

## EXECUTIVE

MONDAY, 16 FEBRUARY 2009

### DECISIONS

Set out below is a summary of the decisions taken at the meeting of the Executive held on Monday, 16 February 2009. The wording used does not necessarily reflect the actual wording that will appear in the minutes.

Members are reminded that, should they wish to call in a decision, notice must be given to Democracy Support Group no later than 4pm on the second working day after this meeting – that is, Wednesday 18 February 2009. Please note that recommendations to Council cannot be called in.

If you have any queries about any matters referred to in this decision sheet please contact Fiona Young (tel extn 1027).

#### 6. FINANCIAL STRATEGY 2009-13

- 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:

- 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*).

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.

## **7. CAPITAL PROGRAMME BUDGET – 2009/10 TO 2013/14**

RECOMMENDED: That Council:

- (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.

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

RECOMMENDED: That Council approve:

- (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.

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

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.

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.

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

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.

