

## Notice of a public

### **Budget Decision Session - Executive Member for Housing and Safer Neighbourhoods**

**To:** Councillors Craghill (Executive Member)

**Date:** Tuesday, 12 January 2021

**Time:** 2.00 pm

**Venue:** Remote Meeting

### **AGENDA**

#### **Notice to Members – Post Decision Calling In:**

Members are reminded that, should they wish to call in any item\* on this agenda, notice must be given to Democracy Support Group by **5:00 pm on Thursday, 14 January 2021.**

\*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Customer and Corporate Services Scrutiny Management Committee.

**Written representations in respect of items on this agenda should be submitted to Democratic Services by 5.00pm on Friday, 8 January 2021.**

#### **1. Declarations of Interest**

At this point in the meeting, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

## 2. **Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. Members of the public may speak on agenda items or on matters within the remit of the committee.

Please note that our registration deadlines have changed to 2 working days before the meeting, in order to facilitate the management of public participation at remote meetings. The deadline for registering at this meeting is **5:00pm on Friday, 8 January 2021**.

To register to speak please visit [www.york.gov.uk/AttendCouncilMeetings](http://www.york.gov.uk/AttendCouncilMeetings) to fill out an online registration form. If you have any questions about the registration form or the meeting, please contact the relevant Democracy Officer, on the details at the foot of the agenda.

### **Webcasting of Remote Public Meetings**

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

During coronavirus, we've made some changes to how we're running council meetings. See our coronavirus updates ([www.york.gov.uk/COVIDDemocracy](http://www.york.gov.uk/COVIDDemocracy)) for more information on meetings and decisions.

## 3. **FINANCIAL STRATEGY 2021/22 to 2025/26** (Pages 1 - 30)

This report provides background information for the overall Financial Strategy and presents the draft savings proposals, growth assumptions and capital schemes for the Housing and Safer Neighbourhoods portfolio for consideration by the Executive Member before finalisation of the overall Financial Strategy, which will be presented to Executive on 11 February 2021.

#### 4. Urgent Business

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

Democracy Officer:

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For more information about any of the following please contact the Democratic Services Officers responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports and
- For receiving reports in other formats

Contact details are set out above.

**This information can be provided in your own language.**

我們也用您們的語言提供這個信息 (Cantonese)

এই তথ্য আপনার নিজের ভাষায় দেয়া যেতে পারে। (Bengali)

Ta informacja może być dostarczona w twoim własnym języku. (Polish)

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

یہ معلومات آپ کی اپنی زبان (بولی) میں بھی میا کی جاسکتی ہیں۔ (Urdu)

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**Decision Session**  
**Executive Member for Housing & Safer**  
**Neighbourhoods**

**13 January 2021**

Report of the Chief Finance Officer

***FINANCIAL STRATEGY 2021/22 to 2025/26***

**Summary**

1. The Financial Strategy 2021/22 to 2025/26 will be presented to Executive on 11 February 2021 and Full Council on 25 February 2021.
2. The purpose of this Decision Session report is to provide background information for the overall Financial Strategy and to present the draft savings proposals, growth assumptions and capital schemes for the Housing and Safer Neighbourhoods portfolio. This will provide an opportunity for the Executive Member to obtain feedback in advance of the finalisation of the overall Financial Strategy which will be presented to Executive on 11 February 2021.
3. The Council is facing unprecedented financial challenges due to the impact of the Coronavirus pandemic. Demand for Council services has increased and, at the same time, income from services (such as parking) has fallen significantly. This has generated an in-year financial pressure totalling £15m for the Council. The total financial pressure facing the Council over the next 3 years is estimated to be £25m. At this stage, due to the continued uncertainty and changes in national restrictions, it remains unclear as to the ongoing financial impact in terms of lost income and other recurring expenditure.
4. In November 2020 the Chancellor announced the Government's 1 year Spending Review, which included increased 'spending power' for local authorities. However, on analysis of the detail this is predominantly funded by Council's power to raise money through Council Tax and the Adult Social Care Precept.
5. Key assumptions for the overall Financial Strategy are as follows;

- A proposed basic council tax increase of 1.99 % in 2021/22, equating to additional income of £1.7m. Any increase above this amount would require a referendum.
  - In addition an increase of 3% in line with the government's social care precept, equating to additional income of £2.546m, which provides support for adult social care
  - Revenue savings of £7.9m in 2021/22
6. As a consequence of the Covid-19 pandemic, the Council must maintain a stable and resilient financial position for the next financial year, in the midst of this unprecedented level of uncertainty and economic challenge. Further details of the impact of Covid-19 on the Council's finances are included below in 'the national context' section.
  7. The Council also continues to face long standing financial challenges, particularly with regard to uncertainty over national funding streams and growing demand for Council services, especially within adult social care.
  8. The Council's proposed overall Financial Strategy includes significant investment to stabilise our finances to protect against the economic effects of Covid-19 and continues to invest in priority areas as outlined in the Council Plan, including adult social care and support for children, frontline services and the city's economic recovery.
  9. Recognising the unprecedented economic challenge of the pandemic and support needed for local residents, we are increasing net spending by £2.6 million on adult social care and support for children, whilst investing additional funding to protect frontline services and to accelerate our economic recovery. To enable this investment, the Council has also delivered back office efficiencies of £3 million to ensure financial prudence and that the Council is prepared to respond to future challenges and deliver services to residents and businesses more effectively.
  10. At the same time, the Council is continuing to deliver on local residents' priorities, by continuing our investment programme with a further £150k of enabling funding to support our initiatives to tackle Climate Change (which include £12m of capital investment so far), £5.8m in services which support the most vulnerable and £500k for waste and environment services to include additional staffing on waste rounds, improved city centre cleaning and effective weed control.

11. Overall £12m in additional revenue funding will be added to the Council's 2021/22 Budget to meet continuing pressures on adult social care and children's services to support the Council's response to the Covid-19 pandemic and maintain progress on the objectives outlined in the Council Plan. Specific examples of revenue investment include;

- An open and effective Council – one off revenue investment in 2021/22 of £2.5m to create a Covid-19 Recovery Fund. This will ensure that the Council can continue to fund crucial services for local residents and businesses. Given the scale of the economic challenge following the pandemic, the Council must be financially prudent and ensure emergency funding is there to support York's communities over the coming years. The Covid-19 Recovery Fund is covered in further detail below.
- Good Health & Wellbeing – revenue investment in 2021/22 of over £4.4m in adult social care, to support and care for some of the most vulnerable residents in York. This includes the costs of care, supporting adult social care staff and enabling residents to remain in their homes for longer.
- A Better start for Children and Young People - revenue investment in 2021/22 of £1.4m to support children and young people across the city, including further funding for social care staff.
- A Greener and Cleaner City – further revenue investment in 2021/22 of £500k (in addition to the £500k in 2020/21) to create a new waste and street environment service, with a new neighbourhood focus to support local communities.
- A Greener and Cleaner City – further enabling investment of £150k in 2021/22 (in addition to the £150k in 2020/21) to underpin the Carbon Reduction Strategy and support towards the Climate Change delivery programme to coordinate, develop and implement the council's ten year plan to deliver a zero carbon future for York.
- Getting around sustainably - revenue investment in 2021/22 of a further £200k one off funding to refresh the Local Transport Plan.
- Creating homes and world class infrastructure - revenue investment in 2021/22 of £1.6m to fund the prior year capital programme to continue the on-going work of the Housing Delivery Programme, York Central, Castle Gateway, the Community Stadium, Highways

investment, vehicle replacement, The Guildhall and other crucial major projects.

12. The budget proposals outlined ensure that additional investment is made into both People and Place directorates with efficiency savings being made across corporate, back office functions. Ensuring that there is the capacity to invest in council priorities and accelerate recovery from the pandemic has been a critical part of the budget deliberations.
13. Due to the uncertainty of the financial situation, and the need to invest in recovery, the Council has reviewed the level of capital investment needed and has been able to reprioritise some areas of the existing capital budget to invest in the Council's priorities and to support the city's recovery from the impacts of Covid-19. The Council's main focus is to build back better from the pandemic. This Budget continues the Council's transformational £600 million Capital Programme, to drive regeneration and accelerate the city's economic recovery.
14. Some of the key capital projects include;
  - £154m to progress the York Central scheme
  - £52m to improve the city's road network infrastructure and accelerate the delivery of flood defences, in conjunction with local and regional flood defence funding
  - £19m to progress regeneration schemes in the city, including Castle Gateway and the Guildhall
  - £64m to further develop the York Outer Ring Road, including cycling and walking improvements in the vicinity of the ring road
  - £132m to deliver more housing across the city, including affordable housing
  - £12m to invest in initiatives to tackle climate change, including funding to deliver active travel measures across the city, including new cycling measures and new routes across the city
15. This report focuses on the revenue savings and growth proposals specific to the Housing and Safer Neighbourhoods portfolio. Annex 1 provides details of general fund savings proposals, annex 2 provides details of HRA growth proposals and annex 3 details of HRA savings proposals. Annex 4 provides details of HRA capital schemes in the Housing and Safer Neighbourhoods portfolio. Annex 5 provides feedback from the public consultation relevant to this portfolio.



## Recommendations

16. The Executive Member is asked to consider, in the context of the overall budget;
- The 2021/22 revenue savings proposals for their portfolio as set out in annex 1
  - The 2021/22 HRA revenue growth proposals for their portfolio as set out in annex 2
  - The 2021/22 HRA revenue savings proposals for their portfolio as set out in annex 3
  - The new schemes for inclusion in the 2021/22 to 2025/26 Capital Programme as set out in annex 4
  - The feedback from consultation to date as set out in annex 5

Reason: To ensure that stakeholders have the opportunity to feed into the budget process in advance of the finalisation of the Financial Strategy 2021/22 to 2025/26.

## Background

### National Context and Funding Issues

17. All aspects of the public sector are continuing to face challenging times. In recent years the council has had to deal with large reductions in funding, combined with a range of significant pressures. The additional pressure on Council finances due to Covid-19 has added to the uncertainty, just like the many thousands of businesses and organisations across the country. Demand for services has increased, at the same time income has significantly fallen.
18. The Government has failed to give Councils everything they need to respond to the pandemic. Although the Chancellor announced increased spending power for Councils, they have in fact given Councils the power to raise money through Council Tax and the Adult Social Care precept. The Government has transferred the burden to Council Tax payers.
19. The Council has responded by urging the Government to 'Back York' by investing more funding in the city and to seize the opportunities that are unique to York to drive recovery across the region. In the wake of the pandemic, the Council has stepped in where the Government has failed,

including support for vulnerable residents and struggling businesses, and also with testing.

20. Given the continued financial challenges due to the pandemic, the Council is trying to address this by creating a Covid-19 Recovery Fund (£2.5m revenue, £1m capital) that will allow provision of the following measures, alongside a prudent amount for any further impact where we may need to react quickly to changing circumstances.
- £200k to support Covid-19 recovery efforts in local communities across the city
  - £80k will be invested to give residents cheaper Minster Parking Badges as part of our efforts to mitigate the impact on the local economy
  - £40k to provide sustainable travel incentives to support recovery and build back confidence in public transport
  - £50k will be used to assist households via the York Financial Assistance Fund, helping residents on the lowest incomes mitigate the financial impact of the pandemic
  - £50k to extend existing projects that support carers most affected by the pandemic to access resources and support, particularly for carers and individuals with a diagnosis of dementia
  - £100k to work with the local Voluntary Sector to provide additional low level Mental Health Support recognising the impact the pandemic has had on emotional wellbeing with the aim of reducing the need for NHS services.
  - £40k to support business during recovery including grants, information and networking
  - £40k for promoting the benefits of business membership organisations, such as the FSB or Chamber of Commerce
  - £50k will fund support for skills development and re-training programmes, including support for new green jobs
21. The Spending Review 2020 (SR20) announced in November 2020 would have been a multi year review but due to Covid-19 is a one year only announcement for 2021/22. Most local government funding will remain at current levels with a small amount of additional funding for Adult Social

Care. The government is also providing Covid-19 related support to local authorities to cover loss of income and expenditure increases, although this will not fully compensate all the pressures.

22. The provisional settlement was announced on 17 December. It is expected that the final settlement will be announced in February, but it is unlikely to differ significantly from the provisional figures.
23. Significant uncertainty remains due to the financial effect of Covid-19 on council tax and business rates income. In addition there remains ongoing uncertainty around long standing issues which have been delayed due to Covid-19; the ongoing 'fair funding' review, the ongoing review of business rates retention and details of the business rates baseline reset. All this uncertainty increases the risks facing the Council. However, this risk is mitigated by the inclusion of a Covid contingency. Without this contingency fund the budget would not, in the view of the Chief Finance Officer, be sufficiently robust to meet the challenges ahead. Nor would it properly cover potential costs for the year ahead.

#### Local issues and challenges

24. Despite the Covid-19 funding provided by central government, an ongoing impact in future years is still expected due to a range of issues. As the city continues to recover, it is anticipated there will be significant pressures as a result of the longer term impacts on individual residents and increase in the cost of adult social care.
25. In addition, as residents and businesses respond to the economic impacts of the pandemic, it is anticipated there will be a reduction in both Council Tax and Business Rates receipts. In response to this shortfall, the Council has had to make some difficult decisions to identify some £7.9m of savings to ensure crucial council services can continue to support local residents and businesses during the difficult year ahead.
26. In addition to the direct financial consequences of the pandemic, in terms of additional expenditure and lost income, staff time and effort over recent months has clearly been dedicated to supporting residents and communities. Focussing our resources on protecting the most vulnerable has meant actions needed to deliver savings and manage some of the underlying budget pressures being experienced in social care have not been prioritised. We are also seeing an increase in social care costs directly as a result of the pandemic. These are national issues that are not unique to York and the combination of increased

costs and delays in achieving savings is having a detrimental impact on all local authorities.

27. Partner organisations in the city are also experiencing unprecedented financial challenges and it is clear that the pandemic will have lasting financial implications both on the Council and many other organisations operating in the city. Whilst the Council continues to make every effort to manage the situation and protect critical front line service delivery, through identifying efficiencies and more robust control of costs, it is unlikely that the Government funding will fully compensate the Council and this represents a significant risk to the delivery of the Council Plan and the ongoing delivery of essential services.
28. The pandemic has caused significant changes to the way the economy operates globally, nationally and locally. The long term impacts on retail, office working and tourism are all subject to a great deal of speculation. In addition, the UK has the uncertainties of the impact of Brexit and the challenges and opportunities that may bring to the York economy. York is well placed to manage these challenges, with a highly educated workforce and excellent infrastructure however the impact on Council revenue and service demands are highly unpredictable. With this unprecedented level of uncertainty in both the national and local economy it is therefore prudent to continue to plan on the basis of the current financial picture and begin to put in place mitigation and cost control strategies to bring expenditure down to within approved budgets.
29. Putting aside the impact of Covid-19, demand for council services continues to increase, with an ageing population with increased complex needs in respect of social care. There are also significant challenges in the health sector, including challenging financial positions for health partners which are in turn a significant financial risk to the council. In addition, inflation is driving costs up and there is continued pressure on many of the council's income budgets, all of which highlights the need to include a realistic and prudent contingency fund.

#### Medium Term Financial Strategy and approach to savings

30. The medium term financial strategy focuses on delivering efficiencies across all areas. Ensuring that there is the capacity to invest in key priority areas has been a critical part of previous budget decisions and will need to continue in the future.

31. This strategic approach ensures that any cross cutting implications are taken into consideration and savings in one particular area do not impact on other budgets in an unintended way.
32. Last year, all directorates were asked to consider the long term implications of a 2% per annum reduction in their controllable budgets over a 4 year period from 2020/21 to 2023/24, in the region of £4m in each financial year. This included an assessment of options, risks, and links with Council priorities. In light of Covid-19 the savings requirement of £4m predicted last year for 2021/22 increased to £7.9m
33. Specific details of future year's savings proposals will be covered in future budget reports. The eventual scale of savings that are required over the next 4 year period will be driven by the outcomes of the future spending reviews and economic recovery, alongside the extent to which service demands affect the council. Looking beyond 2021/22 is difficult at this time given the wide range of uncertainties.

#### Principles that have shaped the budget process

34. The budget setting process has taken into account the following issues;
  - i. Consideration of the 2020/21 position.
  - ii. Consideration of unavoidable cost increases, how to create the capacity in priority areas and driving service improvement and innovation.
  - iii. Consideration of reductions in grant funding.
  - iv. Ensuring that the budget is robust and prudent and is based upon the strategic financial advice of Chief Finance Officer as s151 officer.
  - v. Ensuring there is a strong link between the capital and revenue budgets and that the delivery of priorities fully considers the two budgets hand in hand.
35. It is critical that the council continues to support a strong local economy, recognising the significant financial benefits in the form of retained business rates, and the creation of jobs. Ensuring that there is a strong link between the capital and revenue budgets to support the delivery of council priorities is essential.
36. There is a growing imperative for all councils to respond to the climate emergency and look for opportunities to develop the circular low carbon

economy as part of their action to deliver council priorities and contribute to economic recovery.

37. The Capital Programme report in February will set out proposals for reprioritisation of investment. These continue the council's approach to prioritise investment in the economy, housing, transport, and to invest to save including energy efficiency. The capital budget proposals for the Housing and Safer Neighbourhoods portfolio are included in annex 4.

## **Consultation**

38. The council is currently consulting with residents and businesses to identify the services that matter most to them and to understand their priorities for spending the council budgets.
39. The budget consultation launched in December and closes on 31 January 2021.
40. The consultation replicated a number of question sets from previous years on council tax and the social care precept, to allow us to track and assess feedback.
41. The consultation was promoted to residents through various existing channels via the Business Intelligence team, published on the council's consultation page, and promoted via the communications teams.
42. The online survey was promoted;
  - Within the business community via existing business network links and distribution groups such as York Business Week, Make It York, BID, York Chamber of Commerce, York Federation of Small Businesses and asking them to pass on to their members.
  - To equalities groups via the equalities network.
  - Paper copies were distributed to all households in the City, through a flyer in Local Link in December, with delivery taking place over a two week period. Responses are sent back at no cost to residents via Freepost to West Offices.
43. A Facebook live session on 6th January gives members of the public the opportunity to ask questions in relation to the budget.
44. All views and data gathered during the consultation will in due course be published on the York's open data platform [www.yorkopendata.org](http://www.yorkopendata.org)

45. Annex 5 provides details of consultation feedback received to date.

## **Council Plan**

46. The Council Plan for 2019/2023 is based on the statutory responsibilities and the priorities of the Council. The plan is structured around 8 core outcomes, which in turn reflect the key components of a good quality of life for our residents. These are:

- **A Greener and Cleaner City** – York’s environment is protected and enhanced through investment in the Council’s frontline services working towards becoming a carbon neutral city by 2030
- **Good Health and Wellbeing** – Every resident enjoys the best possible health and wellbeing throughout their life
- **A Better Start for Children and Young People** – Families, carers and schools are supported so that every child and young person has the opportunity to develop, learn and achieve their aspirations
- **Well-paid jobs and an inclusive economy** – High skilled and better paid jobs in sustainable businesses, providing opportunities for all York’s people in an inclusive economy
- **Getting around sustainably** – More people chose to travel by public transport, walking or cycling, benefiting from improved roads, footpaths and cycle routes across the city, cutting congestion, pollution and carbon emissions, as part of renewed efforts to tackle the climate emergency
- **Creating homes and world-class infrastructure** – The right housing is available, affordable and environmentally sustainable for everyone with good quality infrastructure that supports community and local businesses
- **Safe Communities and culture for all** – Residents live safe from harm as part of strong and vibrant communities, participating in their local area and have access to a range of quality cultural activities
- **An open and effective Council** – We work as an efficient, open, transparent, democratically-led and accountable organisation, in partnership with key stakeholders, to deliver on residents priorities and achieve the council plan outcomes for our city

47. The plan focuses on outcomes rather than just on the services we provide, to help the Council and our partners work better together, rather than as a collection of individual services and activities.

48. The plan was formally approved by Council on 31 October 2019 following consultation with residents, businesses and staff.
49. The budget reflects the Council priorities with significant revenue and capital investment in a number of areas, as outlined in the summary of this report.

## **Options**

50. Annex 1 sets out the savings proposals for the Housing and Safer Neighbourhoods portfolio for 2021/22. The figures included in the column 2022/23 impact show the full year/ ongoing impact of decisions taken in 2021/22. Annex 2 sets out the HRA growth proposals and Annex 3 sets out the HRA savings proposals. Annex 4 sets out the new capital schemes for the Housing and Safer Neighbourhoods portfolio. Annex 5 sets out the consultation responses received to date.
51. The options available to the Executive Member are;
  - Option 1 - to retain the savings, growth and capital proposals as set out in annex 1, 2, 3 and 4
  - Option 2 – to add, delete or amend proposals, noting that any adjustments made should have a net nil effect with reference to the overall budget.

## **Analysis**

52. Savings in the Housing General Fund will be achieved through improved efficiencies and increased income in order to maintain and protect our Housing Options and homelessness services, private rented sector licensing and services to residents with disabilities.
53. The budget for the Housing Revenue Account includes additional investment identified in the 2020/21 budget for dealing with damp homes, additional resources to support estate regeneration and new apprentice programmes.
54. Customer experience will be significantly improved through a one off investment in new ICT which will also deliver back office efficiencies in future years.
55. Savings totalling £477k have been identified in 2021/22 including savings from more efficient and targeted repairs spend as well as savings across the Housing Management Service, with further savings proposed for



future years. These savings will fund the growth proposals and the lower than forecast rent increase.

56. The capital budget sees continued investment to support the development of a programme to retrofit the city's council housing stock to very high energy efficiency standards along with £10m investment in major repairs and modernisation of our council homes. This includes a continuing Tenants' Choice programme of replacement bathrooms and kitchens, structural works to tackle problems caused by standing water in specific properties, ongoing maintenance and security improvements and an improvement programme for communal areas and walkways.
57. The Council continues with an ambitious new home building programme with investment of £47.9m delivering the first 165 highly energy efficient, adaptable and high quality homes building out at Lowfield Green, planning applications submitted for 119 new homes at Duncombe Barracks and Burnholme Centre site. Master planning is almost complete for the fourth site in the programme at Ordnance Lane, with recent approval to carry out public engagement and design work for two new sites – the former Willow House Older Person's Home off Walmgate and a site on York Central.
58. Spending on the Disabled Facilities Grant funding to install adaptations that enable older people and people with mobility challenges to continue living independently in their homes also continues.

## **Equalities**

59. An impact assessment has been completed for each individual saving. Once the savings are finalised, an assessment will be completed on the overall impact of the budget proposals using the Better Decision Making Tool and will be published in the budget report to Executive in February. The impact assessment considers risks associated with savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced. Decisions taken will also consider the impact on the Councils carbon budget alongside benefits such as improvements to service users or a reduction in energy costs.
60. The financial strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget set is prudent, protects vulnerable people and has capacity to invest. The strategy could have an impact on the following communities;
  - Age
  - Disability

- Gender
- Carers
- Lower income groups

61. This impact can be mitigated by investment targeted to these same communities. The key approaches to achieving savings whilst avoiding impacts on communities of identity include;

- Ensuring that savings are made from back office functions and universal services
- Protecting statutory services and other key services for vulnerable residents
- Increasing community involvement in service redesign and delivery
- Making services self-financing wherever practicable, including external trading
- Maximising the return from externalised service provision
- Redesign of existing services and external contracts
- Placing a focus on prevention and ceasing service provision only where this is least impact
- Streamlining services to provide focussed support and reduce areas of duplication
- Supporting carers
- Integrated working with health
- Focussing growth where it is expected to have a positive effect on older or disabled people and their carers

### **Specialist Implications**

62. This report has the following implications;

#### **Financial**

63. The financial implications are contained within the body of the report. Due to the continued, significant uncertainty in both national and local government finances and the resulting increase in risk, a specific Covid contingency is included within the budget proposals to mitigate this risk and ensure the proposals outlined deliver a robust, balanced budget. This is also covered in the risk management section of this report.

#### **Human Resources (HR)**

64. The savings proposals contained within the overall budget will require the reduction of some posts in 2021/22. Further details will be provided in the February report to Executive.

65. As implementation plans to achieve these post reductions are produced the specific staffing implications will be clear and staff consulted on the proposals. The type of change affecting staff in 2021/22 is likely to be a mixture of post reductions and working for redesigned services, some of which may no longer be delivered by the council.
66. The HR implications of change are managed in accordance with established council procedures. As part of this process consultation with trade unions and affected staff will continue to be undertaken and every opportunity will be explored to mitigate compulsory redundancies, such as vacancy controls, flexible working, voluntary redundancy / early retirement and extended redeployment. Where consideration is being given to the transfer of services to another provider TUPE will apply which will protect the terms and conditions of employment of transferring staff.
67. A programme of support for staff who are going through change is in place which will help staff adapt to changes to the way they will need to work or to prepare for a move into a new role.

## **Legal**

68. The contents of this report are for information only at this stage. The legal implications of the budget setting process will be covered in detail in the report to Executive in February.

## **Risk Management**

69. An assessment of risks is completed as part of the annual budget setting exercise and will be reported in the February report to Executive. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.
70. The budget proposals include a COVID contingency sum to allow the Council to respond quickly during the early part of the new financial year and mitigate against any new risks as a result of the changing situation in relation to the pandemic. Without this contingency fund, the budget would not, in the view of the Chief Finance Officer, be robust enough. Nor would it properly cover potential costs for the year ahead.
71. As the Council's Section 151 Officer, the Chief Finance Officer has a statutory responsibility for ensuring that the Council makes arrangements for the proper administration of its financial affairs. Section 114 of the Local Government Finance Act 1988 requires a report to all Council

members to be made by the s151 officer, in consultation with the Monitoring Officer, if there is or is likely to be an unbalanced budget.

## Contact Details

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**Chief Officer Responsible for the report:**

Debbie Mitchell  
Chief Finance Officer

**Report  
Approved**

**Date** 31/12/20

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

**All**

**For further information please contact the authors of the report**

Background Papers:

Budget Consultation available at [www.yorkopendata.org](http://www.yorkopendata.org)

Annexes:

1 – 2021/22 Savings Proposals for the Housing and Safer Neighbourhoods portfolio

2 – 2021/22 HRA Growth Proposals for the Housing and Safer Neighbourhoods portfolio

3 – 2021/22 HRA Savings Proposals for the Housing and Safer Neighbourhoods portfolio

4 - Capital Strategy 2020/21 to 2024/25 – Details of schemes for the Housing and Safer Neighbourhoods portfolio

5 - Consultation feedback received to date

**Annex 1 2021/22 Savings Proposals for Housing and Safer Neighbourhoods**

Ref	Portfolio	Proposal Description	2021/22 Impact £000	2022/23 Impact £000	Total Saving Impact £000
HSN1	Housing and Safer Neighbourhoods	<b>Licensing</b> Proposed general increase in fees and charges	(5)		(5)
HSN2	Housing and Safer Neighbourhoods	<b>Hostel Rents</b> Inflationary increase in Hostel rents	(8)		(8)
HSN3	Housing and Safer Neighbourhoods	<b>Homelessness Support</b> Maximising additional external grant funding streams	(50)		(50)
HSN4	Housing and Safer Neighbourhoods	<b>Supporting People</b> Recharge from the General Fund to Housing Revenue Account	(33)		(33)
HSN5	Housing and Safer Neighbourhoods	<b>Hostels</b> Additional income arising from conversion of 5x double rooms to 10x single rooms at Howe Hill hostel	(35)		(35)
HSN6	Housing and Safer Neighbourhoods	<b>Yorhome</b> Yorhome to fully fund support services recharge	(18)		(18)
HSN7	Housing and Safer Neighbourhoods	<b>Traveller Sites</b> Inflationary Increase in Traveller rents as governed by Mobile Homes Act	(2)		(2)
HSN8	Housing and Safer Neighbourhoods	<b>Private Sector Housing</b> Additional income arising from a review of the charging mechanism for Disabled Facility Grants.	(36)		(36)
HSN9	Housing and Safer Neighbourhoods	<b>Strategy and Enabling</b> Saving arising from the reduction in management staffing resource across the function with associated supplies and services budget	(18)		(18)
HSN10	Housing and Safer Neighbourhoods	<b>Community Safety</b> Efficiencies achieved following a review of administrative support	(7)		(7)
			<b>(212)</b>	<b>0</b>	<b>(212)</b>

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<b>Portfolio</b>	<b>Council Priority</b>	<b>Growth Proposal</b>	<b>2021/22 £000</b>	<b>2022/23 £000</b>	<b>Total £000</b>
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<b>Housing Revenue Account Growth</b>					
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Housing & Safer Neighbourhoods	Creating homes and world class infrastructure	<b>Full year impact of 2020/21 Growth Proposals</b> The 2020/21 budget identified growth in a number of key areas that was to be funded across two years. These have been reviewed based on latest requirements and allocated below PIV (Positive Input Ventilation) Servicing to tackle damp in properties (£50k) Occupational Therapy Post (£8k) Embedding new apprenticeship Programme (£33k) Staff capacity to support estate regeneration (£32k) Housing ICT Staff to support ICT transformation programme (£45k)	168		168
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<b>168</b>		<b>168</b>
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**One Off Growth Proposals**

Housing & Safer Neighbourhoods	An open and effective council	<b>Housing ICT Programme</b> The new Housing ICT system is anticipated to go live in 2021/22. There are additional costs in the financial year for project management and extending a number of systems that are due to be replaced.	768		768
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Ref	Portfolio	Proposal Description	2021/22 Impact £000	2022/23 Impact £000	Total Saving Impact £'000
HRA04	Housing & Safer Neighbourhoods	<b>Building Repairs - Trade Services</b> Increased productivity in the Joiners team	(35)		(35)
HRA05	Housing & Safer Neighbourhoods	<b>Building Repairs - Support Services</b> Having strengthened front line service processes it allows a revision of Service Level Agreement for supplementary external H&S support.	(25)		(25)
HRA08	Housing & Safer Neighbourhoods	<b>Building Repairs - General Repairs</b> Targeted 3% saving from review of implementation of the building repairs policy while maintaining current standards for tenants.	(200)		(200)
HRA09	Housing & Safer Neighbourhoods	<b>Building Repairs - Transport</b> More efficient use of available fleet across the Council	(18)		(18)
HRA12	Housing & Safer Neighbourhoods	<b>Building Repairs - Efficient Procurement</b> Undertake regular review of core product set on £1m building supplies budget to ensure best value for money while maintaining service standards	(15)	(50)	(65)
HRA13	Housing & Safer Neighbourhoods	<b>Building Repairs - Leaseholder Income</b> Maximising income from leaseholders on repairs & major works	(10)		(10)
HRA14	Housing & Safer Neighbourhoods	<b>Building Repairs - Void Income</b> Recharge for works to bring void properties back to a lettable standard	(25)		(25)
HRA16	Housing & Safer Neighbourhoods	<b>Housing Management Service</b> Restructure of Housing Management Service to improve service delivery (full budget £1.6m)	(60)	(60)	(120)
HRA18	Housing & Safer Neighbourhoods	<b>Housing Management - Management</b> Management efficiencies arising from a more focused structure.	(61)		(61)
HRA19	Housing & Safer Neighbourhoods	<b>Housing Management - Streets Ahead</b> Reduced printing & distribution costs	(5)		(5)
HRA20	Housing & Safer Neighbourhoods	<b>Housing Management - Subscriptions</b> Reduce cost of unused subscriptions and access of data sets which will in future be incorporated in to the new of ICT system	(23)		(23)
HRA21	Housing & Safer Neighbourhoods	<b>Housing Services - Efficiencies from ICT Programme</b> The additional investment in ICT across service will support the delivery of additional efficiencies across Building Services and Housing Management. These will be delivered over a 2-3 year period with a target of £250-£300k per annum. This will be updated in 2022-23 budget.		(250)	(250)

(477)	(360)	(837)
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Scheme name	Portfolio Holder	20/21 £000	21/22 £000	22/23 £000	23/24 £000	24/25 £000	25/26 £000	Total £000
<b>Funded Fully by Borrowing:</b>								
Disable Facilities Grant - CPB Element	HSN	470	475	475	475	475	475	2,845
Empty Homes (Gfund)	HSN	20	80	-	-	-	-	100
<b>External element of Part CPB borrowed schemes</b>								
Disabled Facilities Grant (Gfund) - External element	HSN	1,572	1,510	1,631	1,761	1,900	1,900	10,274
<b>HRA Funded</b>								
Local Authority Homes - New Build Project	HSN	-	29,250	9,900	18,443	-	-	57,593
Major Repairs & Modernisation of Local Authority Homes	HSN	9,979	10,534	8,763	8,462	8,769	8,720	55,227
Lowfield Housing	HSN	16,500	7,062	500	-	-	-	24,062
LA Homes - Burnholme	HSN	1,323	7,000	11,000	3,945	-	-	23,268
Duncombe Barracks	HSN	599	2,000	5,500	1,362	-	-	9,461
Shared Ownership Scheme	HSN	6,291	193	-	-	-	-	6,484
LA Homes Phase 2	HSN	-	3,807	1,103	-	-	-	4,910
Local Authority Homes - Project Team	HSN	649	1,200	1,050	1,730	-	-	4,629
Extension to Marjorie Waite Court	HSN	2,300	800	-	-	-	-	3,100
Assistance to Older & Disabled People	HSN	590	600	610	620	630	640	3,690
LA Homes Energy Efficiency Programme	HSN	1,309	350	250	250	-	-	2,159
Lincoln Court Independent Living Scheme	HSN	1,613	-	-	-	-	-	1,613
LA Homes - Hospital Fields/Ordnance Lane	HSN	1,321	-	-	-	-	-	1,321
Housing Environmental Improvement Programme	HSN	236	170	170	170	170	170	1,086
IT Infrastructure	HSN	550	478	-	-	-	-	1,028
Water Mains Upgrade	HSN	-	120	350	-	-	-	470
Willow House Housing Development	HSN	-	150	-	-	-	-	150
Extension to Glen Lodge	HSN	88	-	-	-	-	-	88
LA Homes Phase 1	HSN	40	-	-	-	-	-	40

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# City of York Council



## Budget Consultation 2021/22

### Interim Results 03/01/2021 (Quantitative Questions Only)

The online Budget Consultation 2021/22 opened on 15/12/2020 and closes on 31/01/2021. Additionally, a paper version of the survey was sent to households inside the Local Link publication, also with a closing date of 31/01/2021.

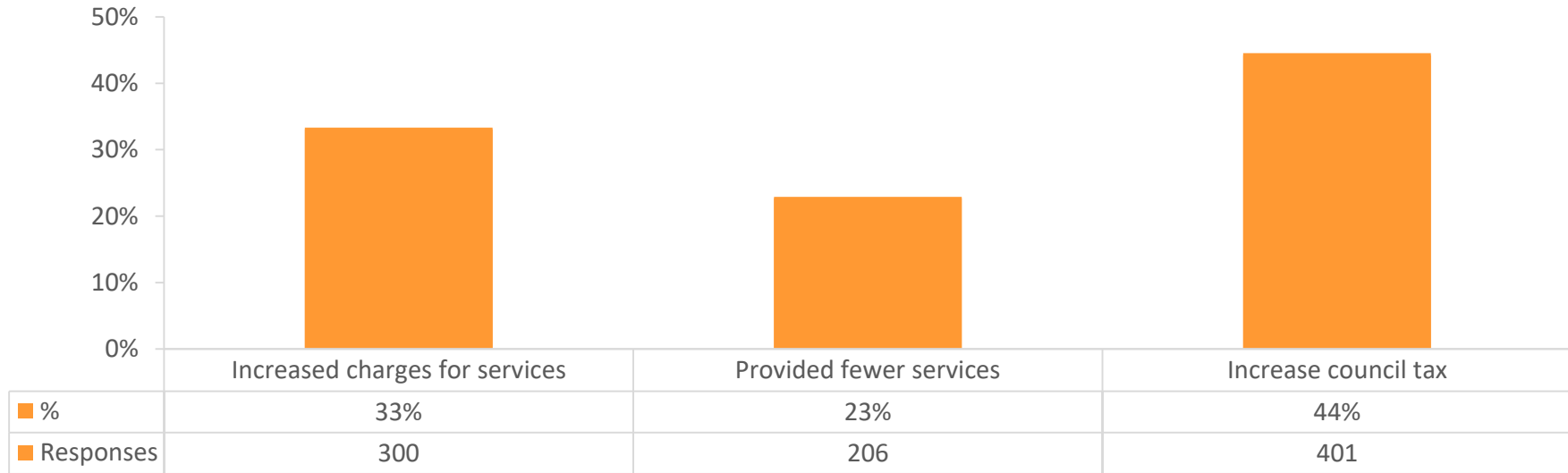
This reports presents the online responses received up until 03/01/2020 at which point a total of 787 residents and businesses participated.

The consultation gives residents and businesses of York the opportunity to put forward their views to help the council make decisions and deliver the budget for 2021/22.

The consultation results and the raw data will be made available on the council open data platform [www.yorkopendata.org](http://www.yorkopendata.org).

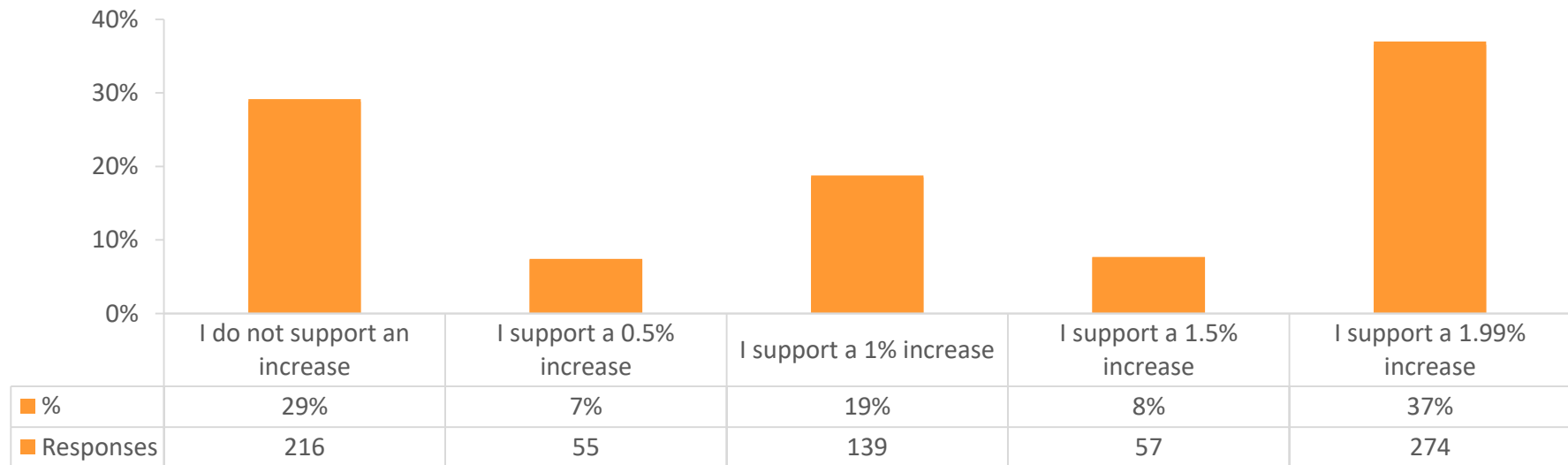
**Council Tax**

To accelerate recovery and balance the budget, would you rather we; Please select all that apply



(n=729)

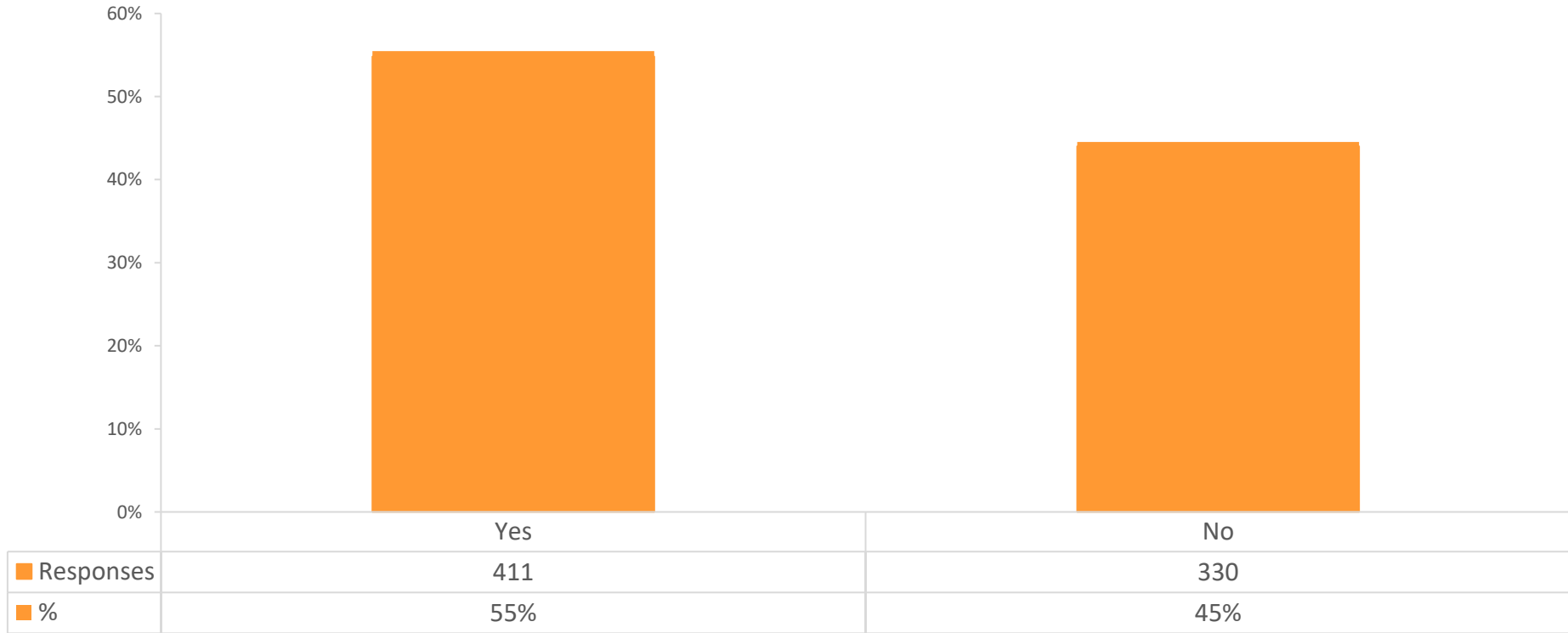
**Do you support an increase in council tax to balance the budget and if so by how much?**



(n=741)

**Social Care Precept**

**Do you support taking the full social care precept of 3%?**



(n=741)

## Budget Priorities

Do you agree or disagree that we should prioritise:

	Disagree	Disagree (%)	Agree	Agree (%)	Neither	Neither (%)
Accelerate city wide recovery (as a priority)	133	18.34%	370	51.03%	222	30.62%
Prioritise our public health response to the pandemic, including support for mental health	71	9.70%	533	72.81%	128	17.49%
Top-up business grants provided by the government	339	46.82%	162	22.38%	223	30.80%
Provide targeted financial support for those who need it the most	97	13.27%	476	65.12%	158	21.61%
Support local communities to recover from the pandemic	141	19.37%	350	48.08%	237	32.55%
Maintain and develop highways and infrastructure assets, including cycling/walking	178	24.45%	402	55.22%	148	20.33%
Maintain and refurbish parks, play areas and libraries	181	24.83%	361	49.52%	187	25.65%
Maintain and develop leisure facilities	235	32.37%	241	33.20%	250	34.44%
Maintain and upkeep schools	70	9.60%	515	70.64%	144	19.75%
Explore additional investment to generate more income for front line services	116	15.91%	450	61.73%	163	22.36%



## Budget Priorities

### Areas respondents agree should be prioritised

Prioritise our public health response to the pandemic, including support for mental health	73%
Maintain and upkeep schools	71%
Provide targeted financial support for those who need it the most	65%
Explore additional investment to generate more income for front line services	62%
Maintain and develop highways and infrastructure assets, including cycling/walking	55%
Accelerate city wide recovery (as a priority)	51%
Maintain and refurbish parks, play areas and libraries	50%
Support local communities to recover from the pandemic	48%
Maintain and develop leisure facilities	33%
Top-up business grants provided by the government	22%

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