



**Notice of a public meeting of
Cabinet**

To: Councillors Alexander (Chair), Crisp, Cunningham-Cross, Levene, Looker, Merrett, Simpson-Laing (Vice-Chair) and Williams

Date: Tuesday, 3 September 2013

Time: 5.30 pm

Venue: The George Hudson Board Room - 1st Floor West Offices (F045)

AGENDA

Notice to Members - Calling In:

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

4:00 pm on Thursday 5 September 2013, if an item is called in *after* a decision has been taken.

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

1. Declarations of Interest

At this point, 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. Minutes** (Pages 3 - 24)
To approve and sign the minutes of the last Cabinet meeting held on 16 July 2013.
- 3. Public Participation**
At this point in the meeting members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Monday 2 September 2013**. Members of the public can speak on agenda items or matters within the remit of the committee.

To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.
- 4. Forward Plan** (Pages 25 - 30)
To receive details of those items that are listed on the Forward Plan for the next two Cabinet meetings.
- 5. 2013/14 Finance Monitor 1** (Pages 31 - 40)
This report provides details of the headline financial performance for 2013-14, covering the period 1 April 2013 to 30 June 2013. The report assesses performance against budgets, progress of the council's savings programme, the council's revenue reserves and provides Members with an update on localisation of business rates.
- 6. Capital Programme - Monitor One 2013/14** (Pages 41 - 58)
This report sets out the projected capital programme outturn position for 2013/14 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 7. Closer Working with Leeds Bradford International Airport** (Pages 59 - 72)
This report proposes promotional activity to be undertaken at the Leeds Bradford International Airport (LBIA) as part of the city's efforts to maximise access to international markets.
- 8. Urgent Business**
Any other business which the Chair considers urgent under the Local Government Act 1972.

Democracy Officer:

Name: Jill Pickering

Contact details:

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- E-mail – jill.pickering@york.gov.uk

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

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

Contact details are set out above.

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- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
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The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business following a Cabinet meeting or publication of a Cabinet Member decision. A specially convened Corporate and Scrutiny Management Committee (CSMC) will then make its recommendations to the next scheduled Cabinet meeting, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

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

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

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City of York Council

Committee Minutes

Meeting

Cabinet

Date

16 July 2013

Present

Councillors Alexander (Chair), Crisp, Cunningham-Cross, Levene, Looker, Merrett, Simpson-Laing (Vice-Chair) and Williams

In attendance

Councillors Barton, Cuthbertson and Runciman

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS**14. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal interests, not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests they may have in respect of business on the agenda. No additional interests were declared.

15. EXCLUSION OF PRESS AND PUBLIC

RESOLVED:

That it was agreed to exclude the press and public from the meeting during consideration of Annexes A, C and D to agenda item 17 (Compulsory Purchase of a Long Term Empty Property) on the grounds that they contained information relating to the financial or business affairs of particular persons (including the authority holding that information). Such information is considered 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).

16. MINUTES

RESOLVED: That the minutes of Cabinet meetings held on 7 May and 4 June 2013 be approved and signed by the Chair as correct records.

17. PUBLIC PARTICIPATION/OTHER SPEAKERS

It was reported that there had been five registrations to speak at the meeting under the Council's Public Participation Scheme, and a Member of Council had requested to speak on an item, details of which are set out below:

13. Future of the Guildhall Complex

Andy Chase spoke to express his support for proposals to bring the Guildhall back into use. Confirming the need for affordable space for small local business's and community groups. Reference was also made to the Guildhall accessibility issues.

14. Future delivery arrangements for Library and Archives Service

Garry Jones, Chief Executive of York Council for Voluntary Service, spoke as the main support service for local charities and community groups. He expressed support for much of the content of the report however, he questioned a number of points including the lack of detailed pension and redundancy costs and community ownership levels. Reference was also made to the high level of room hire projections and cafe profitability. He requested deferral of the decision to clarify these issues prior to finalising the proposals.

Charlie Mitchell, a local resident, spoke to support the library service. Referring to the innovations proposed for the York service which needed to be sustainable. She did however express reservations at the significant risks of community ownership unless this was built on strong solid foundations to ensure future success.

Andrea Dudding, representing Unison, presented a petition to Cabinet signed by over 1000 residents which requested protection of the Library and Archives Service with no cuts, closures or Social Enterprise. She referred to ongoing discussions with staff and unions during which the significant

financial risks associated with this proposal had been highlighted, particularly with the risks being transferred to employees. Members were asked to send the report back, as it was not fit for purpose.

Councillor Barton, questioned the viability of the proposals and the inconclusive business proposition. As a new concept, detailed consideration was required. He questioned the risks for which a full assessment should be carried out and pointed out that the authority had a duty of care to its staff.

16. Facing the Challenge of Poverty – Work Programme

Richard Bridge spoke to commend the City on the priority given to poverty and the aim to make York a Poverty Free City. This did however require a timeline of when this would be achieved. Reference was made to the different ways of measuring poverty and to the cumulative impact of welfare reforms which must be acknowledged and addressed in the Poverty Strategy.

18. FORWARD PLAN

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

The Chair reported an additional item for consideration at the Cabinets September meeting in respect of the Council Tax Benefit Scheme.

19. FINANCE AND PERFORMANCE YEAR END REPORT 2012/13

Consideration was given to a report which provided a year end analysis of the financial and performance delivery of the authority together with an overview of the key achievements, challenges and improvements required to ensure that the objectives of the Council Plan were met.

With the financial challenge of an assessed gap of £10.7m at the start of the year it was reported that strong financial and performance action had been taken to deliver a balanced budget for the next two year with minimal redundancies. Overall the Council was sustaining its benchmarked service performance level. The performance achievements and areas of

improvement, in relation to each of the priority themes, together with information on actions and performance at paragraphs 9 to 89, and Annexes A to E of the report.

Further information on financial management, spending from the Economic Infrastructure Fund and Delivery and Innovation Fund together with the outturn on a directorate by directorate basis was reported at paragraphs 90 to 144.

The Cabinet Member commended staff on the comprehensive report and the positive overall picture. Individual Cabinet Members went on to highlight work undertaken in their portfolio areas and the future challenges. Reference was made to the under reporting of the bus patronage figures in Priority 2: Get York Moving performance section of the report.

Following further discussion it was

RESOLVED: That Cabinet notes the year end under spend of £84k and agree that this is transferred to the General Contingency. ¹.

REASON: To ensure significant financial issues can be appropriately dealt with.

Action Required

1. Make transfer to General Contingency. DM

20. TREASURY MANAGEMENT ANNUAL REPORT 2012/13 AND REVIEW OF PRUDENTIAL INDICATORS

Cabinet considered the annual treasury management review of activities and the prudential and treasury indicators for 2012/13, as required by regulations issued under the Local Government Act 2003.

The position for 2012/13 compared to 2011/12 was summarised, with total borrowing at the start of the year at £261.6m and at the year end of £258.6m, split between the General Fund and Housing Revenue Account. Details of the interest and investment rates applicable over this period were reported at paragraphs 21 to 28 and prudential indicators for 2012/13 at Annex A.

Following discussion it was

RESOLVED: That, in accordance with the Local Government Act 2003 Cabinet agrees to:

- (i) Note the 2012/13 performance of Treasury Management activity and
- (ii) Note the movements in the Prudential Indicators as set out in Annex A of the report.

REASON: To ensure the continued performance of the Council's Treasury Management function can be monitored.

21. CAPITAL PROGRAMME OUTTURN 2012/13 AND REVISIONS TO THE 2013/14 – 2017/18 PROGRAMME

[See also Part B minute]

Consideration was given to a report which set out the capital programme outturn position, including any under or overspends details of the overall funding of the programme together with an update on the impact of this on future years.

An outturn of £46.476m was reported compared to the approved budget of £57.281m, financed by £21.227m of external funding and internal funding of £36.054, a variation of £10.805m, of which £10.4457m had been reprofiled to future years. Details of the variances for individual departments along with requests for reprofiling were set out at Table 1 and paragraphs 8 to 31 of the report.

Information was provided on the Economic Infrastructure Fund with an overall value of £28.5 covering a 5 year period with schemes committed to a value of £17.663m, detailed at Annex B.

Updates on the 2013/14-2017/18 Capital Programme were reported at Table 2 and Annex A, with further details at paragraphs 39 to 43 and the projected Capital Programme financing for this period reported at Table 4. With close monitoring of the overall funding position being undertaken by the Director of Customer and Business Support Services and any issues being reported to Cabinet.

The Cabinet Member referred to the reprofiling of funds, owing to delays in DfT approval for the Access York scheme. The West Offices development was however still expected to be under spent and on time a significant achievement.

Following further discussion it was

RESOLVED: That Cabinet agree to:

- (i) Note the 2012/13 capital outturn position of £46.476m and approve the requests for slippage totalling £10.457m from the 2012/13 programme to future years.
- (ii) Note the outturn position of the Economic Infrastructure Fund in 2012/13 and revisions to the profile of the £28.5m as set out in Annex B of the report.
- (iii) Approve the revised Economic Infrastructure Fund profile set out at Annex B of the report.

REASON: To allow the continued effective financial management of the capital programme from 2013/14 to 2017/18.

22. FINANCIAL STRATEGY REFRESH

Consideration was given to a report which provided an update to the Financial Strategy and an outline plan for the 2014/15 and 2015/16 budget process. As it was essential that the financial strategy supported the Council's priority objectives it required sufficient resources to be directed towards the key priority areas.

Issues affecting funding from Local Business Rates, Council Tax and Fees and Charges were reported as were the cost pressures. Although the Council's Plan and financial management appeared highly effective, there remained a number of areas for further development and improvement. Information on the medium and longer term strategies were reported at paragraphs 15 to 19 of the report.

Budget planning for the 2014/15 and 2015/16 was taking place, with presentation of the 2 year budget scheduled to go to Council in February 2014. An outline plan of the budget process was set out at paragraphs 20 to 26 and Annex A.

Cabinet Members referred to the budget pressures in their areas and to future government funding uncertainties.

RESOLVED: That Cabinet agree to the refreshed Financial Strategy and the outline budget planning process for 2014-15 and 2015-16.

REASON: To ensure the Council meets future financial challenges and produces a sound, prudent budget for 2014-15 and 2015-16.

23. LEEDS CITY REGION - REVOLVING INVESTMENT FUND

Consideration was given to a report which sought approval to enter into a limited partnership with partner local authorities to establish a Leeds City Region Revolving Fund (RIF) and give authority to invest £1.632m, as the Council's agreed contribution to the set up of the Fund.

The Leeds City Region (LCR) was working to deliver a single Investment Strategy and Investment Plan to support the generation of economic growth within LCR. The framework would act as a 'single door' for projects applying for funding with the long term objective to grow the fund through a mixture of public and private investment. A two stage implementation plan had been developed, Phase 1 with initially £10m planned for July 2013 and Phase 2 targeted for later in the year. The capital contributions to be made by each of the founder member authorities were set out at paragraph 5.

The Heads of Terms in relation to participation in the LCR Fund were attached to the report at Annex A confirming the principal terms upon which the limited partnership would be established. Information on the operation of the fund were reported at paragraphs 13 to 21 although it was noted that delegated authority would be required to enter into the agreement prior to the Phase 1 launch.

The Leader referred to the mutual benefits to the economy and the sub region which would be gained from the Council's involvement in the RIF.

Following further discussion it was

RESOLVED: That Cabinet agree to:

- (i) Give authority to invest the £1.632m in the Revolving Investment Fund, funding from the Economic Infrastructure Fund.^{1.}
- (ii) Delegate authority to the Director of Customer and Business Support Services to take necessary actions required around the legal arrangements to allow Phase 1 to be launched.^{2.}

REASON: To support the Council Plan priorities of creating jobs, growing the economy and investing in the city's economic future

Action Required

- 1. Invest CYC contribution in the RIF. PL
- 2. Take necessary actions to move on the Phase I launch of the fund. IF

24. ECONOMIC INFRASTRUCTURE INVESTMENT - STIMULATING DEVELOPMENT DELIVERY

Consideration was given to a report which set out a proposal for investment in resources required to take forward the delivery of development to enable economic growth for the city.

Members were reminded of proposals previously put forward to unlock development sites to provide new homes and business opportunities with the ambition to see a release of 5000+ homes over the next 5-7years. It was now proposed to release £1m of EIF funding to provide the professional and technical resources required during the period 2013/14 and 2014/15 to take forward key development sites. Details of the key sites under consideration were reported at Annex A.

Measures to stimulate house building and further information on the resources required were reported at paragraphs 17 to 23. The key sites proposed for permanent and temporary construction job creation were set out at Annexe B of the report.

All Members expressed their support for the allocation to support York's strong economic performance.

RESOLVED: That Cabinet agrees to:

- i) Allocate £1m from the Economic Infrastructure Fund to provide the identified "development team" resources as set out in the report, for the specific use of stimulating development delivery.
- ii) Approval of the detail of this spend of funding being delegated to the Director of CBSS and Director of CES, in consultation with the Leader.¹

REASON: To enable the required resources to be put in place to allow progression on a range of major economic regeneration projects

Action Required

1. In consultation with the Leader, allocate money from the EIF to provide the identified resources. IF

25. FUTURE OF THE GUILDHALL COMPLEX

Consideration was given to a report which set out potential future uses for the Guildhall complex, which included its use as a Digital Media Arts Centre (DMAC). To assess financial viability, timescales and procurement options a proposed plan of action had been compiled. Members were asked to agree to the release of EIF monies for the DMAC to assist in the further development.

The background to and proposals for a DMAC were set out at paragraphs 10 to 20 of the report. Work undertaken by an officer working group on developing ideas for future uses for the Guildhall complex and an indicative timetable for the proposals were set out at paragraphs 24 to 27.

As the Guildhall project aligned with the award criteria for the recently announced Heritage Enterprise Fund it was reported that a bid would be made for contributory grant funding. To facilitate early development work, dedicated Officer time was also required together with demolition works, essential surveys and development appraisals for which a maximum release of £400k was requested from the previously agreed EIF funding.

The Cabinet Member referred to the helpful comment made by the earlier speaker which would be taken into account. It was confirmed that further engagement would be undertaken with organisations that had already expressed an interest in the future of the site and that consultation would be undertaken with the political groups and former Lord Mayors.

RESOLVED: That Cabinet agree to:

- (i) Delegate to the Assistant Director of Finance Asset Management and Procurement, in consultation with the Cabinet Member for Corporate Services the power to draw down up to £400k from the £1.4m Economic Infrastructure Funds already earmarked for the Digital Media Arts Centre to support the options appraisal and business case development of a mixed use solution for the Guildhall Complex incorporating the establishment of a Digital Media Arts Centre.¹
- (ii) The demolition of the hutments (subject to planning) and to undertake the necessary archaeological evaluation and excavation.²
- (iii) Consult with all Group Leaders and former Lord Mayors in respect of the future use of the Guildhall Complex.³

REASON: To identify new uses for a significant building in the city, to explore opportunities for economically beneficial uses of a key CYC asset and to ensure the effective conservation of a historic building.

Action Required

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| 1. Proceed with development of options appraisal and business case. | TC |
| 2. Subject to planning approval, make necessary arrangements for demolition. | TC |
| 3. Undertake agreed consultation. | TC |

26. FUTURE DELIVERY ARRANGEMENTS FOR LIBRARY AND ARCHIVES SERVICES

Consideration was given to a report which summarised work undertaken on a business plan to determine whether it would be in the overall interests of the Council to transfer its Libraries and Archives service to a social enterprise.

Staff of the Libraries and Archives Service, who would form the social enterprise, had considered this a viable proposition which represented an exciting and enterprising route to developing new forms of service delivery. The key conclusions of the project boards report confirmed that the best possible legal model would be a Community Benefit Society (CBS) with exempt charitable status, the aims and objectives of which were set out at Annex A of the report.

Extensive public and staff consultation had been undertaken in which the main concerns had related to library closures, reductions in hours and loss of staff.

The vision and delivery of the CBS, which would build on the success of the Explore concept, was set out in detail at paragraphs 17 to 47. Information on the governance of the CBS including the structure, Board of Directors and suggestions for the formation of Advisory Groups to assist in the running of the Society were reported at paragraphs 48 to 54. Detailed business plans had been prepared and financial projections over a 5 year period had shown projected savings of £200k for 2014/15, whilst maintaining paid staff in every library with no closures.

An implementation plan would now be developed and a shadow board set up, with formal staff consultation and community engagement, with a further report back to Cabinet in November.

The Cabinet Member confirmed staff support for the proposals and referred to the challenging business plan and potential risks, whilst delivering the necessary savings. Other Cabinet Members referred to the exciting opportunities this afforded the city whilst retaining the library service.

Officers spoke, on behalf of library staff, confirming that they were conscious of the trust placed in them if agreement was given to the social enterprise. Pointing out that this was a viable proposition which would ensure that this important service was maintained and developed.

Following further discussion it was

RESOLVED: That Cabinet agree to:

- (i) Library and Archive staff establishing *Explore Libraries and Archives Mutual* as a Community Benefit Society.
- (ii) The award in principle of a contract to the Community Benefit Society through a single tender action.
- (iii) Nominate an individual to the Community Benefit Society Board.
- (iv) Delegate to the Director of CANS in consultation with the Director of CBSS the negotiation of the contract.
- (v) The contract terms being brought back to Cabinet for approval.¹

REASON: To create the best delivery model for libraries and archive services in York.

Action Required

1. Await outcome of CSMC (Calling In) meeting on 12 August 2013.

CC, FW

27. CITY OF YORK TRADING LTD - ICT SERVICES

Consideration was given to a report which set out details of ICT's current, developing and innovative services and the department's aspirations for expanding service provision with

public service partners and the private sector, through the City of York Trading Company (CYT).

Through cost effective and enabling technologies and in house skill ICT had now established a range of services that they were now in a position to market. These included in-house developed integration/application, hosting and support services and an in-house developed web app.

The Cabinet Member expressed his support for the delivery of services outside of the ICT customer base and for the exploration of potential income streams.

Following further discussion it was

RESOLVED: That Cabinet agree to:

- (i) ICT exploring opportunities for trading its services and in house developed innovations.
- (ii) Delegate authority to the Director of CBSS in consultation with the Cabinet Member to approve arrangements for providing services to public sector partners and/or the private sector that are beneficial to all parties.¹
- (iii) Note that any activity traded through the City of York Trading Company is subject to the approval of the CYT Board.

REASON: To enable opportunities for the trading of ICT services through the City of York Trading Company (CYT) to be explored with arrangements that are beneficial to all parties.

Action Required

1. In consultation with the Cabinet Member, pursue trading opportunities beneficial to all parties. IF

28. FACING THE CHALLENGE OF POVERTY – WORK PROGRAMME

Consideration was given to a report which provided Cabinet with an assessment of the poverty challenge in York, a draft vision for a poverty free city together with initiatives, work areas and governance arrangements.

Although below the national average, poverty in York was reported to be on the increase, at a rate beyond the ability of the Council, in isolation, to manage. Details of Funds, Schemes and work programmes to address the problems of financial and economic inclusion were reported at paragraphs 10 to 14 with the draft vision and targets for a poverty free city at paragraphs 15 to 17 and at Table 1 and Annex A. Proposals for immediate action to be taken over the next two years, in partnership with other bodies in the city, were set out at Table 2 and Annex B.

To ensure that this work was managed efficiently and decision making lines streamlined the governance arrangements were currently under review.

The Cabinet Leader praised the work already undertaken and to the Press campaign to tackle the stigma of poverty. Other Cabinet Members highlighted the significant actions proposed in the longer term to assist this vulnerable group.

RESOLVED: That Cabinet agree to:

- (i) The vision for a poverty-free York.
- (ii) Funding of £100,000 from the Delivery and Innovation Fund.
- (iii) A work programme to develop longer term measures to address poverty in York.
- (iv) The proposed Governance arrangements as set out in paragraphs 29 to 31 of the report.¹

REASON: To ensure effective delivery of the Protecting Vulnerable People objective in the Council Plan.

Action Required

1. Develop the work programme for delivery with funding from the DIF.

JC

29. **COMPULSORY PURCHASE OF A LONG TERM EMPTY PROPERTY**

Consideration was given to a report which sought Cabinet approval for the initiation of compulsory purchase proceedings in relation to a particularly long-term empty property.

This property had been empty for approximately 15 years and had been a source of nuisance and complaints from local residents and Councillors. Anti-social behaviour and criminal activity at the property had required the attendance of Police on a number of occasions. It was confirmed that all means of encouraging the owner to take action to bring the property back into use had failed.

Members attention was drawn to the Council's new Empty Homes Strategy and Action Plan 2012-2015 prepared in 2011 which allowed the use of compulsory purchase powers, as a last resort, when all other endeavours had failed.

Consideration was given to the following options set out in further detail at paragraphs 14 to 20 of the report:

Option 1 – Take no further action with regard to the use of this power

Option 2 – Explore the use of alternative powers

Option 3 – Authorise the use of a Compulsory Purchase Order in the event that purchase by agreement cannot be achieved.

Cabinet Members reiterated the effect this property had on the local area and for the need to obtain re-occupation of empty homes.

RESOLVED: That Cabinet agree to:

- (i) Approve the use of Compulsory Purchase Orders under section 17 and Part XVII of the Housing Act 1985, and the Acquisition of Land Act 1981 for the

purchase of the property and associated land identified in confidential Annexes C and D attached to the report, for the purposes of renovation and reoccupation as residential accommodation.

- (ii) Authorise the Head of Asset and Property Services to seek the purchase of the property by agreement in the first instance. ¹
- (iii) Authorise the Deputy Head of Legal Services to take the following steps in the event that purchase by agreement cannot be achieved:
 - a) Take all necessary steps to secure the making, confirmation and implementation of the Compulsory Purchase Orders including the publication and service of all notices and the presentation of the Council's case at any public enquiries.
 - b) Suspend the Compulsory Purchase Order proceedings, or withdraw an Order, on being satisfied that the reported property will be satisfactorily renovated and re-occupied without the need to continue the purchase proceedings.
 - c) Dispose of the property in accordance with the proposals set out in the report.
 - d) Take all other necessary action to give effect to these recommendations. ²
- (iv) Authorise the purchase (if necessary), renovation and management of the property through the Housing Revenue Account (HRA). ³

REASON: The property concerned has been vacant for a considerable number of years and continues to have a detrimental impact on the neighbourhood and individual residents. All alternative avenues open to the Council to encourage the owner to bring the property back into use voluntarily have proved unsuccessful. Acquisition followed by renovation and reoccupation through the Housing Revenue Account will help the Council respond to increasing housing need within the city and improve the quality of life for local residents.

Action Required

- | | |
|--|---------|
| 1. Initiate purchase of the property by agreement. | PC, GMc |
| 2. If purchase by agreement cannot be achieved, use CPO powers to dispose of property. | GMc, PC |
| 3. If necessary, purchase and renovate property through the HRA. | PC, GMc |

30. FEASIBILITY REPORT - CYCLE HIRE SCHEME FOR YORK

The Cabinet considered a report which outlined the case for a full city-wide trial of a public cycle hire scheme within York, prepared following examination of other city schemes. This provision would work towards providing a long-term legacy for the city and reinforce York's position as lead Cycling City in the region.

Discussions were at present being held with potential stakeholders. It was confirmed that, if sponsorship was secured for a cycle hire scheme, the set up costs to roll out a full city-wide initiative would be significantly reduced. It had also been suggested that any trial should be undertaken on a comparable level to estimate future demand. Further information on charging and the location of the docking stations and number of bikes were reported at paragraphs 27 to 29 and Annex A.

The costs associated with the set up were provided at paragraph 30. With information on the proposed phased approach for the trial scheme and consultation undertaken at paragraphs 38 and 39.

The Cabinet Member referred to this gap in the cities cycle hire scheme which this proposal sought to address.

Consideration was then given to the following options:

Option A – Give approval for Officers to undertake a tendering exercise with interested companies which would establish the costs associated with undertaking a full city-wide trial for 24 months, delivered in it's entirety by a third-party. Secondly, secure corporate sponsorship and/or any other potential external funding of the scheme to offset some of the revenue costs to the Council. Return to Cabinet at a future date to present the outcome of this exercise with a conditional view to awarding the tender and the full roll out of a scheme.

Option B – To not have a cycle hire scheme for York due to the recognised limitations that have been experienced in other towns/cities.

RESOLVED: That Cabinet agree to:

- (i) The general principle of introducing a public cycle hire scheme within York;
- (ii) Give approval for Officers to undertake further development of a business model for a scheme, including seeking external sources of funding and tendering for a potential provider;
- (iii) Receive a further report at a future Cabinet meeting setting out the full financial implications and potential funding sources, and further consider at that point the introduction of a full city wide trial of a public cycle hire scheme for 24 months.¹

REASON: To continue to promote cycling within York as a sustainable transport option and offer a low-cost alternative to private transport for short journeys. This would be primarily aimed at residents of the city and its suburbs, but would also appeal to commuters as well as some visitors.

Action Required

1. Continue development of scheme and report back full details to a future meeting.

RH

PART B - MATTERS REFERRED TO COUNCIL

31. CAPITAL PROGRAMME OUTTURN 2012/13 AND REVISIONS TO THE 2013/14 – 2017/18 PROGRAMME

[See also Part A minute]

Consideration was given to a report which set out the capital programme outturn position, including any under or overspends details of the overall funding of the programme together with an update on the impact of this on future years.

An outturn of £46.476m was reported compared to the approved budget of £57.281m, financed by £21.227m of external funding and £36.054 of internal funding, a variation of £10.805m, of which £10.4457m had been reprofiled to future years. Details of the variances for individual departments along with requests for reprofiling were set out at Table 1 and paragraphs 8 to 31 of the report.

Information was provided on the Economic Infrastructure Fund with an overall value of £28.5 covering a 5 year period with schemes committed to a value of £17.663m, detailed at Annex B.

Updates on the 2013/14-2017/18 Capital Programme were reported at Table 2 and Annex A, with further details at paragraphs 39 to 43 and the projected Capital Programme financing for this period reported at Table 4. It was confirmed that close monitoring of the overall funding position was being undertaken by the Director of Customer and Business Support Services with any issues being reported back to Cabinet.

The Cabinet Member referred to the reprofiling of funds, part of which included delays in DfT approval for the Access York scheme. The West Offices development was however still expected to be under spent and on time a significant achievement.

Following further discussion it was

RECOMMENDED: That Council agree to the restated 2013/14 to 2017/18 programme of

£203.295m as summarised in Table 3 and detailed in Annex A of the report. ¹

REASON: To allow the continued effective financial management of the capital programme from 2013/14 to 2017/18.

Action Required

1. Refer to Council.

JP

32. COMBINED AUTHORITY GOVERNANCE REVIEW AND SCHEME

Members considered a report which confirmed the next steps for the City of York Council in becoming a non-constituent member of the West Yorkshire Combined Authority, in order to improve transport and economic activity.

As it was not currently legally possible for York to become a full constituent member, non-constituent membership was proposed in the interim which would allow a degree of decision making powers.

In order to secure Government approval for a Combined Authority the West Yorkshire Local Authorities were required to undertake a statutory review of economic and transport functions, details of which were set out at paragraphs 8 to 16 and at Annex A of the report. The proposal for the Combined Authority, legally known as a "Scheme", prepared for the approval of the Secretary of State was shown at Annex B, which, if agreed, could result in the Combined Authority being created by April 2014.

Further information on the Scheme and supporting structures were reported at paragraphs 21 to 25 with timescales for future decisions at paragraph 28. The legal implications and risks of the Council not becoming a member were also reported.

The Leader confirmed a change in the report recommendation, in that the recommendations required Council approval. The Cabinet Member reiterated the importance of membership of the Authority and the gains for economic growth and receipt of transport funding for the city.

RECOMMENDED: That Council agree to:

- (i) Note and support the findings of the West Yorkshire Review, set out in Annex A of the report, including that a Combined Authority for the area of West Yorkshire, and ultimately including the City of York, would be likely to improve:
 - the exercise of statutory functions relating to economic development, regeneration and transport in the area;
 - the effectiveness and efficiency of transport in the area; and
 - the economic conditions in the area.
- (ii) Consider and support the proposed Scheme for establishing a West Yorkshire Combined Authority, pursuant to Section 109(2) of the Local Democracy, Economic Development and Construction Act (LDEDCA) 2009.
- (iii) Confirm consent for the City of York Council to becoming a non-constituent member of the West Yorkshire Combined Authority, pending assurance from proposed constituent members as to the decisions on which CYC as a non-constituent member will be given voting rights.
- (iv) Authorise the Chief Executive, in consultation with the Leader and with the other West Yorkshire Authorities to undertake such steps as are necessary to facilitate the submission of the Scheme and CYC's non-constituent membership of the resulting Combined Authority.
- (v) Pursue full membership for City of York Council, and to consider the full details

of this full membership as and when it becomes possible for the Council to join as a full member. ¹.

REASON: To secure greater influence over and opportunity for investment in infrastructure in the City of York.

Action Required

1. Refer to Council.

JP

Cllr James Alexander, Chair

[The meeting started at 5.30 pm and finished at 8.15 pm].

Cabinet Meeting: 3 September 2013

FORWARD PLAN

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 1 October 2013

Title & Description	Author	Portfolio Holder
<p>Review of the Impact of Technical Changes to Council Tax Purpose of Report: to provide details of the impact of the changes approved at Cabinet on 6th November 2012 as requested by the Leader of the Council.</p> <p>Members are asked to: consider the impact and value of any additional council tax collected and consider any further amendments to the exemptions.</p>	David Walker	Cabinet Member for Finance, Performance and Customer Service
<p>Supported Housing Strategy Purpose of Report: Lay out priorities and objectives for supported housing.</p> <p>Members are asked to approve the strategy.</p>	Louise Waltham	Cabinet Member for Health, Housing and Adult Social Services
<p>Disposal of Council Properties Purpose of Report: To obtain approval for the disposal of a number of property assets no longer required by the Council.</p> <p>Members are asked to approve the disposals at the agreed capital receipts.</p> <p>This report will contain an annex that will be considered in private as it contains Exempt Information as described in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) in that the information relates to the financial or business affairs of any particular person (including the authority holding that information).</p>	Philip Callow	Cabinet Member for Finance, Performance & Customer Services

<p>Sharpening our Focus to Deliver for the People of York Purpose of Report: Over the past 4 months, a number of reviews and surveys have been undertaken to provide feedback on how the council is meeting the needs of its residents.</p> <p>This report provides a consolidated response to the feedback from the LGA Peer Challenge and the Big York Survey. It identifies issues to be addressed and strengths to be built upon. It confirms council priorities and identifies how the council will sharpen its focus, improve consultation processes and shape the delivery of services.</p> <p>Members are asked to note and approve the feedback received and approve the action plan in response.</p>	<p>Kersten England</p>	<p>Cabinet Leader</p>
<p>Get York Building: Phase 3 - De-risking Investment in Development Purpose of the report: To invest in remaining key sites to allow development to start.</p> <p>Members are asked to allocate available obtainable funding, on a prioritised basis, to remove final viability issues preventing growth in housing and new jobs.</p>	<p>Darren Richardson</p>	<p>Cabinet Leader</p>
<p>Tour de France Grand Depart Update Purpose of Report: Update on progress towards the Grand Depart in York on 6 July 2014, including updates on local and regional legacy work and the 100 days cultural festival.</p> <p>Members are asked to: actively support the work streams to ensure maximum benefit from this event.</p>	<p>Gill Cooper</p>	<p>Cabinet Member for Transport Planning & Sustainability. Cabinet Member for Leisure, Culture & Tourism</p>

<p>Reinvigorate York - Update on Phase 1 (2012-2013) Purpose of Report: To report back on the results achieved by the Reinvigorate York Board members and stakeholders relating to Phase 1.</p> <p>Cabinet is asked to note the progress and consider progressing to Phase 2.</p>	<p>Andy Binner</p>	<p>Cabinet Member for Transport, Planning and Sustainability</p>
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<p><i>Table 2a: Items scheduled on the Forward Plan for the Cabinet Meeting on 5 November 2013</i></p>		
<p>Title & Description</p>	<p>Author</p>	<p>Portfolio Holder</p>
<p>A Tourism Strategy for York Purpose of Report: To endorse a new Tourism Strategy for York for the following 10 year period.</p> <p>Members are asked to endorse the strategy which has been produced jointly with Visit York and to agree the delivery structures which will secure its implementation.</p>	<p>Charlie Croft</p>	<p>Cabinet Member for Leisure, Culture & Tourism</p>
<p>Draft Local Flood Risk Management Strategy Purpose of the Report: The Council is required to produce a Local Flood Risk Management Strategy under Section 9 of the Flood and Water Management Act 2010. In consultation with flood risk management partners a draft strategy has been produced. Following Cabinet approval of this, it will be subject to public consultation and final Cabinet approval.</p> <p>Members are asked to give approval of the draft strategy to enable public consultation to commence.</p> <p>This report has been slipped to the November Cabinet because the draft Flood Risk Management Strategy requires internal and external consultation to be carried out and the results incorporated into the document to be taken to Cabinet. It is intended to discuss the draft in a workshop format to bring</p>	<p>Mike Tavener</p>	<p>Cabinet Member for Transport, Planning & Sustainability</p>

<p>together all interested parties. While the writing of the draft is progressing well it will not be possible to set up a workshop in the timescale required by the Cabinet process, which is further aggravated by the summer holidays. In order to ensure that a robust document can be presented to Cabinet it is requested that the item be slipped to the November meeting, by which time satisfactory consultation will have been achieved. There is no statutory deadline for the production of the strategy and minimal risk to the Council in delaying its production.</p>		
<p>Capital Programme Monitor 2 2013/14 Purpose of Report: To provide members with an update on the capital programme.</p> <p>Members are asked to note the issues and approve any adjustments as required.</p>	<p>Ross Brown</p>	<p>Cabinet Member for Finance, Performance & Customer Services</p>
<p>Treasury Management and Prudential Indicators - Mid Year Review Purpose of Report: To provide members with an update on the 2013/14 finance & performance information.</p> <p>Members are asked to: note the issues.</p>	<p>Debbie Mitchell</p>	<p>Cabinet Member for Finance, Performance & Customer Services</p>
<p>Options for the future use of Burnholme Community College Site Purpose of Report: To outline feasible options for the future use and development of the Burnholme Community College site following the closure of the college in the summer of 2014.</p> <p>Members are asked to indicate which option they prefer so that detailed plans can be made to deliver that option.</p>	<p>Philip Callow</p>	<p>Cabinet Member for Finance, Performance & Customer Services</p>

<p>Community Stadium Project Update Report</p> <p>Purpose of the report is to update members on the progress of the stadium project, the financial package and the specification.</p> <p>Members are asked to approve the officer recommendations within the report.</p>	<p>Darren Richardson</p>	<p>Cabinet Member for Environmental Service</p>
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Table 3: Items slipped on the Forward Plan					
Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Draft Local Flood Risk Management Strategy</p> <p>Purpose of the Report: The Council is required to produce a Local Flood Risk Management Strategy under Section 9 of the Flood and Water Management Act 2010. In consultation with flood risk management partners a draft strategy has been produced. Following Cabinet approval of this, it will be subject to public consultation and final Cabinet approval.</p> <p>Members are asked to give approval of the draft strategy to enable public consultation to commence.</p>	<p>Mike Tavener</p>	<p>Cabinet Member for Transport, Planning & Sustainability</p>	<p>Sept 2013</p>	<p>Nov 2013</p>	<p>This report has been slipped to the November Cabinet because the draft Flood Risk Management Strategy requires internal and external consultation to be carried out and the results incorporated into the document to be taken to Cabinet. It is intended to discuss the draft in a workshop format to bring together all interested parties. While the writing of the draft is progressing well it will not be possible to set up a workshop in the timescale required by the Cabinet process, which is</p>

					further aggravated by the summer holidays. In order to ensure that a robust document can be presented to Cabinet it is requested that the item be slipped to the November meeting, by which time satisfactory consultation will have been achieved. There is no statutory deadline for the production of the strategy and minimal risk to the Council in delaying its production.
<p>Contract with the Community Benefit Society for Libraries and Archive Services</p> <p>Purpose of Report: This report asks the Cabinet to agree the heads of terms with Explore Libraries and Archive Mutual for operation of the Council's libraries and archive services.</p> <p>Members are asked to agree the heads of terms of the contract for operation of the service from 1 April, 2015.</p>	Charlie Croft	Cabinet Member for Leisure, Culture & Tourism	Nov 2013	Feb 2014	To fit in with the Community Benefit Society's Implementation Plan.



Cabinet

3 September 2013

Report of the Cabinet Member for Finance, Performance and Customer Services

2013-14 Finance Monitor 1

Purpose

1. The purpose of this report is to provide details of the headline financial performance issues for 2013-14, covering the period 1 April 2013 to 30 June 2013. The report assesses performance against budgets, progress of the council's savings programme, the council's revenue reserves and provides Members with an update on localisation of business rates.

Summary

- The council is identifying early financial pressures totalling £3,722k across all directorate budgets. This is a position that has occurred in some previous years.
- Extensive work is being carried out to ensure these pressures are mitigated by the end of the financial year to ensure that expenditure is contained within budget.

Overview

2. The council's net General Fund budget for 2013-14 is £127,778k.
3. Following on from the £11m savings programme in the 2012-13 budget, the 2013-14 budget required a further challenging £8,822k in savings in order to reach a balanced position. The forecasts outlined in this report reflect a prudent view of how that challenge is currently being met.
4. Early forecasts indicate that the council faces financial pressures of £3,722k. An overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below. The key pressures can be summarised in the following paragraphs.

5. Children's Services, Education & Skills – an increase above forecasts in the number of children under the care of the council further and the complexity of those cases contributes to the pressure.
6. City & Environmental Services – numerous issues across the Highways, Waste & Fleet service plan including reduced income and unachievable prior year savings.
7. Communities & Neighbourhoods – a number of pressures most notably unachievable prior year savings.
8. Health & Wellbeing - continued increasing demographic pressures in adult social care are causing significant issues.

Directorate	2013/14 Net Budget	2012/13 Outturn	Forecast Pressures
	£'000	£'000	£'000
Children's Services, Education & Skills	19,277	+295	+1,138
City & Environmental Services	11,581	+998	+523
Communities & Neighbourhoods	11,037	-137	+459
Customer & Business Support Services	15,626	-285	-
Health & Wellbeing	51,986	+2,083	+1,602
Office of the Chief Executive	3,007	-3	-
DIRECTORATE BUDGETS	112,514	+2,951	+3,722
Central Budgets	15,264	-3,035	-
GROSS BUDGET	127,778	-84	+3,722

Table 1: Finance Overview

9. Directorates are identifying strategies that will mitigate these pressures in order to contain expenditure within budget by the end of the financial year. As strategies are identified, the reported forecast will be amended accordingly in line with the council's stringent financial monitoring processes. This course of action has been successful in previous years.
10. It should be noted that a similar level of financial pressures were reported at Monitor 1 in 2012-13 and whilst the challenge of delivering the scale of savings and identifying one off mitigation strategies becomes considerably tougher, continued determination to control costs from teams across the

council should see an improved position as the financial year progresses. Corporate Management Team monitor the financial position of the council on a monthly basis and should the financial pressures not reduce sufficiently, or proposed mitigation strategies not deliver the improvement required, escalation of the issues will be raised by the Director of Customer & Business Support Services to Members outside of the standard reporting schedule. The next report before Cabinet will be the Monitor 2 report on 5 November 2013.

Directorate Financial Performance

11. The following sections provide further information on the financial outturn of each directorate as outlined in Table 1 above.

Children's Services, Education & Skills

12. The Children's Services, Education & Skills directorate is reporting early financial pressures of £1,138k, mainly due to unachieved savings.
13. Despite a reduction in the number of Looked After Children (LAC) and a reduction in expenditure of almost £1m compared to 2012-13, the underlying budget pressure from previous years and unachieved budget savings of £700k result in this forecast overspend.
14. The Children's Services Management Team are committed to containing expenditure within their budget for 2013-14 and are therefore exploring the following options to further mitigate the current overspend projection:
 - Review all high cost LAC and SEN placements with a view to negotiating lower rates with providers.
 - Review all 2014-15 savings proposals with a view to stretching and implementing as many as possible earlier in the 2013-14 financial year.
 - Explore the feasibility of increasing charges to the Dedicated Schools Grant.
 - Continue to review the business case, costs and charging arrangements of all services provided to schools.
 - Continue to hold recruitment to vacant posts wherever possible and safe to do so.

City & Environmental Services

15. The City & Environmental Services directorate is reporting financial pressures of £523k.

16. A number of pressures exist across the Highways, Waste & Fleet service plan (£948k). The major reason for the shortfall is due to delays in implementing the savings surrounding Waste Services (£405k). Significant savings relating to round rationalisation, changes to operations at Household Waste sites, changes to garden waste and new charges for replacement bins were agreed in the last budget. These have now either been implemented or in the process of implementation however later in the year than initially required. There also remains a shortfall in Commercial Waste income of £104k despite £100k growth in the 2013-14 budget. This is due to a reducing customer base as the Council is often priced higher than its competition. Savings from previous years (£227k), including those related to agency staff and terms and conditions, continue to cause a budget problem however the position has improved and work is ongoing to mitigate this further.
17. Elsewhere in the directorate, there is a £283k shortfall in Parking income, however this is offset by savings on the cost of Concessionary Fares passes.
18. In a change to previous years, where the economic downturn had a negative impact on income budgets, the development and building control services are not predicting any pressures at this time.
19. The directorate has to date identified £470k of mitigating actions including staff savings and usage of additional funding and income.

Communities & Neighbourhoods

20. The Communities & Neighbourhoods directorate is forecasting early financial pressures of £459k. Included in this sum is estimated redundancy costs of £329k incurred as a result of delivering savings primarily within Smarter York and Libraries service.
21. There remains a small level of prior year savings that require mitigating totalling £167k. Work is ongoing to reduce this level further.
22. The main areas of overspend are within Smarter York (£167k) due to redundancies (£65k) and delays in the delivery of savings (£70k). There is also a forecast overspend of £131k in Parking services of which £83k relates to a lower than required level of Penalty Charge Notices and £40k redundancies.
23. Underspends totalling £151k across Housing and Community Safety offset the pressures above which relate to higher than forecast income levels at

the Crematorium, Registrars service and underspends across housing services.

24. The Directorate is considering options as to how this overspend can be mitigated in order to bring spend back in line with budget.
25. The car park at Peel Street became a private sector responsibility from 15th May 2013. As a result the council loses the income and expenditure related to operating the car park. As these budgets are in separate Directorates it is necessary to vire the expenditure budget from Communities and Neighbourhoods (£100k) to offset the lost income within City and Environmental Services. Given the scale of the budget transfer this requires approval from Cabinet.

Customer & Business Support Services

26. The Customer & Business Support Services is currently projecting that it will outturn on budget. The directorate will continue to try and identify other underspends which could assist in mitigating the council wide position.

Health & Wellbeing

27. In Adult Social Services, demographic pressures continue to be evident in relation to demand for care, despite significant investment of £2.5m in the 2013-14 budget. At present, forecasted pressures include demographic pressures (£386k), a continued increase above forecast level in the number of customers taking up Direct Payments (£360k) and use of external placements for emergency and short term breaks (£243k).
28. A number of unachieved budget savings also contribute to the forecasted pressure including reablement (£300k), Elderly People's Homes reconfiguration (£175k) and the Night Care team (£113k).
29. A number of other minor pressures are offset by a significant forecasted underspend on External Residential Care (£434k) due to a lower number of required placements than anticipated.
30. The Public Health grant for 2013-14 is £6.641m and there is currently a forecast surplus of £458k. It is proposed that £250k of this will be used as mitigation against overspends in adult social care where there are elements that can be funded by the public health grant, particularly around prevention work. The remaining surplus is a contingency for continuing uncertainties around the transferred contracts from the PCT. In addition to this there is a general fund budget for public health of £826k which is primarily for sport and active leisure and some Drug and Alcohol Action

Team functions. No significant variations to this budget are currently expected.

31. The Adult Services Management Team are committed to containing expenditure within their budget for 2013-14 and are therefore exploring the following options to further mitigate the current overspend projection:
- Consider whether up to £500k of housing related expenditure within supported living and preventative services budgets can be charged to the Housing Revenue Account thereby generating a General Fund saving.
 - Undertake a thorough review of the most expensive care packages (top 200), with a view to exploring all options for delivery of the required care at a lower cost.
 - Review the level of, and secure additional, continuing health care contributions where appropriate.
 - Review all 2014-15 savings proposals with a view to stretching and implementing as many as possible earlier in the 2013-14 financial year.
 - Continue to hold recruitment to vacant posts wherever possible and safe to do so.

Office of the Chief Executive

32. The Office of the Chief Executive directorate is currently forecasting that it will contain expenditure within budget. As with CBSS, the directorate will continue to try and identify other under spends which could assist in mitigating the council wide position.

Corporate Budgets

33. These budgets include Treasury Management activity and other corporately held funds. At present, it is anticipated that there will be no variation to budget in these areas.

Dedicated Schools Grant

34. In the DSG area there are no variations to report against the budget of £115,300k.

Housing Revenue Account (HRA)

35. There is an estimated underspend in the HRA of £195k, which is due to number of variations across the service.

Localisation of Business Rates

36. 2013/14 is the first year of the new localised business rates system. Members are reminded that the council has:
- an individual business rates baseline of £45.1m (essentially its share of an income target),
 - a tariff to pay of £21.9m (due to the fact that the Government thinks the individual business rates baseline is more than we need) and therefore a baseline funding level of £23.2m.
 - to pay a levy of 49% on any growth above this baseline meaning only 25.5p in the pound is retained locally. As the council is in the Leeds City Region (LCR) rates pool, any levy will be paid to the pool rather than to the Government.
37. The council is currently prudently forecasting a nil variance against its baseline funding level. This is primarily due to uncertainty over prior year (pre system) ratings appeals that it is now responsible for. In terms of the LCR pool, other member authorities are also reporting similarly prudent positions to York.

Reserves

38. The February 2013 Budget Report to Council stated that the minimum level for the General Fund reserve should be £6.4m (or 5% of the net budget). As part of that report, it was also agreed that a total of £450k was added to the reserve to provide an appropriate and prudent level of headroom. The anticipated year end balance, assuming none is used during the year, is £6.8m.
39. Members have to be mindful that any overspend would have to be funded from this reserve reinforcing the need to contain expenditure within budget. Should this happen the Director of Customer & Business Support Services would have no option but to recommend to Council that the reserve is reinstated to at least its minimum required level which would have implications on future budget setting cycles.

Performance

40. As a result of the process of consolidating the performance function in the Council, an opportunity has arisen to introduce a new business planning cycle. This cycle will enable twice yearly performance reporting where for the first time, all performance data will be up to date. Currently some data can be a few weeks old. By being able to provide 'live' data, Cabinet and residents will be able to compare financial and performance data over exactly the same timeframe. In order to support the reporting of more

meaningful 'outcomes' a comprehensive review of indicators is also underway. The new performance reporting will be at the end of Quarter 2 and at Year End.

41. Two detailed summaries of performance have been presented in the last three months and the first new report will be issued in 3 months time. However, given the priority that Cabinet attach to supporting the city economy, there are some headlines reported here.
42. The city's economy remains increasingly competitive. The recent publication of the Municipal Journal and Local Futures' Inward Investment Guide to England put the city as one of the top five places for businesses to invest, and recent data shows that the proportion of workers employed in the private sector is increasing. They were at the lowest on record in 2010 at 66.8%, the latest data indicates this figure now stands at 73.2%. The last two years have seen a 5.1 percentage point increase in private sector employment, compared to regional and national figures of 1.1 and 1.6 respectively.
43. Latest figures show that employment is at 75.1% a fall of 0.8% over the quarter (Source: Annual Population Survey, April 2012 to March 2013). This data covers Q4, where an increase in unemployment is normal due to seasonal factors and also an increase in the economically inactive, where the number of people not wanting a job has increased. York's employment rate is ranked 8th out of 64 UK cities in Quarter 4.
44. Long term youth unemployment (16-24 year-olds) has seen a reduction in Quarter 1 to 0.3%, well below the national and regional figures (currently 0.9% and 1.4%).

Analysis

45. The analysis of the financial position of the council is included in the body of the report.

Consultation

46. There has been extensive consultation with Trade Union groups on the ongoing implications of the council's financial situation.

Council Plan

47. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan.

Implications

48. The implications are:

- Financial - the financial implications are dealt with in the body of the report.
- Human Resources - there are no specific human resource implications to this report.
- Equalities - there are no specific equality implications to this report, however equalities issues are accounted for at all stages of the financial planning and reporting process.
- Legal - there are no legal implications to this report.
- Crime and Disorder - there are no specific crime and disorder implications to this report.
- Information Technology - there are no information technology implications to this report.
- Property - there are no property implications to this report.
- Other - there are no other implications to this report.

Risk Management

49. The risk management processes embedded across the council continue to contribute to managing the risk issues associated with major projects and key areas of service delivery.

Recommendations

50. Members are asked to:

- a. Note the current projected pressures of £3,722k and note that strategies are being prepared to mitigate this position.
- b. Approve the virement of £100k between directorates as set out in paragraph 25 of the report.

Reason: In order to ensure expenditure is kept within budget.

Authors:	Cabinet Member and Chief Officer Responsible for the report:		
Debbie Mitchell Corporate Finance Manager Ext 4161 Andrew Crookham Principal Accountant Ext 2912	Cllr Dafydd Williams, Cabinet Member for Finance, Performance and Customer Services Ian Floyd Director of Customer & Business Support Services		
	Report Approved	√	Date 21 August 2013
Wards Affected: <i>All</i>			
<i>For further information please contact the authors of the report</i>			

Background Papers – None

Annexes - None



Cabinet

3 September 2013

Report of the Cabinet Member for Finance, Performance and Customer Services

CAPITAL PROGRAMME – MONITOR ONE 2013/14

Report Summary

1. The purpose of this report is to set out the projected capital programme outturn position for 2013/14 including any under/ over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. The 2013/14 capital programme approved by Council on 28 February 2013 and updated for amendments reported to Cabinet in the July outturn report is £75.7m, financed by £41.1m of external funding and internal funding of £34.6m.

Consultation

3. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 28 February 2013. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

4. An increase of £1.4 m is detailed in this monitor resulting in a revised capital programme of £77.1m. This net increase of £1.4m is made up of £1.392m external funding and £80k from HRA funds.
5. Table 1 outlines the variances reported against each portfolio area.

Directorate	Department	Current Approved Budget £m	Projected Outturn £m	Variance £m
ACE	Children's, Education and Skills	9.870	9.870	0.000
ACE	Adult Social Services	1.225	1.225	0.000
CES	Strategic Planning & Transport	20.858	20.864	0.006
CES	Community Stadium	1.850	1.850	0.000
CES	Economic Development	0.058	0.058	0.000
CANS	Housing & Public Protection	17.647	18.994	1.347
CANS	Communities, Culture & Public Realm	3.294	3.420	0.126
CANS	Highways, Waste & Fleet	4.660	4.654	(0.006)
CBSS	Asset Management	3.223	3.223	0.000
CBSS	Admin Accom	2.580	2.580	0.000
CBSS	IT Development Plan	0.983	0.983	0.000
CBSS	Contingency	0.676	0.676	0.000
CBSS	Economic Infrastructure Fund	8.787	8.787	0.000
	Total	75.711	77.184	1.473

Table 1 Capital Programme Forecast Outturn 2013/14

6. To the mid point in August there was £9.242m of capital spend representing 12% of the revised monitor 1 budget.

Analysis

7. A summary of the key exceptions and implications on the capital programme are highlighted below.

ACE - Education and Children's Services

8. There are no adjustments or re-profiling requests to the Education and Children's Service capital programme as a result of this monitor and the forecast spend remains at £9.673m.

ACE – Adult Social Services

9. There are no adjustments or re-profiling requests to the Adult Social Care capital programme as a result of this monitor and the forecast spend is £1.225m.

City & Environmental Services - Strategic Planning and Transport + Economic Development

10. There are no significant variances to report against current approved budget. The Strategic Planning and Transport capital programme is projected to outturn at £20.864m.
11. The Economic Development capital programme is projected to outturn at £58k on budget.

City & Environmental Services – Community Stadium

12. The Community Stadium Project is expected to outturn to budget at £1.850m.

CANS – Housing & Public Protection

Adjustments

13. A number of adjustments are proposed as part of this report all of which (with the exception of the property buy back programme are externally funded)
14. This monitor reflects the changes approved in relation to the New Council House Building – Phase 1 programme as reported to Cabinet on 7th May 2013 where the use of an additional £1m of commuted sums ring fenced for affordable housing was approved to allow the Council to pursue development of a number of sites within the Housing Revenue Account (HRA) to build between 50 and 70 new homes budgeted at £7m.

15. The Housing Grants & Associated investments programme is an addition to the programme of £385k in 13/14 with funding coming from the Department of Energy and Climate Change split £272k for fuel poverty and £113k for home appreciation/home safety loans.
16. The Disabled Facilities Grant scheme has been adjusted down by £0.153m in line with the forecast resources available from external government funding being reduced.
17. The Contaminated Land scheme has received £35k of external grant funding from the Environment Agency to complete contaminated land investigations on land at Foxwood and shows an addition at this monitor.
18. It is proposed as part of this monitor to add a new scheme HRA Property Buy Back to reflect the obligation for a small number of HRA leasehold properties that the HRA, under specific circumstances, has to buy back the lease. This will result in an addition of £80k in 13/14, £75k in 14/15 and £50k per annum for 15/16 and 16/17. Subject to approval the scheme will be funded from HRA balances.
19. The overall Housing and Public Protection programme is forecast to spend £18.994m in 13/14

CANS – Communities, Culture and Public Realm

Adjustments

20. The Parks and Open Spaces programme plans are sufficiently progressed and is expected to spend at a level of £120k in 13/14 showing as an addition to the programme at Monitor 1. The £120k will be funded entirely from S106 contributions and is in relation to the Bustardthorpe and Knavesmire protected playing fields programme.
21. The Communities, Culture and Public Realm programme is projecting an outturn of £3.420m.

CANS – Highways, Waste & Fleet

22. There are no significant variances to report at Monitor 1 in relation to the Highways, Waste and Fleet capital programme. The programme is currently projecting a 13/14 spend of £4.654m

CBSS - Administrative Accommodation

23. No changes to the projected spend are proposed at this monitor with in year spend budgeted at £2.580m. This amount relates to final payments to the developer to settle the account. The West Offices project is still expected to be within the overall budget of £43.804m. It is currently expected that the project as a whole will be under spent by approximately £50k and this will be confirmed through further monitoring reports.

CBSS – Asset Management / IT Development Plan / Miscellaneous / Economic Infrastructure Fund (EIF)

24. For these further areas listed above, included under CBSS, there are no expected variances to report from budget.

Summary

25. As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 2.

Gross Capital Programme	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
Current Programme						
<u>Adjustments :</u>						
ACE - Children's Education & Skills	9.870	5.362	5.125	5.125	5.125	30.607
ACE – Adult Services	1.225	0.515	0.525	0.400	0.400	3.065
CANS – Culture, Leisure & Public Realm	3.420	0.906	0.000	0.000	0.000	4.326
CANS – Highways, Fleet & Waste	4.654	3.637	3.397	2.934	2.693	17.261
CANS – Housing & Community Safety	18.994	9.719	10.019	9.982	10.921	59.635
CES – Strategic Planning & Transport	20.864	3.844	2.713	2.713	2.713	32.847

CES - Community Stadium	1.850	9.050	7.679	0.000	0.000	18.579
CES - (Economic Development)	0.058	0.000	0.000	0.000	0.000	0.058
CBSS – Asset Management	3.223	0.400	0.320	0.100	0.100	4.143
CBSS - IT Development Plan	0.983	0.750	0.750	0.750	0.750	3.983
CBSS – Administration Accommodation	2.580	0.000	0.000	0.000	0.000	2.580
Miscellaneous (Contingency etc)	0.676	0.000	0.000	0.000	0.000	0.676
Economic Infrastructure Fund	8.787	7.071	6.800	5.800	0.000	28.548
Revised Programme	77.184	41.254	37.328	27.804	22.648	206.218

Table 2 Revised 5 Year Capital Programme

Funding the 2013/14 – 2017/18 Capital Programme

26. The 2013/14 capital programme of £77.184m is currently being funded from £42.460m external funding and £34.724m of internal funding.

The internal funding is comprised of revenue contributions, revenue reserves, prudential borrowing, right to buy housing capital receipts and general capital receipts.

27. Table 3 shows the projected call on Council resources going forward.

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	77.184	41.254	37.328	27.804	22.648	206.218
Funded by:						
External Funding	42.460	24.817	24.537	17.556	16.242	125.613
Council Controlled Resources	34.724	16.436	12.791	10.248	6.406	80.605
Total Funding	77.184	41.254	37.328	27.804	22.648	206.218

Table 3 – 2013/14 –2017/18 Capital Programme Financing

28. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over how it chooses to apply them, these include Right to Buy receipts, Revenue Contributions, Supported (government awarded) Borrowing, Prudential (Council funded) Borrowing, Reserves (including Venture Fund) and Capital Receipts.
29. It should be recognised that capital receipts which form part of the Council Controlled Resources should be considered at risk of not being realised within set time frames and to estimated values until the receipt is received. The capital programme is predicated on a small number of large capital receipts, which if not achieved would cause significant funding pressures for the programme. The Director of Customer and Business Support closely monitors the overall funding position to ensure that over the full duration of the capital programme it remains balanced, any issues with regard to financing will be reported as part of the standard reporting cycle to the Cabinet.

Council Plan

30. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that contribute toward the achievement of the Council Plan. The Capital Asset Board (CAB) meet monthly to ensure the capital programme targets the Councils Plan. The capital programme addresses all 5 priorities of the Council Plan due to its varied and numerous schemes as shown in the main body of the report.

Implications

Financial Implications

31. The financial implications are considered in the main body of the report.

Human Resources Implications

32. There are no HR implications as a result of this report

Equalities Implications

33. There are no equalities implications as a result of this report

Legal Implications

34. There are no legal implications as a result of this report

Crime and Disorder

35. There are no crime and disorder implications as a result of this report

Information Technology

36. There are no information technology implications as a result of this report

Property

37. The property implications of this paper are included in the main body of the report.

Risk Management

38. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB) meets regularly to plan monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

Recommendations

39. The Cabinet is requested to:

- Recommend to Full Council the adjustments in the Capital programme of an increase of £1.473m in 2013/14 as detailed in the report and contained in Annex A.
- Note the 2013/14 revised budget of £77.184m as set out in paragraph 6 and Table 1.
- Note the restated capital programme for 2013/14 – 2017/18 as set out in paragraph 28, Table 2 and detailed in Annex A.
- Recommend to Full Council approval of the following Housing & Public Protection schemes:
 - (i) The allocation of £385k of external grants for Housing Grants & Associated investments programme

- (ii) The use of £255k of housing balances to fund the HRA Property Buy Back scheme
- (iii) Note the removal of £153k of grant resulting in a reduction of the Disabled Facilities Grant programme of works

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

Contact Details

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
Ross Brown Principal Accountant Ext 1207	Cllr Dafydd Williams, Cabinet Member for Finance, Performance and Customer Services		
Debbie Mitchell Corporate Finance Manager Ext 4161	Ian Floyd Director of Customer & Business Support Services		
	Tracey Carter Assistant Director of Finance, Asset Management and Procurement		
	Report Approved	√	Date 21/08/13
Wards Affected: All			
<i>For further information please contact the authors of the report</i>			

Specialist Implications:
<i>Legal – Not Applicable</i>
<i>Property – Philip Callow</i> Head of Asset and Property Management Extension - 3362
<i>Information Technology – Not Applicable</i>

Background Papers:

Budget Control 2013/14 Mon 1

Annexes

Annex A –Capital Programme 2013/14 to 2017/18

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	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2013/14 Revised Budget £000	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2014/15 Revised Budget £000
ACE - Children's, Education and Skills						
NDS Devolved Capital			475			475
- External Funding	0	0	475	0	0	475
-Internal Funding	0	0	0	0	0	0
Targeted Capital Fund 14-19 Diploma			0			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0
DfE Maintenance			3,370			2,553
- External Funding	0	0	3,370	0	0	2,553
-Internal Funding	0	0	0	0	0	0
Schools Access Initiative			2			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	2	0	0	0
Applefields School - Co Location			28			0
- External Funding	0	0	28	0	0	0
-Internal Funding	0	0	0	0	0	0
Basic Need			4,409			2,334
- External Funding	0	0	4,409	0	0	2,334
-Internal Funding	0	0	0	0	0	0
MUGA at Burnholme School			5			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	5	0	0	0
Looked After Childrens Contact Centre			231			0
- External Funding	0	0	41	0	0	0
-Internal Funding	0	0	190	0	0	0
Kavemire Expansion			1,338			0
- External Funding	0	0	1,338	0	0	0
-Internal Funding	0	0	0	0	0	0
Aiming High for Disabled Children			12			0
- External Funding	0	0	12	0	0	0
-Internal Funding	0	0	0	0	0	0
TOTAL GROSS EXPENDITURE	0	0	9,870	0	0	5,362
TOTAL EXTERNAL FUNDING	0	0	9,673	0	0	5,362
TOTAL INTERNAL FUNDING	0	0	197	0	0	0
ACE - Adult Services						
Joint Equipment Store			125			105
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	125	0	0	105
Disabled Support Grant			150			160
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	150	0	0	160
Telecare Equipment			250			250
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	250	0	0	250
Health and Safety Works at Social Services Establishments			52			0
- External Funding	0	0	52	0	0	0
-Internal Funding	0	0	0	0	0	0
Adult Services Community Space			87			0
- External Funding	0	0	87	0	0	0
-Internal Funding	0	0	0	0	0	0
EPH Infrastructure Works			561			0
- External Funding	0	0	561	0	0	0
-Internal Funding	0	0	0	0	0	0
Adult Social Care IT			0			0
- External Funding	0	0	0	0	0	0

	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2013/14 Revised Budget £000	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2014/15 Revised Budget £000
-Internal Funding	0	0	0	0	0	0
TOTAL GROSS EXPENDITURE	0	0	1,225	0	0	515
TOTAL EXTERNAL FUNDING	0	0	700	0	0	0
TOTAL INTERNAL FUNDING	0	0	525	0	0	515
CANS - Communities, Culture and Public Realm						
Milfield Lane Comm Sports Centre			380			0
- External Funding	0	0	10	0	0	0
-Internal Funding	0	0	370	0	0	0
York Explore Phase 2			1,487			506
- External Funding	0	0	1,068	0	0	506
-Internal Funding	0	0	419	0	0	0
Barbican Auditorium			17			0
- External Funding	0	0	17	0	0	0
-Internal Funding	0	0	0	0	0	0
Energise Gym Expansion			30			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	30	0	0	0
Closed Cycle Circuit - York Sports Village			200			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	200	0	0	0
City Art Gallery Refurb and Extension			250			250
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	250	0	0	250
Parks and Open Spaces Development	120		120			0
- External Funding	120	0	120	0	0	0
-Internal Funding	0	0	0	0	0	0
Little Knavesmire Pavillion			350			150
- External Funding	0	0	350	0	0	50
-Internal Funding	0	0	0	0	0	100
York Explore - Flooring			80			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	80	0	0	0
York Theatre Royal			500			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	500	0	0	0
City Centre Damaged Bins Replacement	6		6			0
- External Funding	0	0	0	0	0	0
-Internal Funding	6	0	6	0	0	0
TOTAL GROSS EXPENDITURE	126	0	3,420	0	0	906
TOTAL EXTERNAL FUNDING	120	0	1,565	0	0	556
TOTAL INTERNAL FUNDING	6	0	1,855	0	0	350
CES - Highways, Fleet and Waste						
Highway Resurfacing & Reconstruction (Struct Maint)			2,874			2,607
- External Funding	0	0	2,224	0	0	1,857
-Internal Funding	0	0	650	0	0	750
Special Bridge Maintenance (Struct maint)			400			200
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	400	0	0	200
Replacement of Unsound Lighting Columns			0			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0
Carbon Reduction in Street Lighting			200			200
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	200	0	0	200
City Centre Damaged Bins Replacement	-6		0			0

	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2013/14 Revised Budget £000	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2014/15 Revised Budget £000
- External Funding	0	0	0	0	0	0
-Internal Funding	-6	0	0	0	0	0
Fleet Vehicles			980			430
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	980	0	0	430
Highways Drainage Works			200			200
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	200	0	0	200
TOTAL GROSS EXPENDITURE	-6	0	4,654	0	0	3,637
TOTAL EXTERNAL FUNDING	0	0	2,224	0	0	1,857
TOTAL INTERNAL FUNDING	-6	0	2,430	0	0	1,780
CANS - Housing & Community Safety						
Modernisation of Local Authority Homes			2,383			1,558
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	2,383	0	0	1,558
Assistance to Older & Disabled People			483			400
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	483	0	0	400
MRA Schemes			4,368			4,287
- External Funding	0	0	4,368	0	0	4,287
-Internal Funding	0	0	0	0	0	0
Local Authority Homes	1,000		7,066			0
- External Funding	1,000	0	1,001	0	0	0
-Internal Funding	0	0	6,072	0	0	0
Water Mains Upgrade			0			1,099
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	1,099
Building Insulation Programme			1,470			1,000
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	1,470	0	0	1,000
Disabled Facilities Grant (Gfund)	-153		922			1,125
- External Funding	-153	0	447	0	0	650
-Internal Funding	0	0	475	0	0	475
Air Quality Monitoring (Gfund)			240			0
- External Funding	0	0	240	0	0	0
-Internal Funding	0	0	0	0	0	0
Crematorium (Gfund)			170			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	170	0	0	0
Travellers Site Improvements (Gfund)			42			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	42	0	0	0
Loft Conversions			1,000			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	1,000	0	0	0
IT Infrastructure			150			75
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	150	0	0	75
Empty Homes (Gfund)			200			100
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	200	0	0	100
Howe Hill Homeless Hostel (Gfund)			0			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0
Property Buy Back	80		80	75		75
- External Funding	0	0	0	0	0	0
-Internal Funding	80	0	80	75	0	75

	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2013/14 Revised Budget £000	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2014/15 Revised Budget £000
Housing Grants & Associated Investment (Gfund)	385		385			0
- External Funding	385	0	385	0	0	0
-Internal Funding	0	0	0	0	0	0
Contaminated Land (Gfund)	35		35			0
- External Funding	35	0	35	0	0	0
-Internal Funding	0	0	0	0	0	0
TOTAL GROSS EXPENDITURE	1,347	0	18,994	75	0	9,719
TOTAL EXTERNAL FUNDING	1,267	0	6,476	0	0	4,937
TOTAL INTERNAL FUNDING	80	0	12,525	75	0	4,782
CES - Strategic Planning & Transport						
Better Bus Area Fund			1,505			0
- External Funding	0	0	1,505	0	0	0
-Internal Funding			0			0
Local Transport Plan (LTP)			3,007			2,432
- External Funding	0	0	2,020	0	0	2,432
-Internal Funding	0	0	987	0	0	0
York City Walls - Repairs & Renewals (City Walls)	1		324			90
- External Funding	0	0	0	0	0	0
-Internal Funding	1	0	324	0	0	90
Access York	5		15,272			1,322
- External Funding	5	0	15,169	0	0	373
-Internal Funding	-1	0	103	0	0	948
Minster Piazza			250			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	250	0	0	0
Leeman Road Flood Defences			356			0
- External Funding	0	0	0	0	0	0
Corporate Capital Receipt (PB)			0			0
-Internal Funding	0	0	356	0	0	0
Alley Gating			50			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	50	0	0	0
Pay on Exit Car Parking Pilot			100			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	100	0	0	0
TOTAL GROSS EXPENDITURE	6	0	20,864	0	0	3,844
TOTAL EXTERNAL FUNDING	5	0	18,694	0	0	2,805
TOTAL INTERNAL FUNDING	0	0	2,170	0	0	1,038
CES - Community Stadium						
Community Stadium			1,850			9,050
- External Funding	0	0	0	0	0	7,500
-Internal Funding	0	0	1,850	0	0	1,550
TOTAL GROSS EXPENDITURE	0	0	1,850	0	0	9,050
TOTAL EXTERNAL FUNDING	0	0	0	0	0	7,500
TOTAL INTERNAL FUNDING	0	0	1,850	0	0	1,550
CES - Economic Development						
Small Business Workshops			58			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	58	0	0	0
TOTAL GROSS EXPENDITURE	0	0	58	0	0	0
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	0	58	0	0	0
CBSS - Asset Management						

	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2013/14 Revised Budget £000	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2014/15 Revised Budget £000
Works at Hungate Land Site			3			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	3	0	0	0
EcoDepot Security Gate / Reception			207			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	207	0	0	0
Property Key Components (H&S)			0			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0
Health & Safety / DDA			0			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0
Fire Safety Regulations - Adaptations			108			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	108	0	0	0
Removal of Asbestos			132			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	132	0	0	0
Hungate / Peasholme Relocation			20			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	20	0	0	0
Property Compliance (Asbestos and Fire regs)			0			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	0	0	0	0
Riverbank Repairs - Scarborough to Clifton Bridge			290			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	290	0	0	0
Riverbank Repairs – Blue Bridge Slipway			51			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	51	0	0	0
Riverbank Repairs – Marygate			573			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	573	0	0	0
Photovoltaic Energy Programme			146			100
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	146	0	0	100
Parliament Street Toilet Demolition			7			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	7	0	0	0
29 Castlegate Repairs			33			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	33	0	0	0
Decent Home Standards Works			27			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	27	0	0	0
Fishergate Postern			53			0
- External Funding	0	0	35	0	0	0
-Internal Funding	0	0	18	0	0	0
Holgate Park Land – York Central Land and Clearance			397			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	397	0	0	0
Hazel Court - Office of the Future Improvements			270			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	270	0	0	0
Asset Maintenance			100			100
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	100	0	0	100

	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2013/14 Revised Budget £000	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2014/15 Revised Budget £000
Community Asset Transfer			175			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	175	0	0	0
River Bank repairs			200			200
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	200	0	0	200
Critical Repairs and Contingency			431			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	431	0	0	0
TOTAL GROSS EXPENDITURE	0	0	3,223	0	0	400
TOTAL EXTERNAL FUNDING	0	0	35	0	0	0
TOTAL INTERNAL FUNDING	0	0	3,188	0	0	400
CBSS - IT equipment						
IT Equipment			983			750
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	983	0	0	750
TOTAL GROSS EXPENDITURE	0	0	983	0	0	750
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	0	983	0	0	750
CBSS - West Offices (Admin Accomodation)						
West Offices - Admin Accom			2,580			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	2,580	0	0	0
TOTAL GROSS EXPENDITURE	0	0	2,580	0	0	0
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	0	2,580	0	0	0
Capital Contingency						
Capital Contingency			676			0
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	676	0	0	0
TOTAL GROSS EXPENDITURE	0	0	676	0	0	0
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	0	676	0	0	0
Economic Infrastructure Fund						
Access York Phase 1			3,050			200
- External Funding	0	0	83	0	0	0
-Internal Funding	0	0	2,687	0	0	347
Better Bus Fund			1,052			418
- External Funding	0	0	0	0	0	0
-Internal Funding	0	0	770	0	0	0
Re-Invigorate York			1,758			1,200
- External Funding	0	0	90	0	0	0
-Internal Funding	0	0	1,210	0	0	1,200
EIF central fund			2,927			5,253
- External Funding	0	0	2,927	0	0	1,800
-Internal Funding	0	0	0	0	0	3,453
TOTAL GROSS EXPENDITURE	0	0	8,787	0	0	7,071
TOTAL EXTERNAL FUNDING	0	0	3,100	0	0	1,800
TOTAL INTERNAL FUNDING	0	0	5,687	0	0	5,271
Gross Expenditure by Department						
ACE - Children's, Education and Skills	0	0	9,870	0	0	5,362

	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2013/14 Revised Budget £000	2013/14 Mon 1 Adj £000	2013/14 Mon 1 Reprofile £000	2014/15 Revised Budget £000
ACE - Adult Services	0	0	1,225	0	0	515
CANS - Communities, Culture and Public Realm	126	0	3,420	0	0	906
CES - Highways, Fleet and Waste	-6	0	4,654	0	0	3,637
CANS - Housing & Community Safety	1,347	0	18,994	75	0	9,719
CES - Strategic Planning & Transport	6	0	20,864	0	0	3,844
CES - Community Stadium	0	0	1,850	0	0	9,050
CES - Economic Development	0	0	58	0	0	0
CBSS - Asset Management	0	0	3,223	0	0	400
CBSS - IT equipment	0	0	983	0	0	750
CBSS - West Offices (Admin Accomodation)	0	0	2,580	0	0	0
Capital Contingency	0	0	676	0	0	0
Economic Infrastructure Fund	0	0	8,787	0	0	7,071
Total by Department	1,473	0	77,184	75	0	41,254
Total External Funds by Department						
ACE - Children's, Education and Skills	0	0	9,673	0	0	5,362
ACE - Adult Services	0	0	700	0	0	0
CANS - Communities, Culture and Public Realm	120	0	1,565	0	0	556
CES - Highways, Fleet and Waste	0	0	2,224	0	0	1,857
CANS - Housing & Community Safety	1,267	0	6,476	0	0	4,937
CES - Strategic Planning & Transport	5	0	18,694	0	0	2,805
CES - Community Stadium	0	0	0	0	0	7,500
CES - Economic Development	0	0	0	0	0	0
CBSS - Asset Management	0	0	35	0	0	0
CBSS - IT equipment	0	0	0	0	0	0
CBSS - West Offices (Admin Accomodation)	0	0	0	0	0	0
Capital Contingency	0	0	0	0	0	0
Economic Infrastructure Fund	0	0	3,100	0	0	1,800
Total External Funds by Department	1,392	0	42,467	0	0	24,817
Total CYC Funding required by Department						
ACE - Children's, Education and Skills	0	0	197	0	0	0
ACE - Adult Services	0	0	525	0	0	515
CANS - Communities, Culture and Public Realm	6	0	1,855	0	0	350
CES - Highways, Fleet and Waste	-6	0	2,430	0	0	1,780
CANS - Housing & Community Safety	80	0	12,525	75	0	4,782
CES - Strategic Planning & Transport	0	0	2,170	0	0	1,038
CES - Community Stadium	0	0	1,850	0	0	1,550
CES - Economic Development	0	0	58	0	0	0
CBSS - Asset Management	0	0	3,188	0	0	400
CBSS - IT equipment	0	0	983	0	0	750
CBSS - West Offices (Admin Accomodation)	0	0	2,580	0	0	0
Capital Contingency	0	0	676	0	0	0
Economic Infrastructure Fund	0	0	5,687	0	0	5,271
Total CYC Funding required	80	0	34,724	75	0	16,436
TOTAL GROSS EXPENDITURE	1,473	0	77,184	75	0	41,254
TOTAL EXTERNAL FUNDING	1,392	0	42,467	0	0	24,817
TOTAL INTERNAL FUNDING	80	0	34,724	75	0	16,436

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Cabinet**3 September 2013****Report of the Leader of the Cabinet****Closer working with Leeds Bradford International Airport****Executive Summary**

1. This report proposes promotional activity to be undertaken at the Leeds Bradford International Airport (LBIA) as part of the city's efforts to maximise the city's access to international markets.
2. The proposed campaign would see approximately £10K for the development of a campaign for the promotion of the City of York as a destination to visit, do business, live and study. A further £75K per annum over four years would then be allocated to the roll out of this campaign, initially at Leeds Bradford Airport, with an initial 12 month contract that, depending on the results of the monitoring and evaluation of the initial campaign, could be renewed on a rolling basis. It is proposed that the funding come from the Economic Infrastructure Fund (EIF), and a business case is attached to this report.
3. In order to kickstart this campaign, the Council will provide the funding for the first year of the campaign from EIF, but it will seek contributions from partner organisations across the city for future years of the campaign should, on reviewing the outputs of the campaign, the Council seeks to renew this campaign in future years.

Background

4. As set out in the ***York Economic Strategy, 2011-15***, the city has agreed ambitious economic growth targets of becoming a top 5 UK city and top 10 European city by 2015. Within this strategy, there is an objective for the city to become more international and enterprising, and in the process, the Council has been facilitating the delivery of a strategy to "internationalise" the city – i.e.

developing better connectivity to and generate greater value from international markets.

5. In the interest of facilitating greater international market connectivity and awareness of the York offer, the Council's economic development and transport teams are working closely with the Leeds Bradford International Airport on the development of its strategic masterplan for the future, and are seeking to make maximum use of the Airport as a regional hub for international connectivity – facilitating greater trade between York and international markets, and equally encouraging greater interest from international markets in the York offer – for visitors, business, residents and students.
6. The Airport is currently undergoing a significant refurbishment, which is offering significant advertising opportunities for interested partners. Given the city's support of the Airport's recent development and its interest in working with the Airport on its internationalisation strategy, the Airports Commercial Team have offered a discounted package to the city of York for promotion of the city in key spaces around the terminal, arrivals and departures halls and lounges in the LBIA.
7. The Council is working with partners currently to improve access from York to the Airport, and as part of this it is looking at how it can facilitate the introduction of transport options potentially via a bus link, although conversations have been delayed while the Council develops a more viable approach with which to engage the private sector in these opportunities.

The proposal

8. The proposal is to invest c. £10K in the design of a campaign, and c. £75K per annum for initially one year with the option of renewing that campaign on a rolling 12 month campaign.
9. Given the close working relationship of the Council to the Airport, there is mutual benefit to the campaign and thus the city is being offered a package that provides very good value for money. However, such a campaign could be rolled out with the option of considering further airport options in due course.

10. The **primary target audience** for the campaign is inbound passengers – both leisure and business, and our **primary target airlines would be** British Airways (particularly the London link flights but also other flights); Monarch and Ryanair.
11. The mechanism for generating interest via these target markets will be a strategically targeted campaign designed to build perceptions of the city as not only a great place to visit for history and heritage (for which the city is most widely known), but as a great place to visit for a wider audience as well as to invest as a business and student.
12. Specifically, the campaign will aim to attract:
 - Leisure visitors – particularly those of younger and more diverse backgrounds
 - Business visitors
 - Inward investors
 - Students
13. To develop the design concept, the proposal is to invest up to £10K in the design of a campaign that will showcase the city as a dynamic modern but historic and unique city, with much to offer the visitor, business, student and potential resident market.
14. The campaign will then be rolled out at a cost of £75K per annum for a package of sites offered by Leeds Bradford Airport. With over 450 flights per week, LBIA will offer the city the opportunity to advertise to a market of 2.7 million passengers a year, from a total of 75 destinations, including cities in over 25 international countries.
15. The package offered includes:
 - One (1) strategically positioned light box in International Arrivals
 - A large section of International Arrivals corridor prior to Immigration
 - Banner on the wall at top of stairs on entering the International Arrivals corridor
 - The British Airways Baggage Belt 4 (A frame and 2 floor to ceiling wall vinyls)
 - 100 Airport luggage trolleys (200 sides)

16. The proposal will be for a 12-month initial contract with LBIA with an option of renewing at the end of this period for a further 12 months.
17. The targets that the campaign will seek to achieve are as set out below:
 - An increase in leisure and business visitor inquiries via Visit York and other official agencies promoting the city
 - An increase in inward investment inquiries via CYC and other official agencies promoting the city as a destination to do business
 - Increased awareness of the York offer with the international passengers arriving through LBIA
 - An increase in student enquiries at the city's Universities and Colleges
18. In order to measure these indicators, the Council will use existing monitor/evaluation methods where possible, but is looking into the potential of an onward visitor survey as part of the package that may be rolled out alongside the campaign, pending cost/resource required.
19. The proposal would be the first step in exploring further potential packages of activity. The Council and Visit York are working together to explore potential editorial content for in-flight magazines on the city, and there is the potential for in-flight videos on landing into LBIA (similar to a recent campaign rolled out by Liverpool on flights into Liverpool John Lennon Airport. Further potential options include closer working between Visit York and online ticket booking operators to link in offers for visitors to York.

Council Plan

20. The proposals will directly contribute to the delivery of the Council Plan Priority to Create Jobs Grow the Economy, through generation of greater trade activity expected from the campaign, both for local tourism business and for business investment in the city more widely.

Implications

Financial

21. The Council has already committed to investment in the EIF from which funding for this project is to be derived.

Human Resources

22. There are no human resources implications arising from this report.

Equalities

23. There are no equalities implications arising from this report.

Legal

24. There are no legal implications arising from this report.

Crime and disorder

25. There are no crime and disorder implications arising from this report.

Information Technology

26. There are no information technology implications arising from this report.

Property

27. There are no property implications arising from this report

Other

28. There are no other implications arising from this report.

Risk Management

29. The risks associated with this report are similar to those of any marketing or promotional spend – that the results anticipated do not materialise to the extent predicted.
30. Two measures are in place to mitigate this risk: (a) the design of the concept will be minimised to the greatest extent possible – via the limitation of the design budget to no more than £10K; and (b) the adoption of an initial £75K contract – which at the end of the first 12 months will enable CYC and Visit York to measure the impact from the campaign before the Council agrees any extension to the campaign.

31. Recommendations

Members are recommended to agree an EIF bid of £85K for the promotional activity set out above with Leeds Bradford International Airport.

Reason: To maximize access to international markets and meet the city's ambitions of being a top 5 UK city and top 10 European city by 2015.

Author:	Cabinet Member and Chief Officer Responsible for the report:		
Katie Stewart Head of Economic Development (01904) 554418 katie.stewart@york.gov.uk	Cllr James Alexander, Cabinet Leader Kersten England Chief Executive (01904) 55 2000 kersten.england@york.gov.uk		
	Report Approved	√	Date 21 August 2013
Wards Affected: All			
For further information please contact the authors of the report			

For further information please contact the author of the report

Annexes

Annexe A – EIF Business Case: Closer Working with LBIA

Background papers

None

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Annex A

EIF Business Case: Closer working with LBIA

EIF Ambition (*i.e. Sustainable Economy; Digital York; Reinvigorate York; Get York Moving; Economic Inclusion*):

Create Jobs, Grow the Economy

Proposal Summary: Outline the proposal for investment from the Economic Infrastructure Fund. Please outline the intended investment and the economic growth and employment benefits that this will provide.

Proposal summary (up to 2 sides A4)**Background**

In the interest of facilitating greater international market connectivity and awareness of the York offer, the Council's economic development and transport teams are working closely with the Leeds Bradford International Airport on the development of its strategic masterplan for the future, and are seeking to make maximum use of the Airport as a regional hub for international connectivity – facilitating greater trade between York and international markets, and equally encouraging greater interest from international markets in the York offer – for visitors, business, residents and students.

The Airport is currently undergoing a significant refurbishment, which is offering significant advertising opportunities for interested partners. Given the city's support of the Airport's recent development and its interest in working with the Airport on its internationalisation strategy, the Airports Commercial Team have offered a discounted package to the City of York for promotion of the city in key spaces around the terminal, arrivals and departures halls and lounges in the LBIA.

Strategic Need

The strategic need is defined by the York Economic Strategy as the need to enhance the city's attraction of investment from as wide a market as possible – hence the city's drive to internationalisation.

Strategic Fit

The project is a strong fit with Council Plan Priority 1: Create Jobs, Grow the Economy, and by extension, the city's York Economic Strategy Ambition 5: Coordinated attraction of investment to the city. By providing a coherent and comprehensive message to international audiences, the project will enable the city to reach a greater set of audiences and thus attract a greater number of visitors, businesses and students to the city.

Proposal

The proposal is to invest c. £10K in the design of a campaign, and c. £75K per annum for initially one year with the option of renewing that campaign on a rolling 12 month campaign.

Given the close working relationship of the Council to the Airport, there is mutual benefit to the campaign and thus the city is being offered a package that provides very good value for money. However, such a campaign could be rolled out with the option of considering further airport options in due course.

The **primary target audience** for the campaign is inbound passengers – both leisure and business, and our **primary target airlines would be** British Airways (particularly the London link flights but also other flights); Monarch and Ryanair.

The mechanism for generating interest via these target markets will be a strategically targeted campaign designed to build perceptions of the city as not only a great place to visit for history and heritage (for which the city is most widely known), but as a great place to visit for a wider audience as well as to invest as a business and student.

Specifically, the campaign will aim to attract:

- Leisure visitors – particularly those of younger and more diverse backgrounds
- Business visitors
- Inward investors
- Students

To develop the design concept, the proposal is to invest up to £10K in the design of a campaign that will showcase the city as a

dynamic modern but historic and unique city, with much to offer the visitor, business, student and potential resident market.

The campaign will then be rolled out at a cost of £75K per annum for a package of sites offered by Leeds Bradford Airport. With over 450 flights per week, LBIA will offer the city the opportunity to advertise to a market of 2.7 million passengers a year, from a total of 75 destinations, including cities in over 25 international countries.

The package offered includes:

- One (1) strategically positioned light box in International Arrivals
- A large section of International Arrivals corridor prior to Immigration
- Banner on the wall at top of stairs on entering the International Arrivals corridor
- The British Airways Baggage Belt 4 (A frame and 2 floor to ceiling wall vinyls)
- 100 Airport luggage trolleys (200 sides)

The proposal will be for a 12 month initial contract with LBIA with an option of renewing at the end of this period for a further 12 months.

Outcomes/outputs: Outline the proposed outcomes and outputs, detailing contribution to CYC economic, social and environmental targets.

Outcomes

- Increased awareness of the York offer with the international passengers arriving through LBIA
- A 10% increase in leisure and business visitor inquiries via Visit York and other official agencies promoting the city
- A 5% increase in inward investment inquiries via CYC and other official agencies promoting the city as a destination to do business
- A 10% increase in student enquiries at the University of York and York St. John University as well as York College and Askham Bryan College

<i>Contribution to economic targets</i>	
Direct Economic Growth	Primary impacts are indirect – see below
Indirect Economic Growth	Increased footfall via York's visitor economy will have indirect supply chain impacts; contribution to increased business investment could have direct impact on GVA generated in the city
Direct jobs created	Primary jobs impacts are indirect – see below
Indirect jobs created	Supply chain impacts and business investment has the potential to generate local jobs.
<i>Contribution to social targets</i>	
By providing a boost to the city's attraction of visitors and potential investment, the city is increasing its chances of providing a greater supply of jobs to enable the city to achieve fuller employment.	
<i>Contribution to environmental targets</i>	
Any attraction of new visitors to the city will see income generated by the city's historic and newer attractions, which in turn will help in the upkeep of the city's environment. The city will need to continue to work with providers to then identify options for public transport for connecting the Airport to the city – options, which when in place, can be promoted through this campaign.	

Timetable: Outline the proposed project timetable for the investment, including key milestones in the development, implementation and return stages.

Timetable
September 2013 – Design commissioned October 2013 – Installation of campaign at Airport March 2014 – Initial monitoring and evaluation report June 2014 – Second stage monitoring and evaluation report August 2014 - Cabinet decides on whether to renew contract

Financial Projection: Clarify the level of investment required along with the budget, per year, for the life of the proposal. Additional investment and income forecasts should be detailed, along with the amount of the investment that will be returned to the Fund.

Financial Projection	
Investment sought	£85K
Additional investments/income/funding	In kind support from partners
Recycled return on investment if any	
The intention is to generate greater footfall and investment in the city's economy – visitor, business and student markets – which if successful, will generate increased supply chain impacts, and thus an indirect increase in business rates – providing an indirect recycling of investment.	

Options: Outline the options explored and indicate the preferred option and how it was decided.

Options
<p>Option 1: Status Quo By not undertaking this opportunity and maintaining the status quo, the city will save the initial investment required and minimise the impact on resources for the Council and partners involved. However, the city also stands to lose out on the potential GVA and supply chain impacts of increased footfall projected by the project.</p>
<p>Option 2: Investing in a one year, targeted campaign at LBIA The option presented in the report is the targeted campaign at LBIA. Given that there are other airports and ports of international travel with which the city could explore marketing, the opportunity to test the model at a relatively modest cost is only being made available by LBIA given the strategic relationship between the airport and CYC geographically.</p>
<p>Option 3: Investing in a campaign at another airport or port, or multiple ports The ideal option would be to market the city at a full range of ports identified by target international markets, but the option is far too costly to justify the investment without the opportunity to test the model at a more modest package as offered by the option in this report.</p>

Other funding sought: Outline other funding options explored and whether there is potential for matching EIF funding with other sources.

Other Funding sources

Other public monies are not available for this activity.
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The EDU have sought funding from other partner organisations, but current budgets will not allow for such contributions from core funding.
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Project Team: Please provide basic information about partner organisations and key project team members. Indicate whether partners are contributing investment, staffing or other resources to the proposal and how they will benefit from the investment (if at all) relating this back to the anticipated benefits of the proposal.

Project Team (up to 500 words)

The team would consist of CYC Head of Economic Development and officers, as well as Visit York officers.
--

Lead project manager details: Please provide a named contact person for communication with regards to the proposal.

Name: Katie Stewart

Organisation: City of York Council

Position: Head of Economic Development

Phone Number: 01904 55 4418

Email address: katie.stewart@york.gov.uk

Postal address:

West Offices

Station Rise, YO1 6GA

Confidentiality: Administration of the Fund will be carried out in an open and transparent fashion. Please indicate any aspects of your proposal that you believe to be commercially confidential.

Confidentiality statement

N/A
