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MEETING	EXECUTIVE
DATE	16 NOVEMBER 2010
PRESENT	COUNCILLORS WALLER (CHAIR), AYRE, STEVE GALLOWAY, MOORE, MORLEY, REID AND RUNCIMAN

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## **PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS**

### **104. 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.

### **105. MINUTES**

RESOLVED: That the minutes of the Executive meeting held on 2 November 2010 be approved and signed by the Chair as a correct record.

### **106. 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.

Requests to speak had been received from two union representatives, both in respect of agenda item 9 (2011-12 Budget Update 1 – Spending Review Implications) and, specifically, the recommendation in the report for the allocation of additional funds for trade union facility time.

Hilary Shepherd, of the GMB asked that the recommendation be agreed and that the additional funding be made available to all the unions involved.

Heather McKenzie, of UNISON, stressed the importance of the additional funding in increasing the speed with which efficiencies could be made, adding that it would prevent delays in job evaluation and mitigate against an increase in staff sickness levels.

### **107. EXECUTIVE FORWARD PLAN**

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

**108. YORK NORTHWEST PLANNING FRAMEWORK - UPDATE ON PROGRESS AND DRAFT SUPPLEMENTARY PLANNING DOCUMENT FOR THE FORMER BRITISH SUGAR/MANOR SCHOOL SITES**

Members considered a report which asked them to approve, for public consultation purposes, the draft Supplementary Planning Document (SPD) and draft Consultation Plan for the former British Sugar / Manor School sites, taking account of the recommendations and amendments of the Local Development Framework (LDF) Working Group.

In March 2010, Members had agreed that the planning framework for York Northwest would be taken forward within the Core Strategy as a 'zone of change', with York Central and the former British Sugar / Manor School sites identified as strategic sites for which an SPD would be prepared. The report outlined subsequent progress on the four key areas of work comprising this planning approach. The consultation draft of the SPD was attached as Appendix 4 and the recommendations of the LDF Working Group, who had considered the report at their meeting on 25 October 2010, were attached as Appendix 9. The remaining appendices to the report had been made available to view on-line and / or on request from the York Northwest team.

Members were invited either to approve the draft SPD (as amended by the LDF Working Group) for public consultation (Option 1) or to request changes to the draft and ask that an amended version be brought back to the LDF Working Group and Executive (Option 2).

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: (i) That the former British Sugar / Manor School draft SPD, Sustainability Appraisal report and Consultation Plan (appendices 4, 5 and 6) be approved for public consultation purposes.<sup>1</sup>

REASON: To ensure that the opportunity is given for public comments and input, which can then be taken into account before a revised draft of the SPD is prepared and brought back to Members.

(ii) That authority be delegated to the Director of City Strategy, in consultation with the Executive Member and Opposition Spokesperson for City Strategy, to approve the content of the consultation documents.<sup>2</sup>

REASON: To ensure that Members' comments are included in the documents for public consultation.

(iv) That the Director of City Strategy be requested to report on the progress of application for ERDF funding for the scheme.<sup>3</sup>

REASON: In view of the confirmation given by the EU Commission that an application could be made for ERDF funding for the pilot buildings.

Action Required

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| 1. Arrange to carry out public consultation on the SPD                       | SH |
| 2. Finalise content of the consultation documents                            | BW |
| 3. Schedule report on ERDF funding application on the Executive Forward Plan | BW |

**109. SECOND PERFORMANCE AND FINANCIAL MONITOR 2010**

Members considered a report which provided details of the headline issues from the Council's second quarterly finance and performance monitor for 2010-11, covering the period from 1 April to 30 September 2010.

Further changes to performance indicators had been announced by central government since the last quarterly monitor, including removing the statutory requirement to produce Local Area Agreements (LAAs) and replacing the National Indicator Set (NIS) with a single list of 'performance data', expected to be implemented in April 2011. To reflect the emphasis of the new arrangements on accessibility and accountability, the report focused on priority areas which would be meaningful to local residents. Details were set out in paragraphs 5 to 18 of the report and included improvements in the number of residents helped to live independently, the speed of child social care arrangements, educational attainment, waste management, affordable housing, and a reduction in child obesity levels, unemployment and homelessness. Additional information on action being taken to tackle staff sickness absence was circulated at the meeting.

With regard to finance, pressures of £3,072k were forecast at the mid-year point, an improvement of £970k on the first quarterly monitor. This position was inclusive of £2,287k of in-year government grant funding cuts. Members were asked to consider a request for £400k from contingency to support City Strategy income budgets suffering from the effects of the economic downturn, together with increases to off-street car parking charges, as detailed in Annex 1 to the report, to fund lost revenue due to the forthcoming rise in VAT rates.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: (i) That the performance issues identified in the report be noted.

REASON: So that corrective action can be taken on these issues by Members and directorates.

(ii) That the finance issues identified in the report be noted and that the use of the strategy designed to reduced the current forecasted pressures be approved.<sup>1</sup>

REASON: So that the Council's expenditure can be contained within budget, where possible, by the end of the financial year.

(iii) That a non-recurring release from Contingency of £400k be approved to support services currently suffering the effects of the economic downturn, in accordance with Financial Regulations and with reference to paragraph 41 of the report.<sup>2</sup>

REASON: To ensure that the City Strategy budget is sufficiently funded.

(iv) That the proposal to amend car parking charges, as set out in Annex 1 to the report, be approved, and that the St Leonards Place car park be designated as short stay with effect from January 2011.<sup>3</sup>

REASON: To ensure that the increase in VAT rate does not have a negative impact on Council revenue.

(v) That Officers report to the next Executive meeting on the implications of the pending increase in VAT for the Council's budget, together with suggested remedial measures.<sup>4</sup>

#### Action Required

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| 1. Make arrangements to implement the agreed strategy to reduce finance pressures  | KB |
| 2. Arrange for release of contingency funding, as agreed                           | KB |
| 3. Amend car parking charges as agreed and re-designate St Leonards Place car park | RB |
| 4. Write report on VAT increase for Executive meeting on 30 November               | KB |

## **110. CAPITAL PROGRAMME - MONITOR 2**

*[See also under Part B Minutes]*

Members considered a report which informed them of the likely out-turn position of the 2010/11 Capital Programme, based upon the spend profile and information to September 2010, and sought approval for slippage of funding arising from changes to the programme.

An out-turn of £73.306m was predicted against the current approved capital programme budget of £81.532m, representing a net decrease of £8.226m. At the mid-year point in August, there had been £15.301m of capital spend, representing 21% of the budget. Budget variances in each portfolio area were outlined in Table 2, in paragraph 6 of the report, and detailed in paragraphs 10 to 46. Details of the re-stated Capital Programme for the period 2010/11 to 2014/15 were provided in Annex A.

Members were invited to note the revised programme, approve a switch of funding within Education and Children's Services, as detailed in paragraph 13, and recommend to Council certain additions to the Programme, through Prudential Borrowing and a sum to enable the acquisition of premises on behalf of York Museums Trust, as detailed in Annex B.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: (i) That the 2010/11 revised budget of £73.306m, as set out in paragraph 6 of the report and Table 2, be noted.

(ii) That the re-stated capital programme for 2010/11-2014/15, as set out in paragraph 43, Table 12 and detailed in Annex A, be noted.

(iii) That the switching of capital receipts funding of £27k from Derwent MUGA, for use on the Huntington School TCF scheme, be approved.<sup>1</sup>

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

Action Required

1. Make the necessary arrangements to switch capital receipts funding, as agreed RB

**111. TREASURY MANAGEMENT MONITOR 2 AND PRUDENTIAL INDICATORS 10/11**

Members considered a report which provided an update on the Treasury Management performance for the period 1 April to 30 September 2010, as compared against the budget presented at Council on 25 February 2010.

The report reviewed performance on short-term investments, long-term borrowing, the Venture Fund and the Treasury Management budget, highlighting the economic environment of the first six months of the year and the implications of the Chancellor's Comprehensive Spending Review announced on 20 October. In respect of the latter, approval was sought to alter the Council's borrowing strategy by increasing the target borrowing rate from 4.5% to 5.5%, to reflect the increase in Public Works Loan Board (PWLB) rates. An underspend of £150k was currently projected on the Treasury Management budget, the same as at monitor 1.

Under the Prudential Code, the Prudential Indicators set by Council in February 2010 must be reviewed. Details of the indicators, their estimated and actual out-turns, were provided in Annex A to the report. Prudential Indicators had not been breached during the first six months of 2010/11.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: (i) That the performance of the Treasury Management activity be noted.

(ii) That the projected underspend of the Treasury Management budget by £150k be noted.

(iii) That the change in the Treasury Management strategy to increase the target interest rate on borrowing from 4.5% to 5.5%, in line with the increase in PWLB rates due to the Comprehensive Spending Review, as detailed in paragraph 28 of the report, be approved.<sup>1</sup>

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

Action Required

1. Take action required to increase target interest rate on borrowing, as agreed LB

**112. 2011-12 BUDGET UPDATE I - SPENDING REVIEW IMPLICATIONS**

*[See also under Part B Minutes]*

Members considered a report which provided an update on the 2011-12 budget process, with particular emphasis on the impact of the recent Spending Review and an overview of forthcoming plans for the More for York programme.

The key headline from the Spending Review announcement was that local government funding would be reduced on average by 7.1% per annum over a four-year period, with the largest cuts falling in 2011-12. However the cuts would be reduced for those councils willing to freeze their council tax in 2011-12. In York, it was estimated that the Council could lose around £6.3m funding in total, reducing to £4.5m if council tax were frozen. Capital funding to local authorities would also be reduced, by 45%, and interest rates on loans had been increased.

These funding reductions confirmed the need for the Council to review all services on an ongoing basis and to extend the More for York programme. Plans for the programme in 2011-12 and beyond were outlined in paragraphs 26 to 35 of the report. Implications of the spending review on the Council's 2011-12 budget and the Medium Term Financial Forecast were set out in paragraphs 36 to 44. Approval was sought to fund increased trades union involvement in the More for York workstreams, in order to achieve earlier savings.

Having noted the comments of the Labour Group Spokespersons on this item, and the comments made by union representatives under Public Participation / Other Speakers, it was

RESOLVED: (i) That the current position, and the ongoing work that is being conducted in relation to developing the 2011-12 budget, be noted.

REASON: So that the 2011-12 budget process can be completed in a timely manner.

(ii) That the use of £13k of approved More for York investment costs in 2010-11 for trade union facility time, as requested by UNISON, be approved, subject to Council approving additional investment costs for trade union facility time over the period 2011-12 and 2012-13. <sup>1</sup>

REASON: So that the pace of change of the More for York programme can be maintained and savings realised earlier.

Action Required

1. Release funding for trade union facility time, as agreed, subject to Council approval of additional investment costs KB

### **113. LORD MAYORALTY 2011/2012**

Members considered a report which asked them to decide which of the political groups should be invited to appoint the Lord Mayor of the City of York for the municipal year 2011/12.

Under the current approved points system, as detailed in paragraphs 2 to 4 of the report, the Labour Group, with a total of 43 points, would qualify for the Lord Mayoralty in 2011/12.

Any nomination would be dependent upon the nominee being returned as a councillor after the district elections to be held in May 2011. Likewise, should the outgoing Lord Mayor (who traditionally took the position of Deputy Lord Mayor) not be returned as a councillor after the elections, then the last Lord Mayor to be re-elected as a councillor would become the Deputy Lord Mayor.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RESOLVED: (i) That the Labour Group be invited to nominate the Lord Mayor for 2011/2012. <sup>1</sup>

(ii) That the electoral circumstances potentially relating to the nominees for Lord Mayor and Deputy Lord Mayor during a district election year, as set out in paragraphs 6 and 7 of the report, be noted.

REASON: To ensure that the Council secures the necessary leadership to undertake its civic functions and provides continuity for future selection.

Action Required

1. Obtain nomination for Lord Mayor from Labour Group DS

**PART B - MATTERS REFERRED TO COUNCIL**

**114. CAPITAL PROGRAMME - MONITOR 2**

*[See also under Part A Minutes]*

Members considered a report which informed them of the likely out-turn position of the 2010/11 Capital Programme, based upon the spend profile and information to September 2010, and sought approval for slippage of funding arising from changes to the programme.

An out-turn of £73.306m was predicted against the current approved capital programme budget of £81.532m, representing a net decrease of £8.226m. At the mid-year point in August, there had been £15.301m of capital spend, representing 21% of the budget. Budget variances in each portfolio area were outlined in Table 2, in paragraph 6 of the report, and detailed in paragraphs 10 to 46. Details of the re-stated Capital Programme for the period 2010/11 to 2014/15 were provided in Annex A.

Members were invited to note the revised programme, approve a switch of funding within Education and Children's Services, as detailed in paragraph 13, and recommend to Council certain additions to the Programme, through Prudential Borrowing and a sum to enable the acquisition of premises on behalf of York Museums Trust, as detailed in Annex B.

Having noted the comments of the Labour Group Spokespersons on this item, it was

RECOMMENDED: That Council approve:

- (i) The net adjustments of (£8.226m) in 2010/11, (£11.975m) in 2011/12, £13.286m in 2012/13 and £6.725m in 2013/14, as set out on a scheme by scheme basis in the report and contained in Annex A.
- (ii) The use of an additional £66k of Prudential Borrowing for the funding of Self Issue Library machines, noting that this extends the scheme total to £104k in 2010/11.
- (iii) The use of Prudential Borrowing to fund the Travellers' Site Electricity Units at a cost of £250k over a two year period (£134k in 2010/11 and £116k in 2011/12), to be paid for from departmental budgets made available from the



savings generated as a result of the installation of the new equipment.

- (iv) The addition to the capital programme in 2010/11 of £1.766m in relation to the required works for the Crematorium to be funded from Prudential Borrowing to be repaid over a period of 15 years, noting that this cost may rise in line with VAT to £2.119m should ring fencing be applied.
- (v) The addition to the capital programme in 2010/11 of £525k in relation to the acquisition of premises on behalf of the York Museums Trust, subject to satisfactory terms being agreed, with the agreement of such appropriate terms, conditions and repayment period being delegated to the Director of CBSS.

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

## **115. 2011-12 BUDGET UPDATE I - SPENDING REVIEW IMPLICATIONS**

*[See also under Part A Minutes]*

Members considered a report which provided an update on the 2011-12 budget process, with particular emphasis on the impact of the recent Spending Review and an overview of forthcoming plans for the More for York programme.

The key headline from the Spending Review announcement was that local government funding would be reduced on average by 7.1% per annum over a four-year period, with the largest cuts falling in 2011-12. However the cuts would be reduced for those councils willing to freeze their council tax in 2011-12. In York, it was estimated that the Council could lose around £6.3m funding in total, reducing to £4.5m if council tax were frozen. Capital funding to local authorities would also be reduced, by 45%, and interest rates on loans had been increased.

These funding reductions confirmed the need for the Council to review all services on an ongoing basis and to extend the More for York programme. Plans for the programme in 2011-12 and beyond were outlined in paragraphs 26 to 35 of the report. Implications of the spending review on the Council's 2011-12 budget and the Medium Term Financial Forecast were set out in paragraphs 36 to 44. Approval was sought to fund increased trades union involvement in the More for York workstreams, in order to achieve earlier savings.

Having noted the comments of the Labour Group Spokespersons on this item, and the comments made by union representatives under Public Participation / Other Speakers, it was

RECOMMENDED: That Council approve an additional £95k investment costs for trade union facility time, as requested by UNISON, over the period 2011-12 and 2012-13, to be met by additional savings identified through the More for York programme.

REASON: So that the pace of change of the More for York programme can be maintained and savings realised earlier.

A Waller, Chair

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