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MEETING	EXECUTIVE
DATE	22 JUNE 2010
PRESENT	COUNCILLORS WALLER (CHAIR), AYRE, STEVE GALLOWAY, MOORE, MORLEY, REID AND RUNCIMAN

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## **7. DECLARATIONS OF INTEREST**

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda. No interests were declared.

## **8. MINUTES**

RESOLVED: That the minutes of the Executive meeting held on 8 June 2010 be approved and signed by the Chair as a correct record.

## **9. PUBLIC PARTICIPATION**

It was reported that there had been no registrations to speak at the meeting under the Council's Public Participation scheme.

## **10. EXECUTIVE FORWARD PLAN**

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

It was noted that: the Executive Member responsible for the Barbican Update report should have been listed on the Plan as the Executive Member for Leisure, Culture & Social Inclusion and that there had been a request to move the Area Working Pilot Proposal report to the meeting on 20 July. (*The Forward Plan has since been updated to reflect these amendments*).

## **11. YEAR END FINANCIAL AND PERFORMANCE REPORT FOR 2009-10**

Members considered a report which provided details of the Council's performance during the period 1 April 2009 to 31 March 2010 in respect of financial out-turn, National Performance indicators, Local Area Agreement (LAA) targets and key projects.

The out-turn position on the General Fund budget for 2009-10 was a provisional underspend of £322k, representing an improvement of £2,655k since the third monitoring report. This was due mainly to stringent cost controls implemented across directorates in the second half of the year. Overspends in Housing & Adult Social Services and Learning, Culture & Children's Services indicated that the pressures in these areas reported earlier in the year continued to be an issue. Savings required in the 2010-11 budget, together with Government cuts, meant that cost controls would need to be accepted as standard practice in the future. Requests had been made to carry forward into 2010-11 unspent budgets totalling £334k, reducing the out-turn position to an overspend of £12k. A request to carry forward £20k for re-allocation to the York Mystery Plays 2012 Partnership had already been approved. The level of reserves as at 31 March 2010 was projected to be £6,718k before any adjustment for year-end variations.

With regard to performance, York had improved overall against 62% of the 138 national indicators and against 58% of the 38 LAA targets. Highlights included:

- recorded crime - reduced overall by 24%
- pupils achieving 5 or more A\*-C GCSEs – increased to 59%
- children / young people participating in PE – increased to 87%
- citizens supported to live independently – increased by 22%
- continued reduction in the number of households in temporary accommodation, despite a national increase
- people killed / seriously injured on York's roads – reduced by 38%
- unemployment rate in York lower than regional and national average.

Members commented favourably on the budget out-turn and performance improvements and thanked Officers for their efforts to ensure that residents did not experience service reductions despite budget pressures. Having noted the comments of the Labour Group spokespersons on this item, it was

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

REASON: So that corrective action on these issues can be taken by CMT and directorates and key areas for improvement can be fed into future corporate planning.

(ii) That the underspend of £322k be noted and the cost control measures outlined in paragraph 8, continuing into 2010-11, be endorsed.<sup>1</sup>

REASON: So that consideration can be given to areas of under and over spending and key areas can be fed into the financial planning process.

(iii) That the following requests to carry forward funds into 2010-11, as detailed in paragraphs 70 and 86 of the report,

be approved and that the £20k already carried forward (paragraph 30) be noted:<sup>2</sup>

- Target Hardening underspend (£13k)
  - Your City, Your Ward (£5k)
  - Community Centres (£12k)
  - Ward Committees (£100k)
  - Parking Service (£40k)
  - York Pride (£42k)
  - Efficiency Staffing (£22k)
  - South Bank 20 mph Speed Limit Scheme (£30k)
- (iv) That the following carry forward request not be approved:
- Neighbourhood Management Unit underspend (£50k)

REASON: So that resources can be directed into those areas that meet corporate priorities.

Action Required

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| 1. Ensure continued implementation of cost cutting measures  | KB |
| 2. Ensure that the agreed changes to budgets are implemented | KB |

## 12. CORPORATE STRATEGY - YEAR TWO MILESTONES (2010-11)

Members considered a report which sought approval for a set of milestones for the second year of the Council's Corporate Strategy, representing the short term element of the Strategy for the period 2009-2012.

The three-year Corporate Strategy, agreed by the Executive on 31 March 2009, was structured around eight themes, each consisting of two elements; commitments and milestones. The commitments described what the Council aimed to achieve by 2012. The milestones, which were refreshed on an annual basis, described actions towards achieving the commitments.

A progress report on the first year of the strategy was attached at Annex 1 to the report. This informed the revised milestones attached at Annex 2, which had been agreed by Corporate Management Team and Executive portfolio holders for inclusion in the strategy for 2010-11.

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

RESOLVED: That the refreshed Corporate Strategy milestones set out in Annex 2 to the report be approved.

REASON: To confirm that the revised milestones are appropriate to deliver the Council's commitments as set out in the three-year Corporate Strategy for 2009-12.

**13. COUNCIL HOUSING: A REAL FUTURE - CLG CONSULTATION PAPER & OPPORTUNITIES / IMPLICATIONS FOR CYC**

Members considered a report which presented a draft response to consultation on Government proposals to dismantle the Housing Revenue Account (HRA) subsidy system and introduce a system of self financing from April 2011.

The changes proposed, if implemented, would have a significant impact on the Council's HRA business plan and stock retention strategy. Key proposals included:

- A notional re-allocation of £25.1bn of debt between 177 authorities, with an option to use a discount rate to allow new build to take place
- Further guidance to give greater clarity on the HRA ring fence
- An end to the pooling of all capital receipts as part of the self financing settlement, with 75% of HR receipts to be used for affordable housing / regeneration projects.

A draft response to the specific consultation questions was set out in Annex 1 to the report. This indicated that the Council would favour self-financing, subject to further clarification on key areas - including the circumstances under which the proposed settlement could be re-opened and technical issues regarding depreciation - before proceeding further. Members were invited to approve the response and to consider making a number of additional comments, as set out in paragraph 33 of the report, in response to a recent announcement by the Housing Minister inviting the views of 'councils and other experts' on the proposed new system.

RESOLVED: (i) That the proposed response to the consultation paper, as set out in Annex 1 to the report, be approved.<sup>1</sup>

(ii) That the additional comments set out in paragraph 33 of the report, in relation to making a case for York to acquire only that level of debt which is reasonable given the prudent operation of the Housing Revenue Account in the City, be approved.<sup>1</sup>

REASON: To respond appropriately to the consultation and to ensure that the Council is able to continue to deliver an effective, value for money, housing service.

Action Required

1. Submit the approved response, incorporating the additional comments agreed

SW

A Waller, Chair

[The meeting started at 2.05 pm and finished at 2.25 pm].