
MEETING	EXECUTIVE
DATE	16 FEBRUARY 2009
PRESENT	COUNCILLORS WALLER (CHAIR), STEVE GALLOWAY, MOORE, REID, RUNCIMAN AND VASSIE
APOLOGIES	COUNCILLOR SUE GALLOWAY

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

179. 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.

Cllrs Steve Galloway and Runciman each declared a personal, non prejudicial interest in agenda item 6 (Financial Strategy 2009-13) insofar as it related to concessionary travel, as persons entitled to concessionary travel.

Cllr Waller declared a personal, non prejudicial interest in agenda item 6 insofar as it related to fees charged for allotments, as the owner of an allotment.

180. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex 2 to agenda item 9 (Provision of Construction and Related Services for the Primary Capital Programme – Minute 184 refers), on the grounds that it contains information relating to the financial and business affairs of particular persons. Such 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).

181. MINUTES

RESOLVED: That the minutes of the Executive meeting held on 3 February 2009 be approved and signed by the Chair as a correct record.

182. PUBLIC PARTICIPATION / OTHER SPEAKERS

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme, and one request to speak as a union representative.

Pauline Buchanan spoke in relation to agenda item 7 (Capital Programme Budget), with specific reference to the capital bid for a contribution to the refurbishment of St Clements Hall (paragraph 39 in the report refers). She urged Members to support this bid, on the basis that failure to do so would mean the loss of government funding for the scheme and the consequent loss of a valuable resource to the local community and the City.

Heather McKenzie, of UNISON, spoke with the permission of the Chair in relation to agenda item 6 (Financial Strategy 2009-13). With regard to the budget proposals generally she commented that, although job losses had been minimised, substantial savings were still being made by deleting vacant posts and this would have a knock-on effect on the remaining staff. With regard to the savings proposals for the Chief Executive's department in Annex 4 to the report, she spoke in opposition to proposal no. CXHS1, removing re-imburement to directorates for the cost of releasing trade union stewards, noting that this proposal had been put forward without prior consultation.

183. 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.

184. PROVISION OF CONSTRUCTION AND RELATED SERVICES FOR THE PRIMARY CAPITAL PROGRAMME

Members considered a report which sought approval for the appointment of a contractor for the provision of building work arising from the delivery of the first two schools in the Primary Capital Programme.

The matter had been brought to the Executive because the results of the MEAT (Most Economically Advantageous Tender) process had established a preferred bidder whose bid was not the lowest priced.

Six companies had submitted tenders for the contract. Details of the tender process were set out in Annex 1 to the report and details of the tender results were provided in (exempt) Annex 2. Approval was now sought to award the contract to the preferred bidder, identified as 'Company A'.

RESOLVED: (i) That the appointment of Company A, as the Constructor to work as an integrated partnering team to design and develop the new schools at Rawcliffe Infant and Clifton (Without) Junior and our Lady's and English Martyrs' Roman Catholic Primary Schools, be approved.¹

REASON: To determine the outcome of the tender process to appoint a construction partner to design and construct the two primary schools, in accordance with the results of the tender assessments.

(ii) That the expectation that sustainable design of school buildings should be a key feature of the project, following on from the successful inclusion of energy efficiency and renewable power in recent new school buildings in the City be noted.²

Action Required

1. Proceed with appointment of Company A, as agreed SC
2. Ensure that sustainable design is made a key feature of the project SC

185. REFERENCE REPORT - APPROVAL OF THE PRIVATE SECTOR HOUSING STRATEGY 2008-2013

Members considered a reference report which presented a recommendation made by the Executive Member for Housing and Adult Social Services in respect of the Private Sector Housing Strategy 2008-2013.

At a meeting of the Executive Member and Advisory Panel (EMAP) on 8 December 2008, the Executive Member had agreed to recommend the Private Sector Housing Strategy to the Executive for approval. Members were now asked to consider that recommendation. The original report to the EMAP was attached as Annex 1 to the report and the draft Strategy had been made available on the Council's website as Annex 1B.

RESOLVED: That the Private Sector Housing Strategy that will cover the period 2008-2013 be approved.

REASON: In accordance with the recommendation of the Executive Member for Housing and Adult Social Services.

Action Required

1. Take steps to publicise and implement the agreed Strategy SB

PART B - MATTERS REFERRED TO COUNCIL

186. FINANCIAL STRATEGY 2009-13

Members considered a report which presented a Financial Strategy for the Council for the period 2009 -13, including detailed Revenue Budget proposals for the 2009/10 financial year. A revised version of the report

originally published with the Executive agenda had been published and circulated to all Members on 13 February 2009.

The report presented a balanced budget, key features of which included:

- A net revenue budget of £116.895m
- A Council Tax increase of 4.5%
- Funding for pupil-led aspects of education (mainly schools) of £89.243m, to be met by the Dedicated Schools Grant.

A summary of the budget was provided in Annex 1 to the report. Contingency items for 2009/10 were set out in Annex 2 and revenue growth and savings proposals put forward by each department were detailed in Annexes 3 and 4 respectively. A comprehensive consultation exercise had been undertaken as part of the budget process. Details of the items consulted on were set out in Annex 5 and responses to the consultation were summarised in Annex 9.

Executive Members commented individually on those aspects of the budget proposals that fell within their respective portfolio areas, welcoming in particular the proposals for investment in kerbside recycling, measures to cut energy consumption, IT development, the economic prosperity fund and improvements to roads and footpaths.

Having noted the comments made on this item by the UNISON representative and having noted that the Shadow Executive had reserved their position on the budget, it was

- RESOLVED:
- (i) That, in considering the appropriate levels of Council Tax to be levied by the City of York Council for 2009/10, the following be noted and that the recommendations to Budget Council be made in the light of these considerations:
 - a) Expenditure pressures facing the Council, as detailed in Annex 1 to the report;
 - b) The impacts in 2009/10 of the growth requirements and savings proposals outlined in Annexes 3 and 4;
 - c) Medium term financial factors facing the Council, as outlined in the report;
 - d) The levels of reserves projected to be held as at 31 March 2009, 2010 and 2011 (Annex 7);
 - e) The significant future pressures identified;
 - f) The statutory advice from the Director of Resources;
 - 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 Officer.
 - (ii) That the following amendments be agreed to the budget proposals set out in the revised report published and circulated to all Members on 13 February 2009:

- a) Amendment of the **net revenue expenditure** requirement for 2009/10 from £116.895m to **£117.686m**, to take account of the following:
1. amendment to show the funding from unspent contingency in the base budget (-£125,000)
 2. an additional Corporate energy and housekeeping saving. (-£175,000)
 3. Reduction in trade union facility time saving (+£34,000)
 4. Continue to fund post of Conservation Officer (+ £18,000)
 5. Remove saving CSHS8 (reduction in support to Visit York) and replace with "savings from Economic Development" (net nil)
 6. Investment to achieve energy efficiency through the Council (+£40,000) (one off)
 7. Supplementary programme of highways and footpaths maintenance to be funded from Reserves (+£1,000,000) (one off)
 8. Increase CSLP10 – Speed enforcement measures (+£30,000) (one off)
 9. Waste Minimisation budget allocation (+£10,000) (one off)
 10. Reduction in Contingency (-£46,000)
 11. Policy prospectus review for ResPark refinement based upon a vehicles carbon emissions (+£5,000) (one off)
- b) Amendment of the **revenue growth proposals** as follows
- Ongoing: from £8.997m to £8.969m (+£18,000 Conservation officer, reduction in contingency -£46,000)
 - One off growth from £1.251m to £2.336m (amended as follows: -£1,000,000 for Highways/footpaths, £40,000 energy efficiency, £10,000 waste minimisation, £5,000 policy prospectus ResPark, £30,000 speed enforcement).
- c) Amendment of the **revenue savings** proposals figure from £4.962m to **£5.228m**.(corporate energy/housekeeping +£175,000, reduced saving re trade union time -£34,000, incorporation of unspent ongoing contingency 2008/09 into savings +£125,000).
- d) In terms of the Council's reserves, to agree to the use in 2009/10 of £3,474,000 (amended

from £2,389,000 as follows: - £1,000,000 for Highways/footpaths, £40,000 energy efficiency, £10,000 waste minimisation, £5,000 policy prospectus ResPark, £30,000 speed enforcement).

- e) The £186,000 **LAGBI grant** to York for 2008/09 to be used to fund an Economic Prosperity Programme Reserve.
- f) Inclusion of an advance from the Council's **Venture Fund** of £100k in 2009/10 and £200k in 2010/11, to be spent on the modernisation of the City's street lighting stock, which will have the effect of reducing revenue costs and CO2 emissions, these to be included in the Capital Programme.
- g) Transfer of £2 m of the Council's **accumulated balances** to a capital reserve fund, this sum to be earmarked to support the capital programme in later years, and the Director of Resources to be instructed to undertake a review of, and determine the optimum level of, balances to be retained by the authority in future years.

RECOMMENDED: That Council approve the budget proposals outlined in the report and set out in detail within the Financial Strategy and incorporating the amendments agreed by the Executive, in particular: ¹

- a) The net revenue expenditure requirement for 2009/10 of £117.686m, as set out in Annex 1 (*as amended*);
- b) The housing revenue account proposals outlined in Annex 12;
- c) The dedicated schools grant proposals outlined in the report;
- d) The revenue growth proposals of £8.969m on-going for 2009/10, plus one-off growth of £2.336m, outlined in Annex 3 (*as amended*), plus an additional £1.138m relating to one-off growth proposals brought forward from 2008/09;
- e) The revenue savings proposals for 2009/10 of £5.228m outlined in Annex 4 (*as amended*);
- f) The use in 2009/10 of £3.474m revenue reserves, as outlined in Annex 6 (*as amended*);
- g) The use of prior year Collection Fund surplus of £0.236m;
- h) The fees and charges proposals in Annex 8;

- i) The IT Development Plan proposals as shown in Annex 10;
- j) An advance from the Council's Venture Fund of £627k in 2009/10 and £626k in 2010/11 to be made to phase 2 of the [easy@york](#) project, as outlined in Annex 11, which will enable the project to continue until 2014/15 (*plus the £100k in 2009/10 and £200k in 2010/11, for the modernisation of the City's street lighting stock*).

The above recommendations resulting in a Council Tax increase of 4.25% for City of York Council.

REASON: To provide Council with a balanced set of budget proposals to consider when reaching a decision on the budget and resultant Council Tax to be set for 2009/10.

(ii) That the total Council Tax increase, including the Parish, Police and Fire Authority precepts be agreed at the Council meeting, on the basis of a 4.25% increase in the City of York element of the Council Tax.

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

Action Required

1. Ensure that these recommendations are put before Budget Council GR

187. CAPITAL PROGRAMME BUDGET – 2009/10 TO 2013/14

Members considered a report which presented the current position of the Capital Programme for the period 2009/10 – 2013/14 and examined how existing receipts and other resources could be used to achieve the Council's objectives.

The current approved programme for 2008/09 to 2010/11 stood at £189.094m, financed by £156.409m external funds and £32.685m capital receipts. The programme comprised the following key elements:

- Schemes fully funded (by Government departments) - £113.603m
- Political imperatives - £63.598m
- Rolling programmes - £4.870m
- Small schemes with CYC funding - £7.023

It was noted that most of the Council's capital receipts were already committed to schemes that could not easily be reduced or re-prioritised.

Bids for capital funding put forward by departments under the CRAM process were summarised in paragraphs 24 to 49 of the report and detailed in Annex 65 bids had been received, of which 40 were fully funded, 6 were rolling programme bids and 19 would require additional discretionary resources. In total, the bids would increase the capital programme by £128.725 and require an additional £49.282m of capital receipts.

Having noted the comments made on this item under Public Participation and having noted that the Shadow and having noted that the Shadow Executive had reserved their position on the budget, it was

RECOMMENDED: That Council:¹

(i) Approve the revised capital programme of £185.515m, as set out in the report and annexes, and specifically the inclusion in the capital programme of new schemes totalling £56.958m.

(ii) Approve:

- a) the bids in paragraphs 24-49 of the report, totalling £10,586m and
- b) the additional externally funded schemes in paragraph 54, totalling £46,372m.

(iii) Agree to provision being made in the capital programme, subject to further detailed reports being brought back to the Executive, for five further additional schemes, as follows, resulting in a total capital programme of £194.165m:

- a) Community Stadium and athletics facilities -£4m (*this being an initial estimated net cost, in year 2011/12*)
- b) New recycling facility – net cost £2.5m (*all in 2011/12*)
- c) Acomb Office - £1.75m gross, £0.9m prudential borrowing, £0.85m net cost (*0.5m in 2010/11, £1.25m in 2011/12*)
- d) Street light modernisation expenditure of £100,000 in 2009/10 and £200,000 in 2010/11, to be financed from the Venture Fund.
- e) £100,000 in 2009/10 to fund a programme aimed at improving energy conservation standards in homes in the City.

(iv) Note the overall funding position identified in the report, which highlights a current shortfall in resources over the next five years, which the Council will need to address through increased revenue contributions in the medium term.

(v) Note the additional impact on the funding position of the inclusion of the five new schemes as set out in Recommendation (iii) above.

(vi) Endorse the principle of any un-committed revenue budget under-spending, which may be considered as part of out-turn reports, being allocated to assist in balancing the capital programme.

(vii) Agree to establish a Capital Reserve, to support the funding of the capital programme, to be funded from any future revenue under-spending, together with potential contributions from general reserves, this to be regularly updated as part of ongoing reviews of Council Reserves.

(viii) Note, in view of the potential funding shortfall towards the end of the capital programme period, the need for regular updates of the 5 year plan to the Executive and Council, with such reports to provide an update on the overall 5 year plan and to identify any required amendments that may be needed to expenditure and resources projections, to ensure that the capital plan is fully resourced in the medium term.

(ix) Agree the use of £170k of prudential borrowing in respect of the Millfield Lane Community Sports Centre.

(x) Approve the use of £111k of Housing Revenue Account (HRA) balances to fund the HRA capital programme elements in 2009/10.

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

Action Required

1. Ensure that these recommendations are put before Budget Council GR

188. TREASURY MANAGEMENT STRATEGY STATEMENT AND PRUDENTIAL INDICATORS FOR 2009/10 TO 2013/14

Members considered a report which asked them to recommend to Council an integrated Treasury Management Strategy Statement, proposed Prudential Indicators for the period 2009/10 to 2013/14, and use of the revised Treasury Management Policy and the Treasury Management Practices.

The Local Government Act 2003 required the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. In doing so, the Council must have regard to the CIPFA Prudential Code and set Prudential Indicators for at least the next three years. Copies of the Treasury Management Policy Statement and Practices documents, revised for the 2009/10 financial year, were attached as Annexes C and D to the report. Copies of the Prudential Indicators and Specified and Non-Specified Investments were attached as Annexes A and B.

The Council was currently undertaking a series of significant capital schemes that would realise revenue savings over the next 30 years. This would contribute to a rise in the Council's underlying need to borrow, from the current level of £102m to over £146m in 2013/14. The borrowing strategy aimed to minimise the risks of borrowing large amounts in a single year by giving flexibility to borrow in advance of need, so as to take advantage of favourable interest rates as they arose. The annual investment strategy reviewed projected interest rates over the next three years and sought to maximise the returns to the Council whilst minimising the risks involved in placing deposits on the money market.

RECOMMENDED: That Council approve:¹

- (i) The Prudential Indicators for 2009/10, as set out in Annex A to the report;
- (ii) The proposed Treasury Management Strategy for 2009/10;
- (iii) The Specified and Non-specified investments schedule;
- (iv) The revised Treasury Management Policy and Treasury Management Practices, as set out in Annexes C and D.

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

Action Required

1. Ensure that these recommendations are put before Budget Council

GR

A Waller, Chair

[The meeting started at 2.00 pm and finished at 2.40 pm].