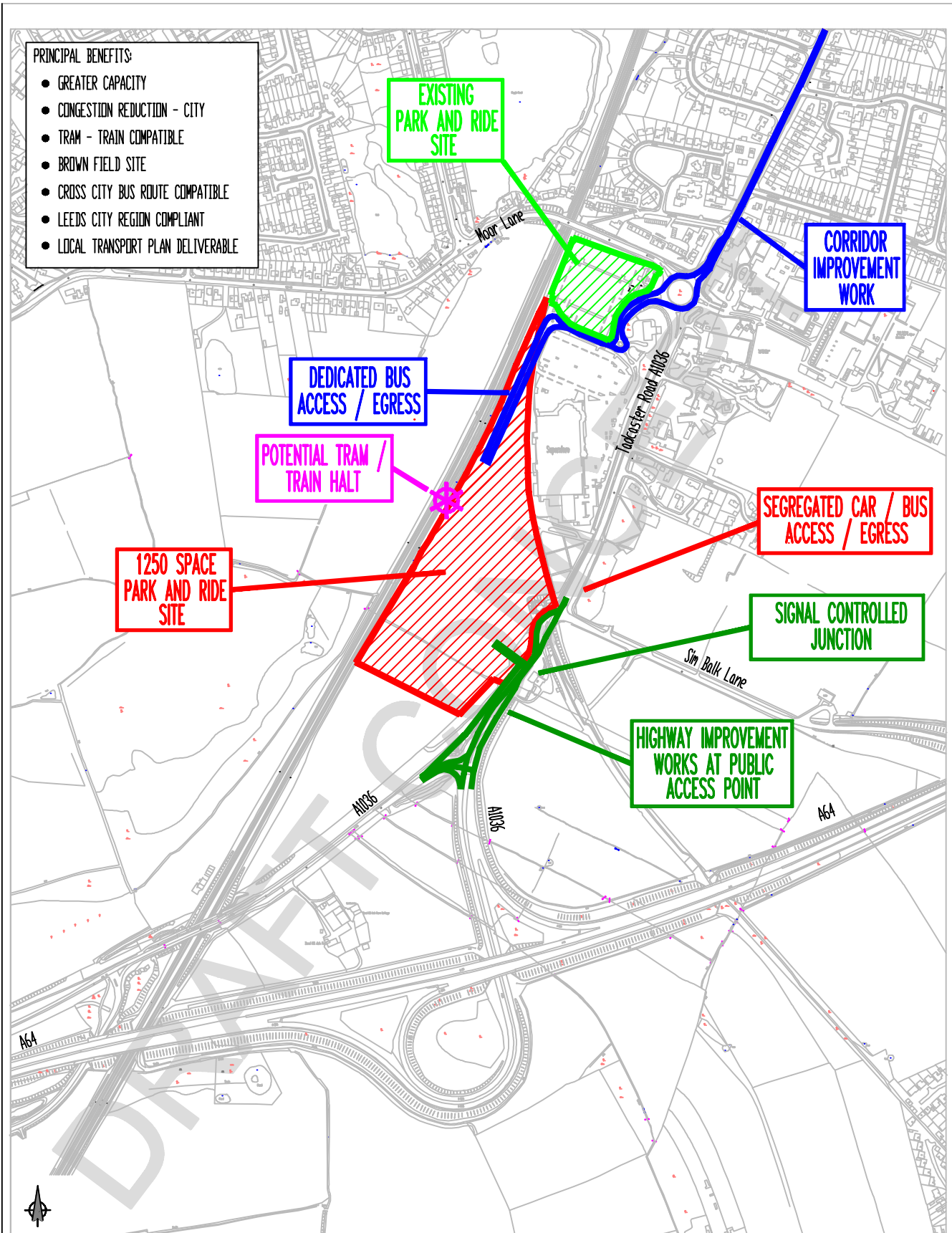
D. MERCER

T. CLARKE

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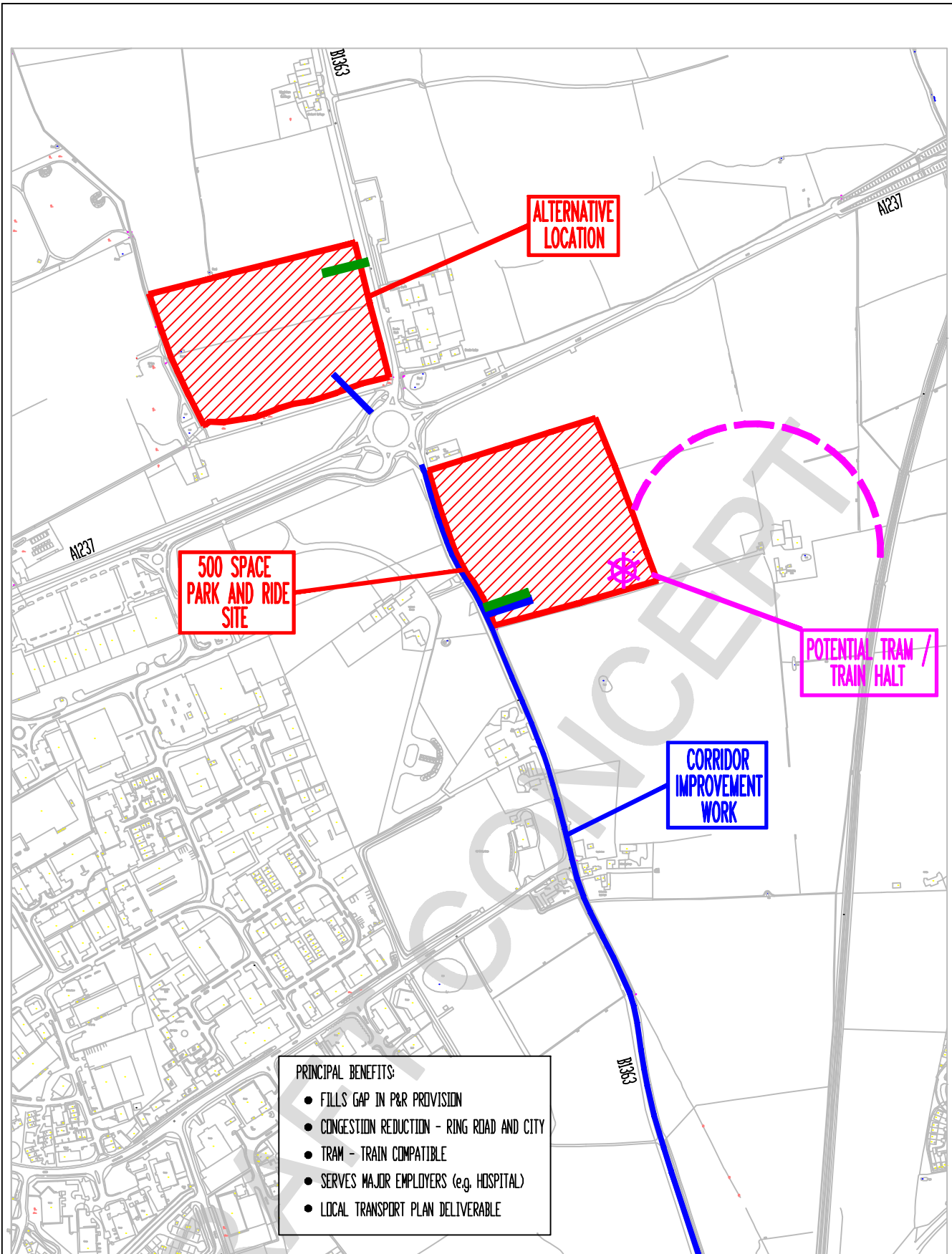
February 08

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 <p>York Consultancy Consultants of first choice</p>  <p>CITY OF YORK COUNCIL</p>	<p>MAJOR SCHEME BID ASKHAM BAR PARK AND RIDE</p>	<p>Drp. No. HE/DEC07010188/002</p> <p>D.MERCER</p>	<p>T.CLARKE</p>	<p>SCALE Not to scale</p> <p>DATE February 08</p>
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MAJOR SCHEME BID CLIFTON MOOR PARK AND RIDE

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REV	AMENDMENTS	DATE

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D.MERCER	T.CLARKE	DATE February 08

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