

Meeting	Executive
Date	13 February 2020
Present	Councillors Aspden (Chair), Ayre, Craghill, Cuthbertson, D'Agorne, Runciman, Smalley, Waller and Widdowson
In Attendance	Councillor Myers

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

89. Declarations of Interest

Members were asked 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, that they might have in the business on the agenda. No interests were declared.

90. Minutes

Resolved: That the minutes of the Executive meeting held on 21 January 2020 be approved and then signed by the Chair as a correct record.

91. Public Participation

It was reported that there had been four registrations to speak at the meeting under the Council's Public Participation Scheme.

Gwen Swinburn spoke on the budget reports in general, praising the action being taken on highways but expressing concern about the size of the capital programme, cuts to the budget and transparency. She also questioned whether the council had met its statutory duties on consultation and equalities with regard to the budget.

Andrew Dickinson spoke on Agenda Item 5 (City Centre Access – Phase 1 Proposals), objecting to funds being spent on security measures he considered non-essential instead of on action to alleviate poverty in the city.

Nicholas Roberts, a market trader, also spoke on Item 5, asking that the proposals for Jubbergate be amended to remove the central bollard and make the others smaller, due to access issues in this area.

Janice Gray spoke in relation to Agenda items 7 (Update on HRA Business Plan and AMS), 8 (Financial Strategy) and 9 (Capital Budget). She stated that a larger percentage of affordable housing was needed, questioned why care homes were being closed and no new schools built, and noted there was no mention in the budget of Arts Council funding for the Theatre Royal.

The Chair reported that written representations had also been received from one of the speakers, Mr Dickinson, and from the Foxwood Residents Association. The latter related to Agenda Item 7 and had been responded to by the Executive Member for Housing & Safer Neighbourhoods.

92. Forward Plan

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

93. City Centre Access – Phase 1 Proposals (Update)

The Assistant Director of Transport & Highways and the Major Projects Manager presented a report which sought to progress permanent security measures in the city that would be more aesthetically pleasing, and more in keeping with the York environment, than the temporary measures deployed over the Christmas 2019 period.

On 29 August 2019, Executive had approved the design of static and sliding bollards illustrated in Annex A to the report, and agreed to the start of a procurement exercise for permanent hostile vehicle mitigation (HVM) measures (the Scheme) at the locations shown in Annex B. A compliant procurement process was currently under way to find contractors to purchase and install the Scheme and work continued to develop its operational protocols and procedures. The estimated costs were now £1m above the current capital allocation; this additional funding would be considered as part of the 2020/21

budget process. Final approval was now sought for the proposals.

The Executive Member for Transport highlighted the benefits of the scheme in terms of protecting the footstreets, and raised the issue of revenue costs. Officers confirmed that opportunities would be taken to reduce future costs via increased efficiencies.

In response to comments made under Public Participation, it was confirmed that officers would meet with Make it York and market traders to discuss how best to mitigate any access issues. Members highlighted the council's responsibility to keep residents and visitors safe and to follow the advice of the Counter Terrorism Unit.

Resolved: (i) That the final location of static and sliding bollards, as detailed in Annex B, be approved.

Reason: To give security rated effect to the Traffic Regulation Order change approved by Executive in August 2019.

(ii) That the additional capital requirement of £1,000k for the Phase 1 measures (including mitigation for disabled groups and Racecourse measures), which will be considered as part of the Capital Strategy report at item 9 on the agenda, be noted.

Reason: To be aware that this will enable the delivery of the scheme of permanent measures for city centre security.

(iii) That it be noted that the recommended solution will have an additional revenue cost implication to the council, provisionally estimated as £115k in a full year and that these additional costs will need to be included as unavoidable growth in future budget strategies, with any costs incurred in 2020/21 to be managed across budgets within the Transport service.

Reason: To be aware of the cost implications.

(iv) That approval be given to carry out procurement to engage contractors to supply, install and maintain the Scheme (this being the permanent hostile vehicle mitigation measures), and that authority be delegated to the Corporate Director of Economy & Place, in consultation with the Director of Governance, to take such steps as are necessary to both award and enter into the resulting contracts.

Reason: To enable the delivery of the scheme of permanent measures for city centre security.

(v) That officers be instructed to liaise with Make it York to ensure that their planning for the Christmas 2020 event is started early and considers the access requirements of the Shambles Market.

Reason: To ensure that the planning and details for running the event are confirmed and accepted by the Safety Action Group in a timely manner, and that any impacts are mitigated.

(vi) That officers be requested to report back to the Executive Member for Transport in due course, presenting an update to include a summary of the operational protocols and procedures.

Reason: To enable the Executive Member for Transport to understand the procedures involved in managing the scheme.

94. York Outer Ring Road Improvements – Dualling from A19 Rawcliffe to A64 Hopgrove

The Assistant Director of Transport, Highways & Environment and the Major Projects Manager presented a report which proposed to merge the remaining Junction and Dualling schemes for the York Outer Ring Road (YORR) into a single programme of planning and delivery.

The proposal followed YORR's receipt of Programme Entry for the first phase of dualling, from A19 Rawcliffe to A64 Malton Road, providing further significant investment in the transport network. Due to the increased funding, the project would now require a single Environmental Impact Assessment (EIA)

process, with both schemes being dealt with as one. This meant that a full planning application was required, creating a pause that would enable a number of longer term advantages to be captured, as detailed in paragraph 19 of the report.

It was proposed to build on the work done so far and co-ordinate the design, consultation, planning and EIA, land acquisition, utility diversions and procurement of both schemes into one. Merging the schemes would result in more efficiency and cost effectiveness, thus enabling a quicker overall delivery despite the initial pause.

In response to Members' questions, officers indicated that a further update report would be brought to Executive in April. Members welcomed the news of Programme Entry and the aspirations for the project and

Resolved: (i) That the positive news that YORR had Programme Entry for the first phase of dualling, from A19 Rawcliffe to A64 Malton Road, be noted.

Reason: Successive administrations have for many years sought funding to upgrade the YORR, and many residents and employers in the city will welcome and support the news of this proposal.

(ii) That approval be given to merge the remaining Junction Scheme and the Dualling Scheme into a single programme of planning and delivery.

(iii) That officers be requested to work with the funders of the two schemes to detail the impact of the two separate approvals and bring a single programme and revised timetable to a future meeting of Executive.

(iv) That officers ensure that any positive impact on the city's transport system of dualling the YORR is incorporated into the review of the Local Transport Plan so that policies can look at capturing any benefit.

Reason: To develop a single project approach, providing benefits that will aid the management and co-ordination of the overall scheme, minimise the

impact on the city of delivering such a significant infrastructure project and avoid abortive works, thus delivering the benefits and purchasing power of a single programme.

(v) That approval be given to use the City of York match funding which has already been approved for the overall development specifically for the acquisition of land for the Dualling Scheme up to a value of £1m.

Reason: To enable the match funding to be used for land purchase, where appropriate, at the earliest opportunity.

(vi) That it be noted that the Assistant Director of Transport, Highways & Environment has delegated authority to purchase land by private agreement / private treaty up to and including a value of £250k in any one land interest in respect of the Junction Scheme and that such authority also be delegated to the Assistant Director in relation to the purchase of land by private agreement / private treaty in respect of the Dualling Scheme.

Reasons: a) To ensure that land purchases for both schemes can be administered and acquired in an efficient manner.
b) To ensure that the council can demonstrate it has attempted to avoid a future Compulsory Purchase Order by acquiring land through private agreement.

95. Update of the Housing Revenue Account (HRA) Business Plan and Asset Management Strategy (AMS)

The Assistant Director of Housing & Community Safety presented a report which sought approval for a revised HRA Business Plan (the Plan), financial projections and AMS. These documents were attached to the report as Annexes A, B and C respectively.

The Plan set out the context for the income and expenditure decisions and the impact of those decisions on the HRA over a 30 year period, focusing on the first five years. The AMS set out

the context for management of the assets within the HRA, these being the homes owned by the council and the land they sat on. The revisions had included paring down the documents to broad themes, with links to more detailed information and initiatives. The main priorities were, in brief, to increase the stock of housing owned by the HRA, develop new homes built to passivhaus standards, improve the quality and reduce the carbon footprint of existing homes, and maintain / improve wellbeing outcomes for residents. The report took into account budget proposals to be considered as part of the overall budget decision making process.

In response to comments made under Public Participation, officers indicated that:

- The Plan aimed to deliver 600 homes of mixed tenure, with a percentage of affordable housing double that required for private developments;
- Though not part of this report, the disposal of care homes reflected the shift towards support for independent living; the provision of new residential care places at Haxby Hall and Burnholme had been reported to previous meetings.

The Executive Member for Housing & Community Safety commended the Plan to Members and thanked officers for their work.

Resolved: (i) That the revised HRA Business Plan (Annex A), financial projections (Annex B) and Asset Management Strategy (Annex C) be approved.

(ii) That it be noted that a separate 'operating strategy', outlining what Housing Services do, how they will do it, what they want to achieve and the financial framework for this, will be developed as part of their current change management plan.

Reason: So that the council has an updated business plan, asset management strategy for its housing stock and 'operational strategy' for the services it provides, all of which will be published.

96. Capital Programme Monitor 3

[See also under Part B]

The Corporate Finance & Commercial Procurement Manager (Interim s151 Officer) presented a report which set out the projected out-turn position on the capital programme for 2019/20, including any over or under-spends, along with requests to re-profile budgets to and from current and future years.

A decrease of £15.414m was reported on the approved capital budget, resulting in a revised programme of £121.456m. Variances in each portfolio area were outlined in Table 1 at paragraph 7 of the report, and detailed in paragraphs 9 to 45. The effect of the revisions was shown in Table 2, at paragraph 46.

The Executive Member for Finance & Performance commended the budget and recommendations, highlighting the recent opening of the Burnholme sports centre and progress made on the restoration of the Guildhall and the Community Stadium.

- Resolved:
- (i) That the revised 2019/20 budget of £121.456m, as set out in paragraph 6 of the report and in table 1, be noted.
 - (ii) That the re-stated capital programme for 2019/20 to 2023/24, as set out in paragraph 17 and table 2, and detailed in Annex A, be noted.
 - (iii) That the appropriation of land from the general fund to the HRA for the Burnholme site, at a market value of £3m, be approved.
 - (iv) That the transfer of £2.9m budget from the Local Authority (LA) Homes New Build and £200k from LA Homes project schemes in 2020/21 to Hospital Fields Road / Ordnance Lane, Burnholme and Duncombe Barracks, as set out in paragraph 21, be approved.
 - (v) That the allocation of £774k of funds within the overall Maintenance Programme towards a

maintenance scheme at Huntington School in 2020/21, as set out in paragraph 14, be noted.

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

97. 2019/20 Finance and Performance Monitor 3

The Interim s151 Officer presented a report which provided details of the council's overall finance and performance position for the period 1 October to 31 December 2019, together with an overview of any emerging issues.

The financial pressures facing the council were projected at £2.3m after applying existing contingency. This was higher than previous years' forecasts at this stage. The position within each directorate was summarised in Table 1 at paragraph 11 of the report and detailed in Annex 1. The continuing pressures within Children's and Adult Social Care reflected the national situation. Actions being taken to address these and other budget pressures were detailed in paragraphs 5-11 and Annex 1. The position would continue to be monitored carefully to ensure that overall expenditure was contained within the approved budget.

With regard to performance, progress had been made in all areas across the 8 outcomes of the new Council Plan, with no specific areas of concern regarding delivery within the plan period. Highlights were summarised in paragraph 18 and updates against each of the 78 commitments in the plan were provided in Annex 2. The 5 indicators with a good direction of travel based on the latest available data were set out in paragraph 25; the 2 with a poor direction of travel were shown in paragraph 26. Further details were set out in Annex 3.

Resolved: That the finance and performance information be noted.

Reason: To ensure that expenditure remains within the approved budget.

PART B - MATTERS REFERRED TO COUNCIL

98. Financial Strategy 2020/21 to 2024/25

The Interim s151 Officer presented a report which set out the proposed financial strategy for 2020/21 to 2024/25, including the detailed revenue budget proposals for 2020/21.

The strategy would deliver a balanced budget for 2020/21, with revenue savings proposals totalling £4m. Over £11m in additional revenue funding would be added to the budget to support the objectives in the new Council Plan. The proposals were predicated on a basic council tax increase of 1.99% in 2020/21, plus an additional increase of 2% in line with the government's social care precept. The net revenue budget of £127.223m would be funded by council tax income of £93.808m and retained business rates of £33.415m.

The report included statutory advice from the s151 Officer, at paragraphs 195-219. A summary of the budget expenditure and savings proposals was provided in Annexes 1 and 2, with HRA growth and savings proposals in Annexes 5 and 6. Results of consultation with residents and businesses were detailed in Annex 4; it was noted that responses had increased from 366 to 825 this year.

Members welcomed the report, in particular the additional investments highlighted in paragraph 2 and the increased participation in consultation. Having noted the comments made under Public Participation, it was

Recommended: That Council approve the budget proposals set out in the report to Executive; in particular:

- a) The net revenue expenditure requirement of £127.223m
- b) A council tax requirement of £93.808m
- c) The revenue growth proposals outlined in the body of the report
- d) The 2020/21 revenue savings proposals outlined in Annex 2
- e) The fees and charges proposals outlined in Annex 3
- f) The consultation feedback set out in Annex 4

- g) The Housing Revenue Account (HRA) growth set out in Annex 5, and the HRA savings proposals set out in Annex 6
- h) The dedicated schools grant proposals outlined from paragraph 154
- i) The use of £420k New Homes Bonus, £150k from the Lendal Bridge reserve and £150k Transport reserve to fund one-off investment, as outlined in paragraphs 86, 87 and 92.

Reason: To ensure a legally balanced budget.

99. **Capital Budget 2020/21 to 2024/25**

The Interim s151 Officer presented a report which set out the council's Capital Strategy for 2020/21 to 2024/25, and new capital schemes in particular.

The budget reflected significant investment in a number of critical areas, with a focus on frontline services alongside investment in developing York's economy through major regeneration schemes. The report set out £55.730m of new investment over the five-year period, of which £5.470m was externally funded and £9.605m was met from the Housing Revenue Account, with £40.655m to be funded by council borrowing. Investment to support the objectives in the new Council Plan included £6.6m on procuring greener waste vehicles, £3m to develop the Northern Forest, £2.682m to progress the Castle Gateway scheme and £12.8m on highways schemes.

An overview of each scheme was provided in paragraphs 15-106 of the report. Further information on major schemes not considered in detail in this report, as set out in paragraphs 111-123, would be brought as individual reports to future meetings.

Members welcomed the investment overall and in their individual portfolio areas. Having noted the comments made under Public Participation, it was

Recommended: That Council:

- (i) Approve the revised capital programme of **£559.617m** which reflects a net overall

increase of **£55.730m**, as set out in table 12 at paragraph 89 of the report and in Annex A, key elements of which include:

- a) New schemes funded by prudential borrowing totalling £14.645m, as set out in table 3 and summarised in table 12;
- b) New schemes funded by a combination of prudential borrowing and external funds of £695k, as set out in table 4 and summarised in table 12;
- c) Extension of externally funded Rolling Programme schemes totalling £12.485m, as set out in table 5 and summarised in table 12;
- d) Extension of externally funded Rolling Programme schemes, as set out in table 6 and summarised in table 12;
- e) An increase in HRA funded schemes totalling £9.605m funded from a combination of HRA balances / Right to Buy receipts, as set out in table 7 and summarised in table 12.

(ii) Note that the total increase in council borrowing as a result of new schemes being recommended for approval is £40.655m, details of which are considered within this report and the Financial Strategy report.

(iii) Approve the full re-stated programme totalling **£559.617m** covering financial years 2020/21 to 2024/25, as summarised in Annex B to the report and set out in table 13 and Annex B.

Reason: In accordance with the statutory requirement to set a capital budget for the forthcoming financial year.

100. Capital Financing and Investment Strategy

The Interim s151 Officer presented a report which presented the council's capital and investment strategy for 2020/21, in accordance with the requirements of the Prudential Code 2017.

The strategy, attached as Annex A to the report, provided a mechanism by which the council's capital expenditure and investment decisions were aligned over the medium term. It also provided a framework for major investment decisions and all aspects of the council's capital and investment expenditure.

Recommended: That Council approve the capital and investment strategy at Annex A to the report.

Reason: To meet the statutory obligation to comply with the Prudential Code 2017.

101. Treasury Management Strategy Statement and Prudential Indicators

The Interim s151 Officer presented a report which sought approval for the treasury management strategy and prudential indicators for the 2020/21 financial year.

The report covered the council's capital plans (including prudential indicators), the minimum revenue provision policy, the treasury management strategy and the annual investment strategy.

Officers reported the comments made by Audit & Governance Committee in scrutinising the report at their meeting on 5 February; namely, that the addition of ethical, social and governance as a 4th criterion for investments was a step in the right direction but more needed to be done.

Recommended: That Council approve:

- a) The proposed treasury management strategy for 2020/21, including the annual investment strategy and the minimum revenue provision policy statement;
- b) The proposed addition of ethical, social and governance as a fourth criterion for investments after security, liquidity and yield, as set out in paragraphs 78-82 of the report;
- c) The prudential indicators for 2020/21 to 2024/25 in the body of the report;

- d) The specified and non-specified investments schedule at Annex B;
- e) The scheme of delegation and the role of the section 151 officer in Annex D.

Reason: To enable the continued effective operation of the treasury management function and to ensure that all council borrowing is prudent, affordable and sustainable.

102. Capital Programme Monitor 3

[See also under Part A]

The Interim s151 Officer presented a report which set out the projected out-turn position on the capital programme for 2019/20, including any over or under-spends, along with requests to re-profile budgets to and from current and future years.

A decrease of £15.414m was reported on the approved capital budget, resulting in a revised programme of £121.456m. Variances in each portfolio area were outlined in Table 1 at paragraph 7 of the report, and detailed in paragraphs 9 to 45. The effect of the revisions was shown in Table 2, at paragraph 46.

The Executive Member for Finance & Performance commended the budget and recommendations, highlighting the recent opening of the Burnholme sports centre and progress made on the restoration of the Guildhall and the Community Stadium.

Recommended: That Council approve the adjustments resulting in a decrease in the 2019/20 budget of £15.414m, as detailed in the report and in Annex A.

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

Cllr K Aspden, Chair

[The meeting started at 5.30 pm and finished at 6.43 pm].