

**Notice of a public meeting of
Executive**

To: Councillors Gillies (Chair), Aspden, Ayre, Brooks, Dew,
K Myers, Runciman and Waller

Date: Thursday, 14 February 2019

Time: 5.30 pm

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

A G E N D A

Notice to Members – Post Decision Calling In:

Members are reminded that, should they wish to call in any item* on this agenda, notice must be given to Democracy Support Group by **4:00 pm on Monday, 18 February 2019**.

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

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. Exclusion of Press and Public

To consider excluding the press and public from the meeting during consideration of the following:

- a) Annex 4 to Agenda Item 7 (The Guildhall Redevelopment Tender Evaluation & Project Business Plan Appraisal), on

the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
and

- b) Annex A to Agenda Item 15 (Chief Officer Redundancy), on the grounds that it contains information relating to an individual.

This information is classed as exempt under paragraphs 1 and 3 respectively of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

- 3. **Minutes** (Pages 1 - 12)
To approve and sign the minutes of the last Executive meeting, held on 17 January 2019.

- 4. **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 Wednesday, 13 February 2019**. 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.

Filming, Recording or Webcasting Meetings

Please note that, subject to available resources, this meeting will be filmed and webcast, or recorded, including any registered public speakers who have given their permission. This broadcast can be viewed at <http://www.york.gov.uk/webcasts> or, if recorded, will be uploaded onto the Council's website following the meeting.

Residents are welcome to photograph, film or record Councillors and Officers at all meetings open to the press and public. This includes the use of social media reporting, i.e. tweeting. Anyone wishing to film, record or take photos at any public meeting should contact the Democracy Officer (whose contact details are at the foot of this agenda) in advance of the meeting.

The Council's protocol on Webcasting, Filming & Recording of Meetings ensures that these practices are carried out in a manner both respectful to the conduct of the meeting and all those present. It can be viewed at

- 5. Forward Plan** (Pages 13 - 18)
To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.
- 6. A Cultural Strategy for York 2019-2025** (Pages 19 - 32)
The Corporate Director of Children, Education & Communities to present a report which provides an update on the development of a cultural strategy for York for the period 2019-2025 and asks Executive to approve the key ideas of the strategy on behalf of the city.
- 7. The Guildhall Redevelopment Tender Evaluation & Project Business Plan Appraisal** (Pages 33 - 70)
The Corporate Director of Economy & Place to present a report which outlines a comprehensive scheme to refurbish and redevelop the Guildhall complex and asks Executive to approve an updated business case for the scheme, the appointment of a construction contractor and proposals to seek tenants for the commercial space, to ensure the future viability and effective re-use of one of York's most significant historic buildings.
- 8. Consultation on Disposal of Open Space at Rowntree Park Lodge and Update of Financial Business Case** (Pages 71 - 104)
The Director of Customer & Corporate Services to present a report which sets out comments received under Section 123 of the Local Government Act 1972 regarding the proposed 'disposal of open space' at Rowntree Park Lodge, and updates the business case for the proposal.
- 9. 2018/19 Finance and Performance Monitor** (Pages 105 - 134)
3
The Director of Customer & Corporate Services to present a report which details the council's overall finance and performance position for the period 1 October 2018 to 31 December 2018, together with an overview of any emerging issues.

- 10. Capital Programme - Monitor 3 2018/19** (Pages 135 - 154)
The Director of Customer & Corporate Services to present a report which sets out the projected out-turn position of the council's 2018/19 capital programme, including any under or overspends and adjustments, and asks Executive to recommend the adjustments to Council.
- 11. Financial Strategy 2019/20 to 2023/24** (Pages 155 - 264)
The Director of Customer & Corporate Services to present a report which sets out the financial strategy for 2019/20 to 2023/24, including detailed revenue budget proposals for 2019/20 and asks Executive to recommend the proposals to Council for approval.
- 12. Capital Financing & Investment Strategy** (Pages 265 - 274)
The Director of Customer & Corporate Services to present a new report for 2019/20, providing an overview of how capital expenditure and capital financing contribute to the provision of services and how the associated risk is managed, and asking Executive to recommend the capital and investment strategy to Council for approval.
- 13. Capital Programme 2019/20 and 2023/24** (Pages 275 - 312)
The Director of Customer & Corporate Services to present a report which sets out the capital strategy for 2019/20 to 2023/24, and new capital schemes in particular, and asks Executive to recommend the revised capital programme to Council.
- 14. Treasury Management Strategy Statement and Prudential Indicators for 2019/20 to 2023/24** (Pages 313 - 342)
The Director of Customer & Corporate Services to present a report which asks Executive to recommend to Council the treasury management strategy and prudential indicators for the 2019/20 financial year.
- 15. Chief Officer Redundancy**
The Chief Executive to present a report which seeks approval for the use of a reserve to pay the pension strain to the authority following the dismissal of a chief officer for reason of redundancy.

Report to follow

16. Urgent Business

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

Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 552030
- E-mail – fiona.young@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 and
- For receiving reports in other formats

Contact details are set out above.

This information can be provided in your own language.

我們也用您們的語言提供這個信息 (Cantonese)

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

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

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

 (01904) 551550

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City of York Council

Committee Minutes

| | |
|---------------|--|
| Meeting | Executive |
| Date | 17 January 2019 |
| Present | Councillors Gillies (Chair), Aspden, Ayre, Brooks, Dew, K Myers, Runciman and Waller |
| In Attendance | Councillors D'Agorne and S Barnes |

Part A - Matters Dealt With Under Delegated Powers

88. 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.

Cllr Dew declared a personal interest in Agenda Item 6 (A Clean Air Zone for York), as the recipient of a small pension from First York.

Cllr Waller declared a personal interest in Agenda Item 8 (Discretionary Rate Relief Awards 2019-2021), as Treasurer of Chapelfields Community Association. He left the room during consideration of that item and took no part in the debate or decision thereon.

89. Minutes

Resolved: That the minutes of the Executive meeting held on 20 December 2018 be approved and then signed by the Chair as a correct record.

90. Public Participation

It was reported that there had been seven registrations to speak at the meeting under the Council's Public Participation Scheme, and one request to speak by a ward member.

Brian Watson spoke on a matter within the Executive's remit, requesting a written answer to the questions he had asked

previously about the selling back of advertising rights at the Community Stadium.

Cllr Kallum Taylor, member for Holgate ward, spoke on a matter within the Executive's remit, requesting the attendance of the relevant Executive Members at the meeting of the scrutiny committee that was due to consider a report on the deaths of homeless people in York. He went on to comment on Agenda Item 5 (York Central Partnership Legal Agreement), suggesting that this item be deferred to examine how the council could play a greater role in development activity on the site.

Richard Clark spoke on Agenda Item 5, noting that it was the fourth time he had spoken on York Central and calling for the council to have equal status with the major landowners of the site, with a seat on the Delivery Co-ordination Board.

Mike Stancliffe spoke on Agenda Item 5 on behalf of the YCP, supporting both the proposed agreement, as a major milestone in the project, and the council's ongoing approach to public engagement.

Marc Bichtemann spoke on Agenda Item 6 (A Clean Air Zone for York) on behalf of First York, supporting the recommendations in the report and recognising the role of bus operators in working with the council to reduce emissions in a sustainable way.

Caroline Lewis spoke on Agenda Item 6, on behalf of Clean Air York. She supported the proposals but expressed concern at the delay in bringing them forward and called for the introduction of anti-idling measures on an enforcement basis.

Graham Collett spoke on Agenda Item 6, as Chair of York Bus Forum. He welcomed the proposals but suggested they be extended to cover other high emission vehicles and that operators be encouraged to replace rather than retro-fit their buses.

Niall McFerran spoke on Agenda Item 6, as Chair of the St Leonard's Place and Museum Street Residents' Group. He suggested that, to address 'idling' issues, all drivers be required to switch off their vehicles' engines when stationary in the city centre.

91. 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.

92. York Central Partnership Legal Agreement

The Director of Economy & Place and the Assistant Director of Regeneration and Asset Management presented a report which sought approval for the Heads of Terms of a formal agreement between members of the York Central Partnership (YCP), to be developed into a legal contract before construction of the infrastructure began. It also requested the allocation of funding to begin site preparation works, outlined early work to ensure that York Central delivered significant social and environmental benefits, and proposed a revised approach to community engagement.

The draft Heads of Terms, at Annex 2 to the report, had been worked up from the Memorandum of Understanding agreed by the YCP partners in June 2018. They outlined how the partnership would operate as the project moved into the delivery phase, including governance arrangements, financial and land contributions and returns, and arrangements for monitoring quality and delivery in the long term.

In December 2018, Council had established a budget of £155m for core infrastructure to allow development to proceed. To ensure funding deadlines were met, approval was now sought to release £1.25m of the York Central budget to fund the early site preparations works listed in paragraph 40 of the report and a further £5m for the enabling works in paragraph 43, the latter being subject to planning and funding decisions. Work on securing the social and economic benefits of York Central, including housing, active public spaces and support for economic development, was set out in paragraphs 45-67. With regard to community engagement, developments were under way to encourage more active and open participation than the current Community Forum, as outlined in paragraphs 69-79.

In response to Members' questions and comments made under Public Participation, officers confirmed that the agreement represented a fair and equitable sharing of risks and rewards

between the partners. The council would continue to play a significant role in the direction of the project, as both the Highways and the Planning authority and with the Leader and Deputy Leader sitting on the Strategic Board and officers on the Delivery Co-ordination Board.

Resolved: (i) That the Heads of Terms for the York Central Partnership (YCP) legal agreement be approved and that authority be delegated to the Director of Economy & Place and the Director of Corporate & Customer Services to take such steps as are necessary to enter into the legal agreement.

(ii) That £1.2m of the £155m York Central capital budget, to be funded initially from City of York Council's capital budget, be committed to undertake pre-construction site preparations, including telecommunications mast and rail line relocation and site segregation from the operational railway and bridge agreements with Network Rail, as set out in paragraph 40 of the report.

(iii) That a further £5m of the £155m York Central capital budget, to be funded from the Housing Infrastructure Fund, be committed, subject to planning and external awards, to commence the enabling works, including site clearance, utility diversions and Millennium Green preparation, as set out in paragraphs 42-43.

(iv) That it be acknowledged that a further report will be brought back to Executive to agree the submission of the reserved matters planning application and to commit the capital budget for delivery of the Phase 1 infrastructure, including:

- bridge access onto the site
- a new spine road
- drainage
- construction of an additional pedestrian and cycle deck onto Severus Bridge
- construction of a new rail connection between the NRM and the East Coast Main Line subject to the award of outline planning permission for the scheme and the final agreement of the external grant funding from both

the West Yorkshire Transport Fund and the Housing Infrastructure Fund.

Reason: To ensure the delivery of York Central and to provide funding for enabling infrastructure, including a new access route to York Central, within the timescale of available grant funding.

(v) That a further report be received, setting out proposals for economic development on York Central.

(vi) That a business case be prepared for the council to acquire affordable housing on the York Central site as part of the first phase of residential development.

(vii) That proposals be developed for the next phase of community engagement and a report be brought to Executive to seek financial support for community groups to develop capacity to engage effectively with YCP, with a view to active engagement to deliver social and economic benefits.

Reason: To ensure that the social, environmental and economic benefits of York Central are delivered and are strongly influenced by community engagement.

93. A Clean Air Zone for York

[See also under Part B]

The Assistant Director for Planning & Public Protection presented a report which set out options and timescales for improvement of the emissions standards of vehicles operating on the local bus network.

On 25 January 2018, Executive had approved the introduction of a Clean Air Zone (CAZ) in 2020 within and including the inner ring road, subject to consultation with local bus operators and the public. A graduated approach was proposed, to give operators time to plan and upgrade vehicles. Results of the consultation carried out in summer 2018, including responses to the questionnaire attached at Annex 2 to the report, were set

out in paragraphs 12 to 31 and in Annex 3, with officer comments in paragraphs 32-41.

The following options were considered, as detailed in paragraphs 42-68:

Option 1 – introduce the CAZ in January 2020, in line with Annex 1, subject to Council approving a funding allocation of £1,640,000.

Option 2 – work in partnership with operators to introduce cleaner buses over the next 2 years, implementing a CAZ in January 2021.

Option 3 – progress the introduction of cleaner buses as in Option 2, introducing the CAZ in 2022 only if air quality objectives were still being exceeded.

Option 4 – introduce the CAZ over a longer period to reflect the timescales in which operators could upgrade their fleets without the need for additional subsidy.

Option 1 was recommended, on the grounds that it was supported by 90% of respondents to consultation and would provide the quickest route for delivery of the CAZ and reduced emissions.

In response to Members' questions and comments made under Public Participation, officers confirmed that:

- they would be working with other local authorities to ensure that state aid requirements were met;
- a report on anti-idling measures covering all vehicles would be taken to the Joint Decision Session of the Executive Member for Environment and the Executive Member for Transport & Planning on 7 February.

Resolved: (i) That the content of the report be noted.

(ii) That the introduction of a Clean Air Zone (CAZ) for vehicles operating local bus services from January 2020, by making a request to the Traffic Commissioner pursuant to section 7(1) of the Transport Act 1985 that he exercise his powers under that section to impose traffic regulation conditions designed to reduce air pollution, be supported.

(iii) That a twelve month 'sunset' period be permitted from January 2020, when vehicles not meeting the CAZ requirement may continue to be

operated if evidence can be submitted by an operator that an order for retro-fitting of an existing vehicle, or procurement of a replacement Euro VI (or better) vehicle has been placed but not yet delivered.

(iv) That the potential for grant funding to offset the cost be noted and that any amendment to the council contribution will be notified in future reports to Executive.

(v) That the procurement of contracted bus services with Euro VI minimum emission standard in line with the service levels offered on the existing tendered bus network be approved, with the results of the procurement exercise to be considered at a future Executive meeting following receipt of tenders.

(Note: a summary of the routes to be re-tendered is included at Annex 4 to the report).

(vi) That the progress made towards tackling anti-idling measures and proposals for addressing bus idling from January 2019 (including that detailed in Annex 5 to the report) be recognised.

Reason: To improve air quality in York through the acceleration of improvements to bus emissions levels.

94. Building More Homes for York - Removal of the HRA Borrowing Cap

The Assistant Director of Housing & Community Safety presented a report which set out the implications for the council of the government's decision to lift the Housing Revenue Account (HRA) borrowing cap.

HRA debt caps had been introduced in 2012 to control overall borrowing caps and the council had been assigned a cap of £146m. This had now been lifted, and borrowing linked to the Prudential Code. The report outlined how, in view of the Executive's decision on 12 July 2018 to deliver the Housing Delivery Plan (HDP) via the HRA rather than creating a

separate company (Minute 16 of that meeting refers), the lifting of the cap would enable:

- Accelerated delivery of over 600 homes across 8 sites within the HDP
- The purchase of additional land for housing development
- Acquisition of extra affordable housing via Planning Obligations in S106 agreements
- Opportunities for more investment in the provision of older persons' accommodation.

The indicative costs of and funding for the programme were summarised in paragraph 16 of the report, with further details in paragraphs 17-19. Detailed site business cases and associated budget requests would be presented to Executive as they came forward.

The Chair thanked officers for the detail in the report, commenting that the programme would enable the best delivery of housing by the council in 40 years.

Resolved: (i) That the proposed means of delivery of the Housing Delivery Programme (HDP) through the Housing Revenue Account (HRA) be further endorsed.

(ii) That the appropriation of sites within the HDP from the General Fund into the HRA be approved in principle, noting the increased debt that will occur, with sites to be appropriated following Executive approval of individual site business cases.

(iii) That the additional opportunities brought by removal of the HRA borrowing cap in respect of potential land acquisitions for new housing developments and the purchase of new affordable housing through S106 agreements be noted, with a business case to be brought to Executive for consideration when such opportunities are available.

Reason: To accelerate the construction of much needed homes in the city, allowing the council to build more than 600 homes in the next five years, of which over 250 will be council homes and low cost home ownership tenures.

95. Discretionary Rate Relief Awards 2019-2021

The Director of Customer & Corporate Services presented a report which provided details of new applications for Discretionary Rate Relief (DRR) from 1 April 2019 to 31 March 2021 and invited the Executive to decide whether to approve any new awards.

Existing DRRs were set out in Annex A to the report. New applications recommended for approval were detailed in Annex B. 61 new applications were recommended for discretionary top-up relief for the April 2019 – March 2021 cycle, at a total cost to the council of £40,704. The higher volume and cost compared to last year was due to all existing long term recipients falling due for renewal in this cycle. Members were invited to approve or decline the recommended applications.

Resolved: That the new applications for Discretionary Rate Relief set out in Annex B to the report be approved.

Reason: In accordance with the officer recommendations and to provide a transparent process for awarding DRR.

96. Discussion with North Yorkshire County Council to Explore Merging Coroner Areas

The Director of Customer & Corporate Services presented a report which sought approval to undertake discussions with North Yorkshire County Council (NYCC) to explore merging the City of York Council (CYC) and NYCC coroner areas, at the request of the Chief Coroner and the Ministry of Justice (MoJ).

The Chief Coroner's guidance on merging coroner areas (Guidance Note 14) was attached as Annex 1 to the report. York was currently a single coroner area, with a temporary part-time senior coroner. NYCC had two coroner areas, East and West. In 2014, CYC's refusal to merge with Hull & East Riding had been upheld on the understanding that it would explore a merger with NYCC when one of their senior coroners retired. NYCC was now considering whether to merge its two areas, with the East area senior coroner due to retire in March 2019.

Two options were available:

Option 1 – seek permission from the Chief Coroner for York to remain as a separate area.

Option 2 – open discussions with NYCC to consider merging the coroner areas. This was the recommended option, as a merger would be in line with the wishes of the Chief Coroner, the MoJ, the senior coroners and North Yorkshire Police. It would also provide a more resilient, efficient and consistent service and was likely to result in a small financial saving.

Resolved: That approval be given to hold discussions with NYCC to explore the merging of coroner areas, in accordance with Option 2.

Reason: To improve resilience and efficiency, with minimal financial impact and in line with the Chief Coroner's guidance.

97. **Provision for Occupational Health**

The Head of HR presented a report which sought approval to re-procure Occupational Health (OH) provision for the council after expiry of the current contract with Health Management Limited (HML).

The contract with HML would come to an end on 23 June 2019. A summary of current usage of this service, which cost the council an average of £135k per year, were attached at Annex A to the report. A separate contract with Ryedale Osteopath Services Ltd. (average cost £19k per year) was due to end on 22 June. It was proposed to review and integrate this service as part of the wider OH service review.

Two options were available:

Option 1 – procure an integrated occupational health service, including an osteopath service, as recommended in the report.

Option 2 - spot purchase occupational health advice on an ad hoc basis as the need arose. This would not result in a proactive co-ordinated approach and would be more costly.

Resolved: That approval be given to procure an integrated health contract, including the management or provision of an osteopath service, with effect from June 2019, in accordance with Option 1.

Reason: To ensure that professional occupational health advice is available that can work with the council to develop solutions to keep employees with health issues at work.

Part B - Matters Referred to Council

98. A Clean Air Zone for York

[See also under Part A]

The Assistant Director for Planning & Public Protection presented a report which set out options and timescales for improvement of the emissions standards of vehicles operating on the local bus network.

On 25 January 2018, Executive had approved the introduction of a Clean Air Zone (CAZ) in 2020 within and including the inner ring road, subject to consultation with local bus operators and the public. A graduated approach was proposed, to give operators time to plan and upgrade vehicles. Results of the consultation carried out in summer 2018, including responses to the questionnaire attached at Annex 2 to the report, were set out in paragraphs 12 to 31 and in Annex 3, with officer comments in paragraphs 32-41.

The following options were considered, as detailed in paragraphs 42-68:

Option 1 – introduce the CAZ in January 2020, in line with Annex 1, subject to Council approving a funding allocation of £1,640,000.

Option 2 – work in partnership with operators to introduce cleaner buses over the next 2 years, implementing a CAZ in January 2021.

Option 3 – progress the introduction of cleaner buses as in Option 2, introducing the CAZ in 2022 only if air quality objectives were still being exceeded.

Option 4 – introduce the CAZ over a longer period to reflect the timescales in which operators could upgrade their fleets without the need for additional subsidy.

Option 1 was recommended, on the grounds that it was supported by 90% of respondents to consultation and would provide the quickest route for delivery of the CAZ and reduced emissions.

In response to Members' questions and comments made under Public Participation, officers confirmed that:

- they would be working with other local authorities to ensure that state aid requirements were met
- a report on anti-idling measures covering all vehicles would be taken to the Decision Session of the Executive Member for Transport & Planning in February.

Recommended: That a budget of £1.4m be allocated to establish a competitive grant fund for bus operators, financed from prudential borrowing, noting the revenue implications of £115,000 per annum.

Reason: To enable the improvement of air quality in York through the acceleration of improvements to bus emissions levels.

Cllr I Gillies, Chair

[The meeting started at 5.30 pm and finished at 7.15 pm].

Forward Plan: Executive Meeting: 14 February 2019

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 7 March 2019

| Title and Description | Author | Portfolio Holder |
|---|------------------------------|---|
| <p>Local Plan Update Report Purpose of Report To provide an update on the Local Plan, submitted to the Planning Inspectorate on 25 May 2018, regarding initial clarifications from the Inspectors and the forthcoming hearing sessions relating to housing need, legal, Duty to Co-operate and Green Belt Principle, and on further work undertaken in relation to the Habitat Regulation Assessment (HRA) and potential implications for the submitted Plan.</p> <p>Executive will be asked to: take any consequential decisions required prior to the forthcoming hearing sessions.</p> | Rachel Macefield | Executive Leader (incorporating Finance & Performance) and Executive Member for Economic Development & Community Engagement |
| <p>Placement Review – Foster Carer Review Purpose of Report To provide an update and recommendations on the Placement Review, outlining the intended approach to meet the sufficiency of placements for children in care by retaining and recruiting more foster carers and procuring other provisions.</p> <p>Executive will be asked to: consider proposed changes to the foster carer additional allowances and options for other provision.</p> | William Shaw & Sophie Keeble | Executive Member for Education, Children & Young People |
| <p>School Capital Maintenance Programme 2019/20 Purpose of Report To set out details of the proposed schools capital maintenance programme and provide options for funding including the virement of funds from the current basic need to the capital maintenance budget.</p> <p>Executive will be asked to: agree the funding proposals.</p> | Mark Ellis | Executive Member for Education, Children & Young People |

| Title and Description | Author | Portfolio Holder |
|---|---------------|--|
| <p>Earswick Neighbourhood Plan – Examiner’s Report and Decision Statement</p> <p>Purpose of Report To inform Members of the recommendations made in the Examiner’s Report and to explain the Council’s response to these and to gain approval of the subsequent Decision Statement to allow the Neighbourhood Plan to proceed to Referendum.</p> <p>Executive will be asked to: approve the proposed modifications recommended in the Examiner’s Report and the Council’s Decision Statement to allow the Earswick Neighbourhood Plan to proceed to Referendum.</p> | Anna Pawson | Executive Member for Transport & Planning |
| <p>Various Community Assset Transfers</p> <p>Purpose of Report To propose the letting of buildings at Clarence Gardens, Little Knavesmire and Burnholme to community organisations on long leases, in accordance with the Council’s Community Asset Transfer Policy, as part of the implementation plan for the Community and Operational Asset Strategy.</p> <p>Executive will be asked to: approve the lettings of these buildings to the community organisations.</p> | Philip Callow | Executive Leader (Incorporating Finance & Performance) |
| <p>Investment in the Redevelopment of Lincoln Court Independent Living Scheme</p> <p>Purpose of Report To provide an update on the progress made on the redevelopment of Lincoln Court and seek approval to invest in an enhance scheme, with photovoltaic cells to reduce living costs, enhanced community facilities and additional apartments.</p> <p>Executive will be asked to: approve the enhanced design for the scheme, approve the budget for the scheme and agree to appoint the preferred bidder to carry out the development work.</p> | Vicky Japes | Executive Member for Housing & Safer Neighbourhoods |

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 27 June 2019

None

Table 3: Items Slipped on the Forward Plan

| Title & Description | Author | Portfolio Holder | Original Date | Revised Date | Reason for Slippage |
|---|--|--|----------------------|---------------------|---|
| <p>Placement Review – Foster Carer Review See Table 1 for details</p> | <p>William Shaw & Sophie Keeble</p> | <p>Executive Member for Education, Children & Young People</p> | <p>14/2/19</p> | <p>7/3/19</p> | <p>To allow further detailed discussions to take place.</p> |
| <p>Revised Housing Revenue Account (HRA) Business Plan Purpose of Report Following the report to the Executive in July 2018 and the intention to appropriate the general fund sites into the HRA to build housing, there is a need to revise the business plan to ensure that it reflects the ability to build the sites out. Executive will be asked to: approve the revised HRA Business Plan.</p> | <p>Tom Brittain & Patrick Looker</p> | <p>Executive Member for Housing & Safer Neighbourhoods</p> | <p>14/2/19</p> | <p>n/a</p> | <p>Withdrawn from the Forward Plan: the budgetary elements of this item will now be considered as part of the Capital Programme 2019/20 & 2023/24 and Financial Strategy 2019/20 reports.</p> |
| <p>Citizens Advice York Service Level Agreement Renewal 2019/20 Purpose of Report To present a refreshed service level agreement (SLA) with York CAY for the period 2019-20</p> | <p>Pauline Stuchfield</p> | <p>Executive Member for Adult Social Care & Health</p> | <p>14/2/19</p> | <p>n/a</p> | <p>This item was added to the Forward Plan for the Executive in error; it will now be considered at the Decision Session of the Executive Member for Adult Social Care & Health.</p> |

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Executive

14 February, 2019

Report of the Assistant Director (Communities & Equalities)

Portfolio of the Executive Member for Culture, Leisure and Tourism

Cultural Strategy for York 2019-2025**Summary**

1. This report provides an update on the development of a cultural strategy for York for the period 2019 – 2025. The Executive are asked to note the work to date and to agree, on behalf of the city, the key ideas that have been identified through the strategy-making process so that work may now be undertaken to draw up appropriate delivery plans

Recommendation

2. The Executive is asked to agree the Vision and the Key Ideas set out in paragraphs 13 and 14 respectively on behalf of the city.

Reason - So that:

- York will be internationally recognised for its exceptional heritage and unique arts offer.
- Residents and businesses in York will benefit from York's unique cultural offer, leading to greater investment and participation in the city.
- The cultural offer for York's residents will be expanded beyond the city centre.
- All citizens, irrespective of age or background, will be proud to be engaged with York's arts and heritage offer, which will include a wide range of inclusive opportunities.

Background

3. Following a review of the *Impact of Arts & Culture on the Economy* by the Economy and Place Policy Development Committee, the Executive agreed, in January 2018, that a cultural strategy for the city should be progressed. Under the Council's leadership this

strategy was to be steered by the Cultural Leaders Group, and ultimately adopted by the Council on behalf of the city.

4. The Council provided a sum of £20k to support the process. The contract to undertake the work was let to ArtReach with the work being led by David Hill.
5. A key driver for this strategy is the “to do” set out in the York Economic Strategy 2016-2020 to make a **FRESH LOUD STATEMENT OF CULTURAL AND VISUAL IDENTITY** and the Cultural Strategy will help to achieve this aim. The Economic Strategy notes that this is a particular priority because:
 - Culture and visual identity define perceptions of a city
 - We need to get people to sit up and take notice again
 - York has achieved UNESCO City of Media Arts status and needs to maximise the benefits of this
 - York’s major new development sites create significant opportunities for the future of the city
6. The strategy aims to draw out York’s USP within the Leeds City Region and nationally and to articulate the cultural sector’s contribution to the economy.

The Context for the Strategy

7. A desktop research exercise undertaken at the start of the strategy-making process included a comprehensive analysis of York’s current offer. This showed that York has a strong and diverse cultural sector. As well as a thriving community sector, the city has 62 professional arts and heritage organisations, as well as 412 businesses in the arts, heritage and creative industries field. Amongst these are four Arts Council England National Portfolio Organisations who alone generate a spend in the local economy of more than £5m per annum.
8. The city has a wide range of music and theatre venues as well as 17 museum sites, 11 galleries and 5 other venues for arts and heritage activity. 27 regular festival programmes operate in the area of arts and heritage. The city is also home to around 1,500 students studying arts and heritage related programmes. Finally, it should be noted that York is the only UK city with UNESCO City of Media Arts status.

9. Despite these strengths there is huge untapped potential. Whilst participation in arts and culture amongst York residents at 56.14% is well above the national average we are outside the top 30 local authority areas in terms of this indicator and the best local authority achieves 65.65%. We also know that there is an inequality of engagement across our communities. Furthermore, less than 50% of our visitors engage with arts and heritage and only 4% attend performances. There are gaps in our provision, notably in the early evening offer.
10. Certain barriers to moving forward were also identified at the outset of the consultation exercise notably:
 - Confusing and ineffective sector networking and advocacy arrangements
 - Inadequate collaboration and poor communications
 - Inadequate capacity in cultural leadership
 - Insufficient work space for making and developing

Development of the Strategy

11. The strategy-making began in earnest in June with an ambition-raising workshop attended by representatives of the cultural organisations in the city including the Council. One-to-one meetings with key stakeholders took place in July through focus groups and other events covering:
 - Artists and practitioners
 - Festival organisers
 - Cultural enablers
 - Community arts organisations

Engagement was undertaken with young people, older people, and our diverse communities including rural ones. A list of those involved is included at the Annex.

12. Feedback workshops took place in October to present back the ideas generated in the initial process and the emerging strategy was then further refined.

The Vision 2019 – 2025

13. The vision proposed for the strategy, following the consultation, is that:

York brings together outstanding, internationally renowned heritage with a cutting-edge contemporary approach to creativity.

By 2025 York will be internationally recognised for its unique interface between exceptional heritage and contemporary art.

Key Ideas that inform the Vision

14. Initially, 15 key ideas were generated through the engagement process. These were discussed by the Children Education and Communities Scrutiny Committee as well as at the October feedback sessions. The common view from these sessions was that, although the key ideas were strong and none should be lost, nonetheless they should be distilled down into a shorter, more cogent set of key priorities. This has now been done and 7 key ideas have emerged that are presented here:

i. Exceptional Place:

- Embed culture and heritage in the Local Plan through “cultural wellbeing” plans
- Increasingly use arts and culture as a tool to engage local people in decision-making and in developing York’s new shared vision and narrative
- Ensure that the major development sites, e.g. Castle Gateway, York Central and the Guildhall bring substantial, arts and heritage ingredients and place-making benefits
- Put in place a programme of activity in public realm and in venues between 5pm and 7pm
- Open up access to the Ouse and Foss as an attractive and popular canvas for cultural activity and events

ii. Every Child in the City is an Artist:

- Make York the first city to achieve full cultural entitlement for all children and young people
- Introduce a free Cultural Passport for all young people
- Encourage every York school to maintain a broad and balanced curriculum that promotes access to the arts and young people’s take-up of Arts Award

iii. **Retaining and Developing our Talent:**

- Embed the universities in the cultural offer to engage them in developing events and activity in order to aid talent development and progression paths, and to better meet students' needs.
- Deliver a significant increase in making, studio and workshop space in York (including rehearsal and music studio space) so that more creative practitioners can work in York

iv. **A National Pioneer in Culture & Wellbeing:**

- Establish a comprehensive system for social prescribing using arts and heritage engagement
- Place a focus on young people's mental health and the needs of an ageing population through Culture and Wellbeing commissioning

v. **The Most Creatively Collaborative City:**

- Create an effective and engaging network of artists, musicians, designers, makers and practitioners in the city to table ideas, explore possibilities and seek new collaborations
- Create opportunities for take-over and participative events, e.g. Twilight hours animation of the public space and venues
- Establish an open access Culture Forum
- Implement a city-wide Marketing and Communications Strategy for arts and heritage
- Develop enhanced leadership in the city with capacity to drive forward the strategy

vi. **Arts, Culture and Heritage for Everyone:**

- Reach the top 5 in the UK of local authority areas for cultural engagement and score more highly in the EU Cultural and Creative Cities Monitor
- Build on our special international relationships especially where there is a connection to local communities, e.g. China

vii. **World Class Ambition and Profile:**

- Apply for UNESCO World Heritage status (with the aim of achieving two UNESCO designations for the city)
- Highlight York's cultural offer within the new city vision
- Be the city that reinvents the library as the local creative heart of cultural communities
- Build on the international profile of festivals like Aesthetica Film Festival with the addition of Mediale
- Deliver ambitious cultural developments at venues at Castle Gateway and York Central

15. In some of these areas work is already well under way. For example:

- The Council has already set out its ambitious vision for its library service ensuring that it builds further creative and cultural provision into its offer for all York's local communities. The ambition in the cultural strategy will help to give our library service a more central role in developing the cultural offer across the whole city and build on the national recognition that the service has achieved.
- Cultural wellbeing plans are already proposed within the draft local plan and officers are working on appropriate supplementary planning documents.
- The cultural wellbeing work builds on the pilot driven by the existing Cultural Commissioning Partnership (led by York Museums Trust and which includes Converge and Higher York).
- Castle Gateway and Deans Park development proposals include significant cultural consultation and ambition

16. In other cases new workstreams will be required to deliver the required outcomes.

Options and Analysis

17. The Executive can accept the 7 ideas outlined or, as part of the city-wide partnership developing the strategy, can suggest amendments to them. Any suggested changes would be referred back to the Cultural Leaders Group for discussion and development on behalf of the city.

18. The strategy comes at an exciting time when the city has just completed its first 4 yearly report back on its UNESCO designation. This highlights the diverse areas of achievement under the designation including:
- York's contribution to the global UNESCO network
 - Creation of the Guild of Media Arts
 - Cultural Education - Digital Adventurers and Explore Labs
 - Major cultural initiatives such as the Aesthetica Film Festival
 - University of York's Digital Creativity Labs
 - Various inter-city international collaborations
 - Designation of York as one of nine creative clusters
 - Mediale: This new festival immediately established itself as part of the national cultural calendar. With 113 artists participating and around 65k visitors the estimated economic impact is £1.5m
19. The various UNESCO cities of media arts around the world have developed a memorandum of cooperation with respect to their various festivals to promote working together. It is proposed the Executive Member for Culture, Leisure and Tourism sign on the city's behalf with regard to Mediale. The memorandum aims to encourage the circulation of digital artists and works of art among member cities, to promote the sharing of expertise, and to facilitate opportunities for exchange visits for artists and practitioners in the areas of research, creation, production and distribution.
20. Whilst this first phase of our UNESCO designation has been about establishing the designation and an appropriate programme of activity, the next phase will be about making a real impact on the lives of York's residents and visitors through a focus on technology, talent development and retention, and well-being.

Next Steps

21. Once the key ideas are agreed the next steps will be for the city to respond to them. This will happen through the Cultural Leaders group who will further develop the work by:
- a) Determining outcomes for each key idea
 - b) Finalising a development timeline for each key idea (including identification of early priorities and "quick wins")
 - c) Developing appropriate work plans

22. The emerging strategy will also be further shaped by the initiative to attract increased investment in York by promoting our strengths and assets through the development of a shared vision for the city. The Cultural Leaders Group will also contribute to this initiative ensuring that the two projects are taken forward in tandem.
23. A draft funding strategy has been produced identifying opportunities to bring in around £3.471m of external funding over the period 2019-2025 in order to fulfil the aspirations of the strategy. This funding strategy will now be further developed.
24. To help progress the strategy work two supporting initiatives will be taken:
 - a) The Culture Forum will be established. This will be open to all arts, heritage, creative and related organisations large and small representing professional, amateur, community and education interests. Participation will ultimately be self-selecting as groups determine the value of engagement. This group will elect an executive on which the Council and Make it York will have ex-officio representatives. Make It York will also provide the secretariat.

The Cultural Leaders Group and York@Large will disband.
 - b) A co-ordinator will be employed by Make It York on a short-term basis to progress the work up to launch of the strategy. The Arts Council England have provided £10k of funding to contribute towards this.
25. It is envisaged that the final cultural strategy will be produced and launched over the summer.

Implications

26. **Finance:** In approving the progression of a cultural strategy the Executive made available a sum of £38k for Make It York, £20k to be used directly on preparation of the strategy and £18k to be used over 3 years to provide support to the Cultural Leaders Group. The strategy work has been delivered on budget. The first year of the support funding will be used as a contribution to the cost of the co-ordinator described in paragraph 24 above.
27. **Equalities:** The strategy-making work has identified a range of significant issues with regard to inequality of access to cultural provision. Some specific ideas to address key areas are set out

above. Further impact assessment will be undertaken as work streams are developed to address the issues in full.

28. There are no Legal, HR, IT, Crime and Disorder or other implications arising directly from this report.

Council Plan

29. The proposals in this paper support the Council Plan aim of *A Prosperous City for All* where:

- Local businesses can thrive
- Everyone who lives in the city can enjoy its unique heritage and range of activities.
- Visitors, businesses and residents are impressed with the quality of our city

Risk Management

30. In compliance with the Council's risk management strategy the main risks that have been identified in this report are those which could lead to the inability to meet business objectives and failure to meet stakeholders' expectations, which could in turn damage the Council's image and reputation. Measured in terms of impact and likelihood, the risk score has been assessed at "Low". This means that the risk level is acceptable but that regular monitoring of progress against the strategy will be required.

Contact Details

| | | | |
|--|---|---|----------------------|
| Authors: | Chief Officer responsible for the report: | | |
| Charlie Croft Assistant Director (Communities and Equalities) | Amanda Hatton Corporate Director of Children, Education and Communities | | |
| | Report Approved | ✓ | Date 31.1.19. |
| Wards Affected: | All | | ✓ |
| For further information please contact the author of the report | | | |

Annex: Consultees engaged in the process.

Background Papers: Strategy-making background documents. Files held by the report author.

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Consultation Process

Introduction

ArtReach was commissioned in May 2018 to lead development of a new Cultural Strategy for York. The brief identified the following consultation requirements:

1. Discussion with key stakeholders (City of York Council, University of York, York St John University, York BID, CLG), civic leaders and potential investment agencies building on the work already done by the CLG
2. Running a workshop to determine priorities amongst the CLG and other stakeholders
3. Consultation with smaller arts and community organisations in York and its immediate hinterland
4. Public consultation

ArtReach committed to the following process and stages of consultation:

- A) Inception meeting and city familiarisation – including some initial contact with key cultural organisations.
- B) Deliver an intensive week of consultation activity in York focusing on:
 - A workshop event for the Cultural Leaders Group as a stimulus for tabling Big Ideas
 - Individual meets with representatives from key stakeholders (currently as defined in the Brief), including Civic leaders
 - Focus group sessions with a range of cultural (arts and heritage) organisations and creative industry representatives (and tourism officers as appropriate)
 - Meet with CEP and some education representatives from the schools sector
 - Meeting with some key potential investment agency representatives – BID and ACE
 - Update meetings with the Strategy Steering Group

- c) Deliver a series of 5 creative workshops to engage with target grass roots groups - target groups will include young people , elders, a disability group (or disabled people), families, diverse communities
- d) Online survey activity to provide a consultation forum for artists and practitioners, amateur arts and heritage groups, and schools
- e) Delivery of open forum presentation sessions to provide a wide opportunity for people to feedback and comment on a draft Strategy

Work undertaken

A) Inception meeting with the Cultural Leaders' Steering Group on 24 May and attendance at the Make it York board meeting.

Site visits included visiting York Art Gallery, Castle Museum, Clifford's Tower, Yorvik, York Minster, Spark and City Walls, plus attending a performance at York Theatre Royal.

B) Consultation meetings:

- Meeting in Leeds (13 June) held with four Arts Council England officers, including Area Director.
- Full afternoon workshop event (19 June) held with 31 representatives of the Cultural Leaders Group, with supporting presentations delivered by Stella Hall (formerly Newcastle/Gateshead Initiative) and Helen Marriage (Artichoke).
- Meetings with City of York Council Elected Members and Officers.
- Meeting with York@large group (including Cultural Education Partnership representatives) on 18 June).
- Individual meetings held (18 - 27 June) with representatives from the following key stakeholders:
Make it York; Aesthetica; York Theatre Royal; Pilot Theatre; York Mediale; Explore York; York BID; University of York; York St John University; SLAP; York Museum Trust; National Railway Museum; and York Archaeological Trust.
- Focus group sessions held on 20, 26 and 27 June with 26 attendees from 20 different organisations.

- Open public forum presentations x 2 on 23 October, attracting circa 80 attendees and a cross-section of engagement.

C) Workshop activities were delivered as follows:

- Facilitated discussion session with 22 learning disabled young people through Arts and Accessible Media (25 June)
- Arts workshop with mothers with new born babies at Spark York (31 July)
- Arts workshop with an elderly drop-in group at Oaken Grove Community Centre (31 July)
- Arts workshops with different family groups and young people at Central Library/Explore York (6 August)

D) Four online surveys were created and promoted – inviting responses from individual artists/practitioners, amateur arts and heritage groups, schools, and key individuals who had not had an opportunity to attend meetings. Over 50 artists responded to the survey and 18 amateur groups. There was a poor response from schools with only 3 completing the survey, despite a comprehensive follow up by phone and considerable social media activity.

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Executive**14 February 2019**

Report of the Director of Economy and Place

Portfolios of the Executive Leader (incorporating Finance and Performance) and the Executive Member for Economic Development & Community Engagement

The Guildhall Redevelopment Tender Evaluation & Project Business Plan Appraisal**Summary**

1. The Guildhall is one of the city's most prestigious and historically significant assets and was for many years the centre of the council's democratic, civic and managerial activity in the city. When the council consolidated its office provision into West Offices in 2013, the council initiated a review of the future of the Guildhall, with a clear commitment to giving the building a new and sustainable lease of life for the benefit of the city and its residents.
2. The Guildhall has suffered from decades of underinvestment. The last significant investment was to repair the Guildhall following the World War II bombing in 1942, during the Baedeker raids. The restoration was completed in 1960 but, without further investment, a backlog of major repairs and maintenance issues have accrued. Detailed investigations have also revealed further underlying structural defects which, if not addressed, will eventually lead to the disintegration of parts of the Guildhall. This process of decline needs immediate attention to protect such an important heritage building.
3. This report sets out the conclusion of the complex process of review, assessment, analysis, specification, design, costing and procurement, in order to give the Guildhall a secure future and deliver 250 additional jobs with a GVA (Gross Value Added - economic growth impact) of £117m over

5 years. The restoration will bring the historic Guildhall back into active commercial and civic use and open it up to the public.

4. The report outlines a comprehensive scheme to refurbish and redevelop the Guildhall complex and generate income of c£848k per annum. The scheme will secure its long-term future as office and business space with democratic, civic and community space, supported by a cafe, new public riverside space and a riverside restaurant. The proposals include significant structural works to address the stability of the North Annex tower, replacement roofs for the Guildhall and the council chamber and complete renewal of services. The installation of a River Water Source Heat pump will bring significant environmental benefits and reduced running costs. The new and refurbished accommodation will offer new opportunities to support local businesses and increase public access to this historic building.
5. The commercial focus of the scheme will reflect the original use of the Guildhall, supporting local business growth and entrepreneurs. The report sets out proposals for a Guildhall offering:
 - Essential works to address the structural failures to the north tower to avoid collapse and replacement of roofs, all to strict conservation standards.
 - High quality office and business space to support our economy.
 - Bringing the medieval Guildhall space into more active public use with significantly improved facilities and amenities, including under floor heating, improved access / circulation, adjacent foyer space, cloaks / toilets provision and a cafe/bar, with an increase to its licensed capacity.
 - Publicly accessible riverside space
 - A high quality riverside restaurant
 - Ongoing use for democratic and civic events
6. The paper sets out a comprehensive update of the business case for the scheme in the context of consideration of alternative options and also sets out the results of the recently completed procurement of a construction company to undertake the extensive restoration and construction works to the Guildhall.

Recommendations

7. Executive are asked:
 - i. To note the additional construction costs necessary to address the structural instability of the Guildhall and to access the riverside site as set out in para 21.
 - ii. To note the additional costs arising due to inflation and contingency as set out in Para 21.
 - iii. To note the 250 additional jobs with a GVA (Gross Value Added - economic growth impact) of £117m over 5 years.
 - iv. To agree to the redevelopment of the Guildhall at an additional cost of £7.372m funded from prudential borrowing identified in the 2019/20 capital budget report.
 - v. To agree the updated business case for the scheme
 - vi. To agree to proceed to the award of a contract to Bidder B as the construction contractor for the Guildhall project and delegate to the Director of Economy and Place (in consultation with the Assistant Director of Legal and Governance or his delegated officers) take such steps as are necessary to enter into the contract and, subject to contract, to commence the construction works.
 - vii. To agree to the seeking of tenants for the commercial space to maximise income to the Council and to delegate to the Director of Economy and Place in consultation with the Executive Member for Finance and Performance to agree the length of the lease(s).

Reason:-to ensure the future viability and effective re-use of the Guildhall as one of the City's most significant historic buildings.

Background

8. The council vacated the Guildhall complex as part of the consolidation of administrative accommodation when they moved to West Offices in March 2013. The complex has been largely vacant and underused over the interim period at a cost of £125k pa.
9. A condition survey undertaken in August 2013 highlighted the poor condition of the whole of the Guildhall with a backlog of repair and maintenance items, poor accessibility and life expired services. Timely remedial action was taken in 2014 to repair roofs / gutters and this prevented further unnecessary damage to the complex as a result of water ingress.

10. The cost estimate for undertaking the necessary repairs, service renewals and minimum access improvements was estimated at c£2m (at 2013 prices) exclusive of project design, management and contract fees. This figure did not include re-configuration of the accommodation, or enhanced services and facilities. It did not address the structural failures that became clear from the subsequent intrusive survey work which revealed the full extent of the structural problems with the north annex tower.
11. Sophisticated movement monitoring equipment was installed to monitor the active movement this has confirmed that there is progressive movement of the rear of the tower which is gradually leaning away from the river, creating significant cracking to the northern facade of the tower. This crack is active and requires significant underpinning to stabilise it. The condition of the Council Chamber roof is also such that complete re-roofing is now needed as part of a comprehensive scheme. Images of the structural damage and water ingress are attached at Annex 2.
12. The Guildhall spans six centuries of development on a riverside site that contains evidence of two millennia of urban development. The buildings are listed at Grade I, II* and II – making the site hugely significant. The main elements of the complex are :
 - The Guildhall main hall and associated riverside meeting room dating from 1445 – listed at Grade I
 - The early C19th Atkinson block – included in the Grade I listing
 - The south range – listed at Grade II
 - The late C19th Victorian council offices listed at Grade II*
 - The riverside block of the early C20th north annex (former post office) – included in the Grade II* listing
 - The remainder of the north annex – unlisted
 - The hutments site – unlisted
 - Common Hall Yard - unlisted

A summary plan is included at Annex 1.

13. In 2012 the council decided to vacate the Guildhall as part of the Admin Accommodation programme. Since that time, successive reports have set out proposals for the future of the Guildhall. In July 2013 the Cabinet commissioned a feasibility study for a Digital Media Arts Centre. This was reported back to Cabinet in Dec 2014 with an indicative cost of £9.23m. This scheme included refurbishment of the north annex (rather than new build) and was not fully funded at that time. Officers were instructed to

undertake further work to explore potential income sources and opportunities for grant funding.

14. Two applications to secure grant funding from the Heritage Lottery Fund were declined. Those bids were partly to contribute to the renovation works but also included additional works to Common Hall Lane and the digital interpretation of the Guildhall.
15. Further business case development was subject to a Scrutiny review which resulted in a report back to Executive in October 2015, agreeing the scope of the future scheme to include :-
 - The refurbished Guildhall and riverside meeting rooms
 - A cafe unit to the south range
 - Office and Business space
 - A new riverside restaurant unit
 - New services
16. In July 2016, Executive agreed the detail of the scheme (set out in Annex 3) and the high level business case. The scheme was granted Planning and Listed Building Consent in Feb 2017 and in March 2017 Executive agreed a budget of £12.78m based on the RIBA Stage 3 design. This scheme included a new build north annex as it had proved impossible to add an additional floor to the existing structure. At that point the council secured LCR LEP Local Growth Fund grant funding of £2.347m, specifically targeted at supporting business growth and job creation.

The Procurement

17. To reflect the complexity of the development of a heritage listed building in poor condition with new build elements on an extremely constrained riverside site, a two stage procurement process was undertaken for the appointment of a construction contractor. The first stage (early contractor involvement or ECI) was undertaken seeking to work with a contractor to progress the design specifications into detailed work packages that could be properly costed to provide accuracy in the final bids. This work was undertaken in early 2018 and enabled the development of detailed bills of quantities.
18. It also crystallised some of the very real cost issues with the site, namely the cost of addressing major structural issues and the cost of accessing and constructing on such a constrained city centre and river side site. The need for large volumes of structural concrete to underpin the tower made this logistical challenge even more complicated.

19. The increased remedial works and inherent logistical complexity made it impossible to evaluate whether the costed proposal through the ECI process represented value for money. In May 2018 Executive were advised that the final construction costs for the complex were likely to be in the region of £15m. This included all the new build elements and the detailed costs of stabilising the structure, satisfying the listed building consent and the extensive costs of river side logistics to service the constrained site. Executive agreed to take the detailed specification back out to competitive tender, whilst accepting some proposals to omit some less essential but costly elements of the design. (Roof-top terraces).
20. Extensive specification of work packages was subsequently undertaken and the Council sought external commercial advice to produce a pre tender estimate to help ensure an effective and robust procurement process and evaluation.
21. The additional works which have been added to the scope to reflect planning and listed building consent conditions and to address structural defects that emerged from further detailed investigation works are set out in the table below, alongside other factors that have resulted in the increase in cost from March 2017.

| Cost element | £ | notes |
|---|--------------|---|
| Re-roofing works | £0.35m | Defects |
| Underpinning and structural stabilisation | £0.88m | Structural defects identified by intrusive surveys |
| River Water Source Heat Pump | £0.45m | Higher capital cost drives lower running costs, lower carbon emissions and allows comfort cooling to south facing rooms inc council chamber |
| New Electricity supply | £0.12m | |
| River access logistics | £1.5m | Exacerbated by need for underpinning |
| Total | £3.3m | |
| Enabling/survey work | £0.4m | |
| Construction cost Inflation since 2017 | £1.2m | |
| Contingency | £1.3m | |
| Professional Fees on larger, longer project | £1m | |
| Project Management on longer project | £0.2m | |
| TOTAL Increase | £7.4m | |

22. The incorporation of these additional works leads to an overall construction budget of £16.5m including contingency and a scheme budget of £20.2m.
23. The Council went out to tender using a single stage OJEU compliant open procurement procedure which included evaluation criteria based on a 60% quality 40% cost split, due to the heritage complexity of the project. Two bidders submitted a tender response in December 2018. The full cost and quality breakdown is shown in Confidential Annex 4 and a summary of the evaluation scores is set out below.

| | % | Bidder A | Bidder B |
|---------------|----|----------|----------|
| Quality score | 60 | 42.65 | 48.19 |
| Cost Score | 40 | 40.00 | 36.76 |
| Total | | 82.65 | 84.95 |

24. The names of the bidders will remain commercially confidential until the contract has been awarded and a contract standstill period of at least ten calendar days following the notification of the award has been observed in accordance with the requirements of the Public Contract Regulations 2015. Both bidders are set out in Confidential Annex 4 along with an executive summary of the evaluation results, including the detailed costs of the bids.
25. On the basis of this evaluation, Bidder B has been identified as the successful bidder. It is recommended that Executive agree to proceed to the award of a contract to Bidder B as the construction contractor for the Guildhall project and for construction works to commence as soon as the contract is completed. This will lead to a 75 week construction programme, starting in Spring/Summer 2019 and finishing in autumn 2020.

Economic Case

26. York's Economic Strategy 2016-20 recognises the challenges that our city faces, in responding to its increasing attraction as a tourism and retail destination while seeking to promote growth in higher economic value sectors such as professional and technical, financial services and engineering. Fundamentally, this translates into a requirement for more office-based jobs, particularly in the city centre.
27. The Guildhall redevelopment thus has the potential to underpin further growth in higher paid sectors. It would provide workspace which would equate to 250 net additional jobs in target sectors in York. Over the first five years of operation, the Regional Econometric Model predicts that these jobs would contribute an additional £117m of GVA to the regional

economy. In addition, the construction phase would contribute 50 additional jobs at peak, and £7m GVA in total.

Potential Demand

28. The council currently successfully operates a large commercial portfolio with very high occupancy rates and there is a high level of confidence that the workspace provided in the Guildhall redevelopment would be attractive to potential occupiers, whether marketed as space for a single occupier, as several smaller serviced offices, or as a mix of serviced office and co working space.
29. There is strong demand for offices in the city centre, with availability at a 10 year low alongside growth in office-based sectors in York. Make It York (MiY) and the city's commercial agents report strong demand for offices for growth businesses in York and potential inward investors. The MiY review of existing co-working and serviced office accommodation in York and the broader region indicates that there is also strong demand for this type of accommodation, particularly for companies and entrepreneurs in the creative and digital sectors. Such spaces in York, which include The Hub, Hiscox Business Club, ACollective and Blake House, are all compromised by scale, quality or location, but are nonetheless close to full. Nationally, demand is growing for such space with co working facilities expanding in many of our major cities.
30. With approximately 80 businesses starting up each month in York, we are confident that co-working and desk-rental options identified in the Guildhall business plan would have also strong take-up. The anticipated charges identified in the business plan are in line with the costs of other such spaces, and our survey of existing businesses confirms that the costs would be acceptable. In terms of serviced office accommodation, there is also currently strong demand in York, with 14 responders to the survey indicating that they are currently looking for such space and would be interested in the Guildhall if it were available.

Updated Business Case

31. In 2017 Executive agreed a detailed full business case for the Guildhall scheme. This has been updated to show :-
 - The costs of construction taken from the pre tender estimate
 - Revised income estimates based upon updated market assessments of both office and restaurant sectors

- Soft market assessment of demand for a business club model amongst local businesses
 - Updated operational cost
 - Confirmed levels of grant support
32. The project review undertaken in 2015 considered a range of alternative options for the future of the Guildhall and at each step in the decision-making process alternatives have been modelled. Throughout the project elected members have been very clear of the desirability of retaining council ownership of the Guildhall. This limits the range of possible options but officers have revisited variations on the scheme to explore whether a lower-cost alternative exists that will both retain ownership and secure ongoing access for the council and the public.
33. Alternatives have been modelled to reduce the capital cost of the scheme, particularly to reduce the level of new build. These are set out in Annex 5. These variants did reduce the total capital cost but also significantly reduced the level of revenue income and some options also resulted in the loss of grant and in year revenue impacts of abortive costs being written off to revenue. They all resulted in an increase in annual revenue costs making them financially undesirable as well as failing to deliver the same economic benefits.
34. Only one option leads to a lower annual revenue cost than the full scheme and that is undertake an essential repair and maintenance scheme without the ancillary commercial uses, undertaking only the necessary remedial and upgrade work to deliver access to the Council Chamber and Guildhall to support the civic functions of the Council and repair and redecorate the existing office space for re occupation. Disabled access would remain as it is, there would be no sustainable energy improvements and the Guildhall, whilst benefitting from improved wall heating, would not benefit from under floor heating or improved toilets and catering facilities. It is worth noting that this option would require the council to write off £1.3m of abortive costs to revenue in year. This would reduce the amount of budget available to deliver council services.
35. The revised business case is once again presented with a comparative analysis of undertaking a much reduced scope of works to simply repair and bring the building back into active use.
36. The table below shows the total capital costs of the two options, the grant income received and the level of borrowing required. This is then translated into the revenue cost of borrowing and is then netted against the trading

income and operating costs of each option. Whilst Option 1 has a significantly higher capital cost, the impact of grant and trading income means that the schemes are only separated by £23k pa. This is summarised in the table below:-

| | Option1 Full scheme - Business Club & serviced Office | Option 2 Repair / refurbishment - no restaurant or cafe with leased office |
|---|--|---|
| Capital | £k | £k |
| Project Mgt | 581 | 501 |
| Enabling Works | 615 | 615 |
| Construction | 16,500 | 6,000 |
| Fixtures Fittings & Furniture | 300 | 250 |
| Professional Fees | 2,044 | 1,794 |
| Party Walls | 140 | 57 |
| Total | 20,180 | 9,217 |
| Abortive costs - in year write off | 0 | 1,260 |
| Net Capital costs to finance | 20,180 | 7,957 |
| Existing capital budget | 1,778 | 1,778 |
| WYCA grant | 2,347 | 0 |
| Total Borrowing (including £8.6m approved Mar 17) | 16,055 | 6,179 |
| Revenue | | |
| Restaurant | -150 | 0 |
| Cafe | -15 | 0 |
| Office income | -549 | -102 |
| GH / mtg room hire | -134 | -50 |
| Gross income | -848 | -152 |
| Operating costs | 537 | 310 |
| Net income | -311 | 158 |
| Borrowing costs | 885 | 393 |
| Total Net Revenue Cost | 574 | 551 |

37. The assumptions applied to this iteration of the business case take a prudent approach to potential income generation. The council also currently spends £125k pa on the building which will be saved. In addition the full scheme will protect and potentially enhance the level of business rates which, under current and anticipated future business rates legislation,

leads to the council retaining a proportion of the business rates income which would mitigate the cost of the scheme to the council. These potential additional financial benefits are set out in the table below.

| Other financial considerations (£'000) | | |
|--|-------------|-------------|
| Saving in current running costs | -125 | -125 |
| Potential Additional Business Rates | -40 | 0 |
| Potential Additional income | -100 | 0 |
| Possible additional benefits | -265 | -125 |

Options Analysis

Option 1

38. The capital costs reflect the outcomes of the tender exercise and further advice from the Council's external commercial advisors. An additional contingency sum has been identified to reflect the complexity of the scheme and the heritage status of the existing buildings. This gives a total construction budget of £16.5m, with a net revenue cost of £574k pa.
39. Following external valuation advice, the income projections have been revised down to reflect prudent assumptions about take up and values to be achieved from office rental. There is significant opportunity for this to be over achieved and to increase over time thus reducing the revenue cost to the council.
40. The restaurant and cafe leases have been assumed at a lower level to reflect that the food and beverage industry nationally is experiencing challenging trading conditions, although in York the market remains relatively buoyant and agents have high levels of confidence in identifying a suitable tenant and have identified current active market interest in the Guildhall.
41. The potential achievement of additional income is set out in para 37 and would reduce the annual net cost to approx £300k.pa.
42. The operating costs assume an ongoing repairs and maintenance budget and given the extensive repairs and new build being undertaken, the future capital costs of the Guildhall are incorporated into this business plan.

Option 2

43. The capital cost of a simple repair scheme will cost approx £6m, to address the structural weaknesses in the tower and roofs, to upgrade the core M&E systems and bring the complex back into operation. This would not deliver Local Growth Fund objectives therefore the scheme would not be eligible for the £2.347m grant from LCR LEP.
44. The quality of the office space would be poor and would facilitate only a low revenue income, therefore the Council would still need to service a significant proportion of the cost of borrowing from revenue budgets. This would result in revenue costs of £551k per annum. In addition a proportion of the costs to date would also need to be written off to revenue. To date we have spent c£2.4m of which it is estimated that c£1.3m may be classed as abortive costs and written off to revenue in year (this would need detailed assessment). This would reduce the amount of budget available to deliver council services.
45. This option would require a new procurement with a delay of at least 12 months during which time the council would incur ongoing running costs of £125k.
46. This option would still retain some of the poor quality 20th century additions to the complex which will, in the medium term, require further capital repairs expenditure.
47. This option would deliver limited public access with poor public facilities and with only partial Disability Discrimination Act compliance.

Conclusion

48. There is no cost-neutral option for the future of the Guildhall. Decades of under investment have left the building in a poor and disintegrating state of repair which must be remedied. The council, as custodian of this important heritage building, have a duty of care to address this decline. The building is currently costing the council £125k pa to leave empty.
49. The strategic and economic case for the full Option 1 scheme remains strong. Since the early inception of the scheme there has been an increase in capital costs arising from both the structural defects and the complex river logistics. Despite significant income generation for both the commercial elements of the scheme and from the office and business

space, the scheme will require an ongoing revenue budget to deliver and maintain it.

50. This ongoing revenue is necessary to secure a long term future for the building, to secure it for community and civic use and to keep the Guildhall in public ownership.
51. Whilst the minimal repair scheme looks cheaper, with no potential to increase income from this scheme, with abortive costs of £1.3m to write off in year and with no economic uplift this option is not recommended.
52. The Option 1 full scheme will cost only £23k pa more than the minimal repair scheme but it will :-
 - Generate economic benefits for the city with 250 jobs and a GVA uplift of £117m pa.
 - Increase public access to the Guildhall
 - Provide a better return on investment with higher income and a future potential for over achievement of income
 - Avoid future medium term repairs costs
 - Retain the full WYCA grant of £2.347m
 - Prevent abortive costs impacting on in year revenue budgets
53. It is recommended that Executive exclude the “repair only” Option 2 and continue with plans to deliver the Option 1 full scheme.

Council Plan

54. The Guildhall project will deliver outcomes which contribute directly to the following objectives in the Council Plan 2015-19.

A prosperous city for all

- Local businesses can thrive
- Residents have the opportunity to get good quality and well paid jobs
- Environmental sustainability underpins everything we do.
- Everyone who lives in the city can enjoy its unique heritage and range of activities.
- Visitors, businesses and residents are impressed with the quality of our city
- Be entrepreneurial, making the most of commercial opportunities

Implications

55. **Financial –**

The report highlights the increasing costs of the scheme due to additional works (£3.3m) inflation (£1.2m) and extended project programme (£2.9m). This leads to a revised total capital scheme budget is £20.2m. This leads to a requirement for additional borrowing of £7.4m compared to the previously approved budget.

56. It is proposed that the increased cost is funded through prudential borrowing. This results in a total value of prudential borrowing being £16.1m and an annual net revenue cost of £574k per annum. Should the operation deliver higher revenue returns this will be used to reduce overall borrowing costs.

57. The additional capital cost and associated borrowing costs have been incorporated within the Capital Budget 2019/20 to 2023/24 report and the Financial Strategy 2019/20 to 2023/24 report elsewhere on the agenda. The additional borrowing costs necessary to meet the projected additional capital cost of delivering the scheme are set out in the report.

58. Should the option to only undertake minimum repairs there would be a need to write off c£1.3m of abortive costs back to revenue. This could not be contained within current budgets and therefore would need to come from council reserves and would impact upon core council services. This would need to be considered as part of the year end closedown process and the implications reported back to Members as part of the Year End Finance and Performance Report in June 2019.

Human Resources (HR) – none

Equalities – The delivery of the scheme will directly address many of the issues of poor accessibility suffered at the Guildhall and access to the complex and the council chamber including the public gallery will be improved by the development in line with the requirements of the Equalities Act.

Legal – The Council has undertaken a compliant procurement exercise in accordance with both the Council's Contract Procedure Rules and the Public Contract Regulations 2015.

Crime and Disorder - The design of the complex raised no objection from the Police Architectural Liaison officer – however, a site security and management plan will be needed to co-ordinate all uses / users across the

site. This will be developed holistically in conjunction with proposals for access control / CCTV and site FM.

Information Technology - The most appropriate arrangements for providing IT services for the office and business space will be discussed and agreed with the Head of IT.

Property - It is proposed to offer a lease for the commercial space, following a competitive marketing process. In order to achieve the highest possible value for the lease opportunities a long lease of up to 250 years will be considered and it is proposed that the length of the lease will be agreed by the Director of Economy and Place in consultation with the Executive Member for Finance and Performance The Council will retain the freehold to the entire site.

Risk Management

59. One of the key project risks is the ongoing deterioration of the complex where much of the space is vacant or under-used. Although interim repair works have addressed immediate problems there is a significant outstanding repair and maintenance backlog. The proposed development will address these and the identified structural problems through a comprehensive refurbishment of the entire complex providing a viable and sustainable future for the complex.
60. Securing appropriate consents from adjoining owners / neighbours is critical to the successful delivery of the project and will require individual agreements to be reached. Although contact has already been made with all relevant parties and initial discussions have been positive, this still represents a risk to delivery. A project risk register is maintained for the project and will be updated to reflect the revised risk profile of the proposed delivery option.

Financial Risks

61. Capital Cost - The council has worked with both bidders to ensure the structural condition of the Guildhall is understood and proceed accordingly. There is a contingency within the project however given the complexity of the project in terms of access and condition it is possible that the cost will go above budget. This can be mitigated through close contract management and partnership working. Progress on the project will be reported back to Members through quarterly monitoring reports.

62. Revenue Costs - The estimates for revenue income at the scheme is based on current market conditions for restaurant and office space. The rates received will ultimately be dependent on market conditions at the time of the completed scheme. There are opportunities to review the layout of the building to maximise income and we shall closely monitor the economic factors that will impact the income levels.

Contact Details

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Neil Ferris
Corporate Director of Economy and Place

**Report
Approved**



Date 4 February 2019

David Warburton
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Specialist Implications Officer(s) List information for all

Financial implications

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Finance Manager
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Legal implications

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Property implications

Nick Collins
Property Manager
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Wards Affected: List wards or tick box to indicate all
Guildhall Ward

All

For further information please contact the author of the report

Annexes

- Annex 1 – Plan
- Annex 2 – Images of structural damage
- Annex 3 - Guildhall Scheme design
- Confidential Annex 4 – Procurement evaluation
- Annex 5 – Analysis of options - Long list

Background Papers:

Executive reports –

29 Oct 2015 - The Future of York's Guildhall & Riverside

14 July 2016 - The Guildhall – Detailed Designs & Business Case

16 March 2017 the Guildhall – Development of the Complex.

8th May 2018 – The Development of the Guildhall Complex

Glossary

CCTV – Closed Circuit Television

ECI - Early Contractor Involvement

FM – Facilities Management

GVA - Gross Value Added

LCR LEP – Leeds City Region Local Enterprise Partnership

M&E – Mechanical and Engineering

PTE – Pre Tender Estimate

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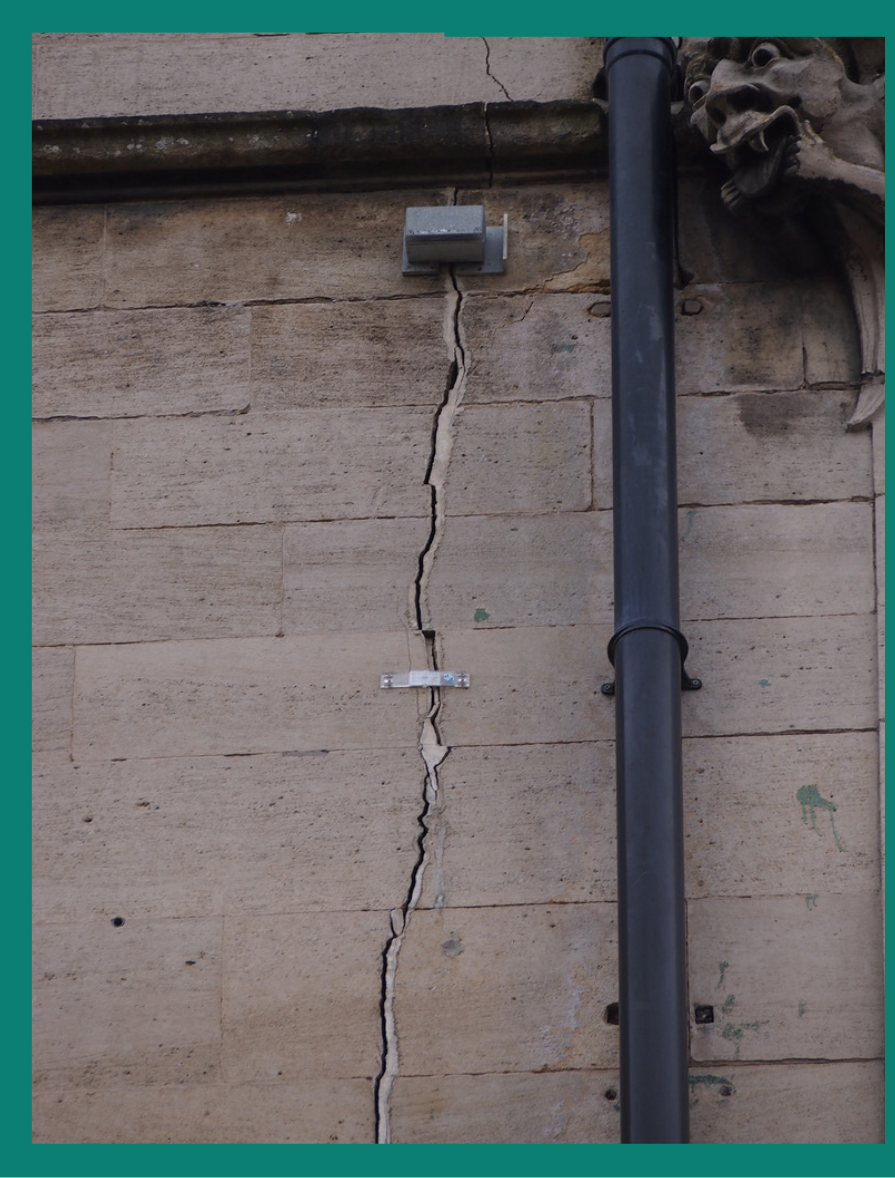


**Water
damage:
windows and
ceiling**





**Cracks in tower
and windows**



Annex 3



THE GUILDHALL COMPLEX, YORK

City of York Council

Planning & Listed Building Consent

16/01971/FULM & 16/01972/LBC

16 February 2017

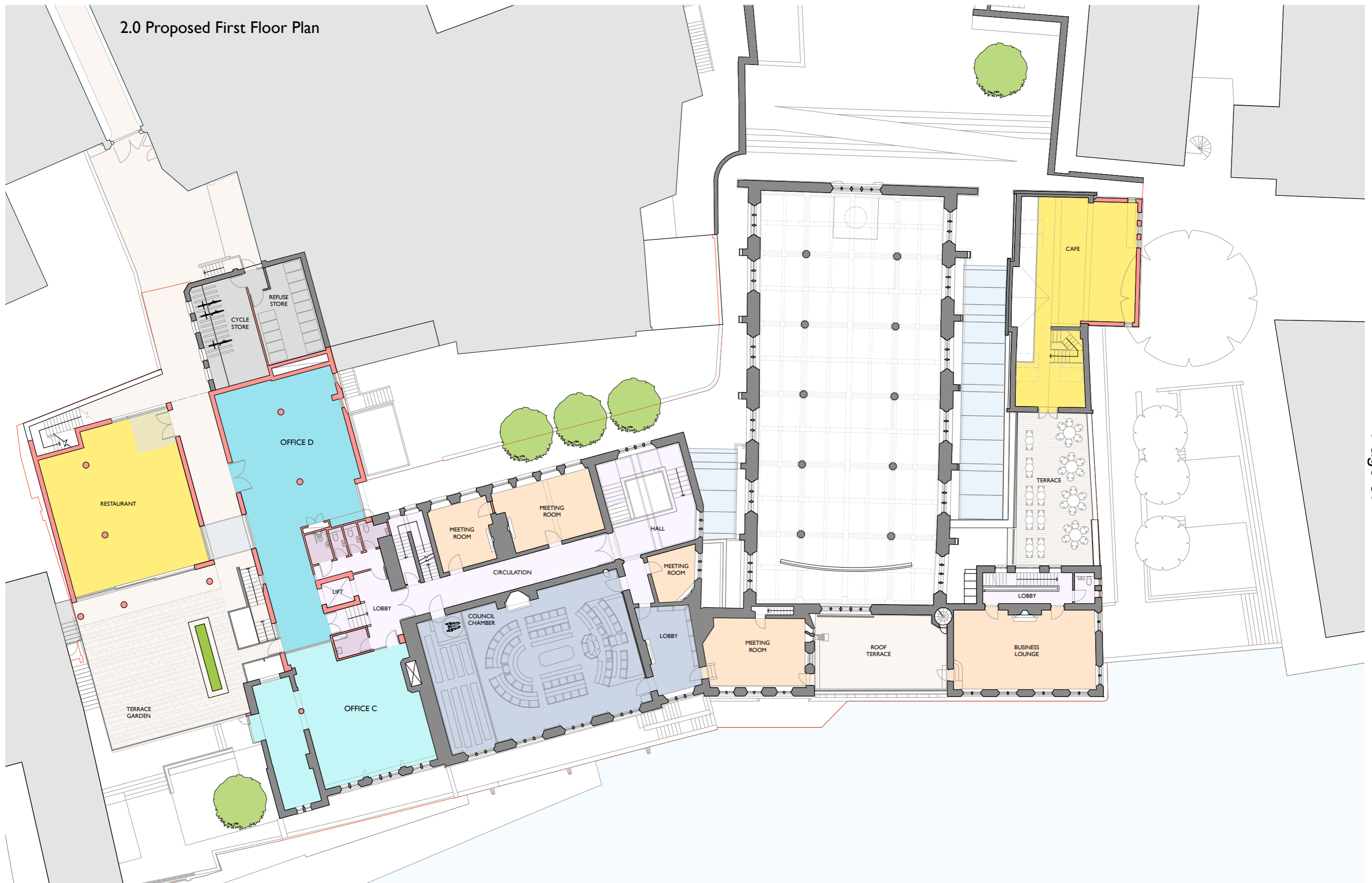
1.0 Proposed Ground Floor Plan



KEY:

| | | |
|--|--|---|
| ■ COMMERCIAL | ■ PLANT / STORAGE | ■ OFFICE A : 204.8sqm |
| ■ OFFICE | ■ CIRCULATION | ■ OFFICE B : 89.1sqm |
| ■ COMMITTEE ROOM | ■ ANCILLARY | |
| ■ GUILDHALL | ■ PUBLIC REALM | |

2.0 Proposed First Floor Plan



3.0 Proposed Second Floor Plan

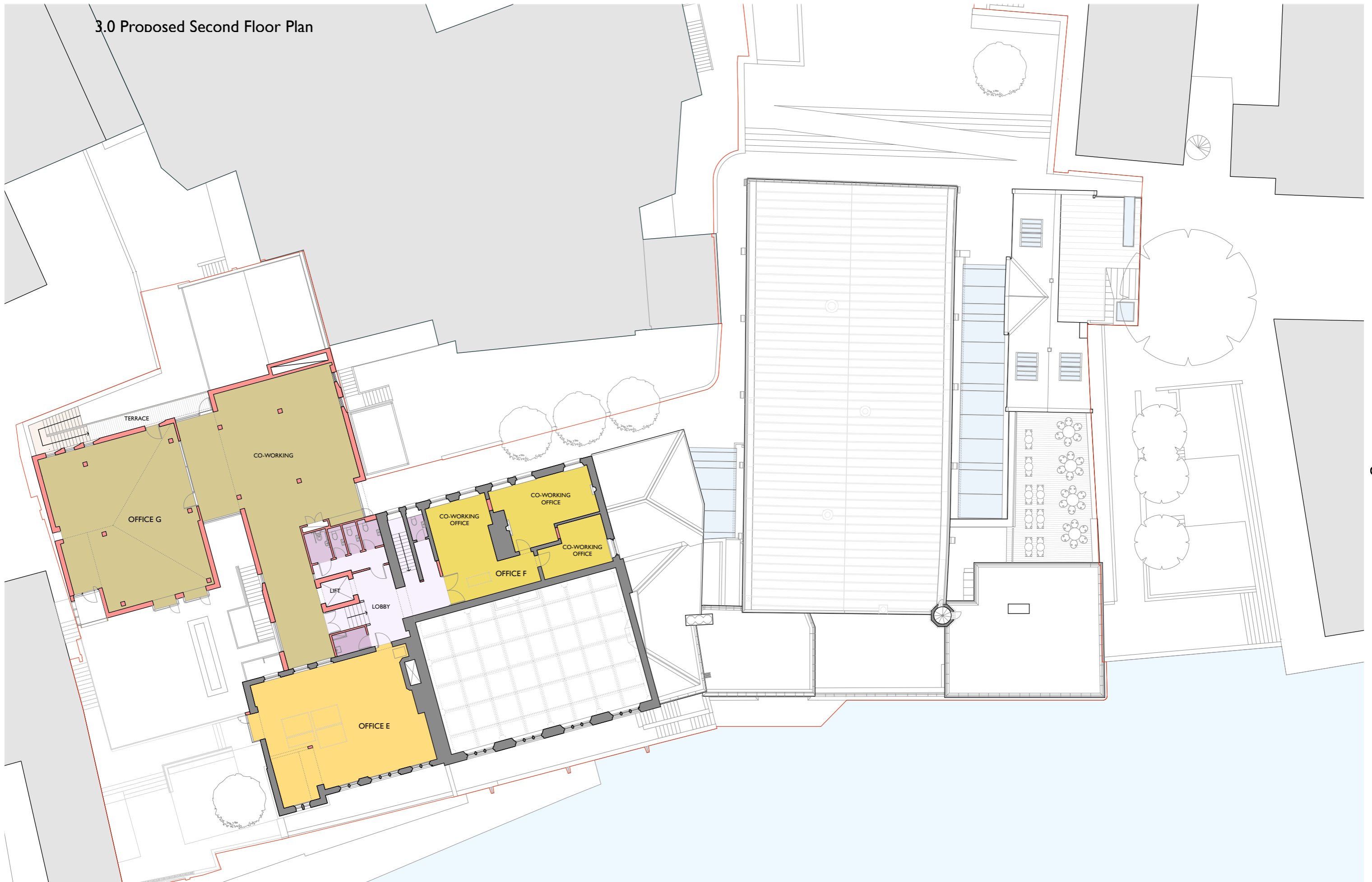




Diagram to show circulation and access for Council Chamber use at proposed ground floor.

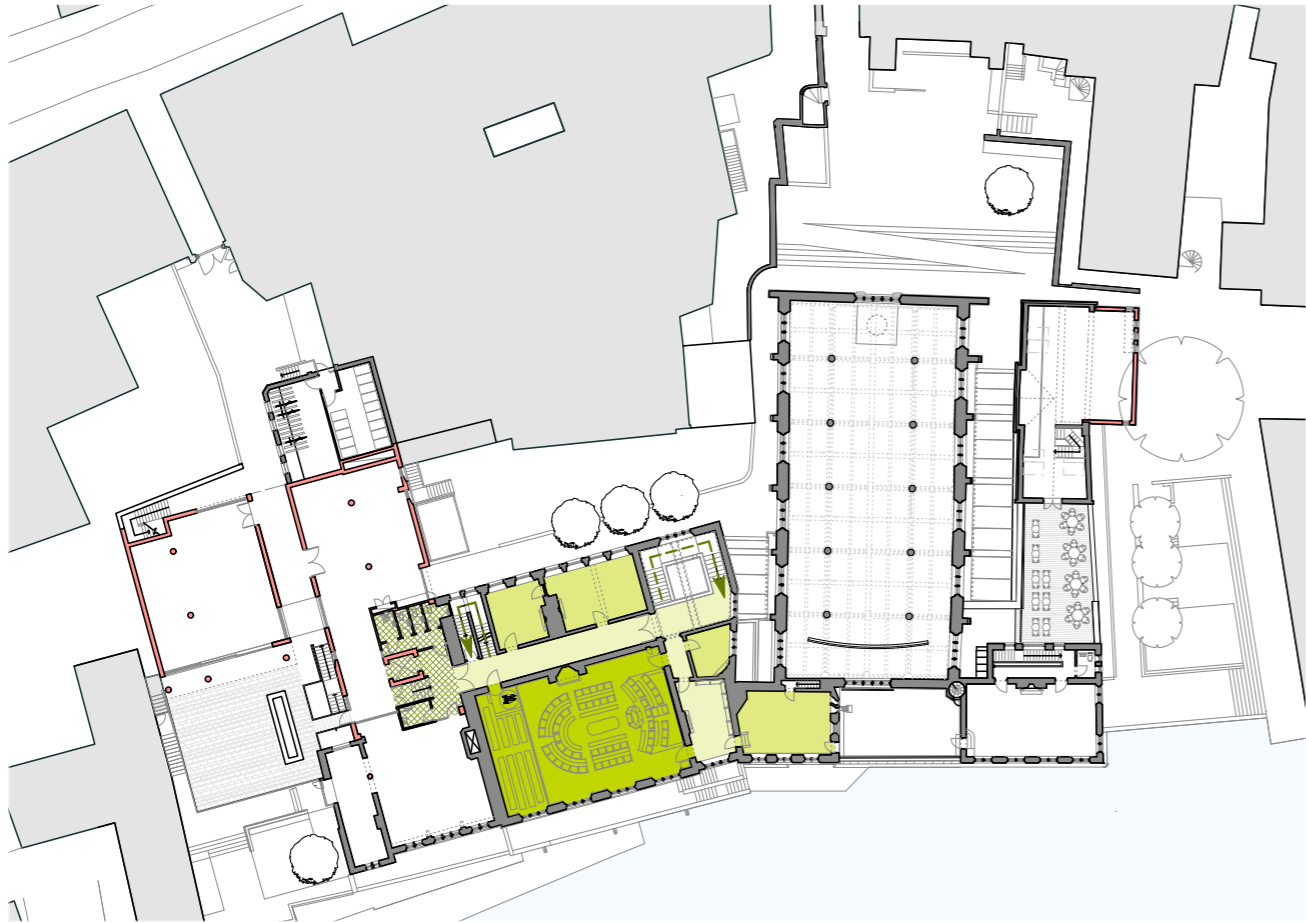


Diagram to show circulation and access for Council Chamber use at proposed first floor.

5.0 Guildhall Use: Civic / Ceremonial & Circulation

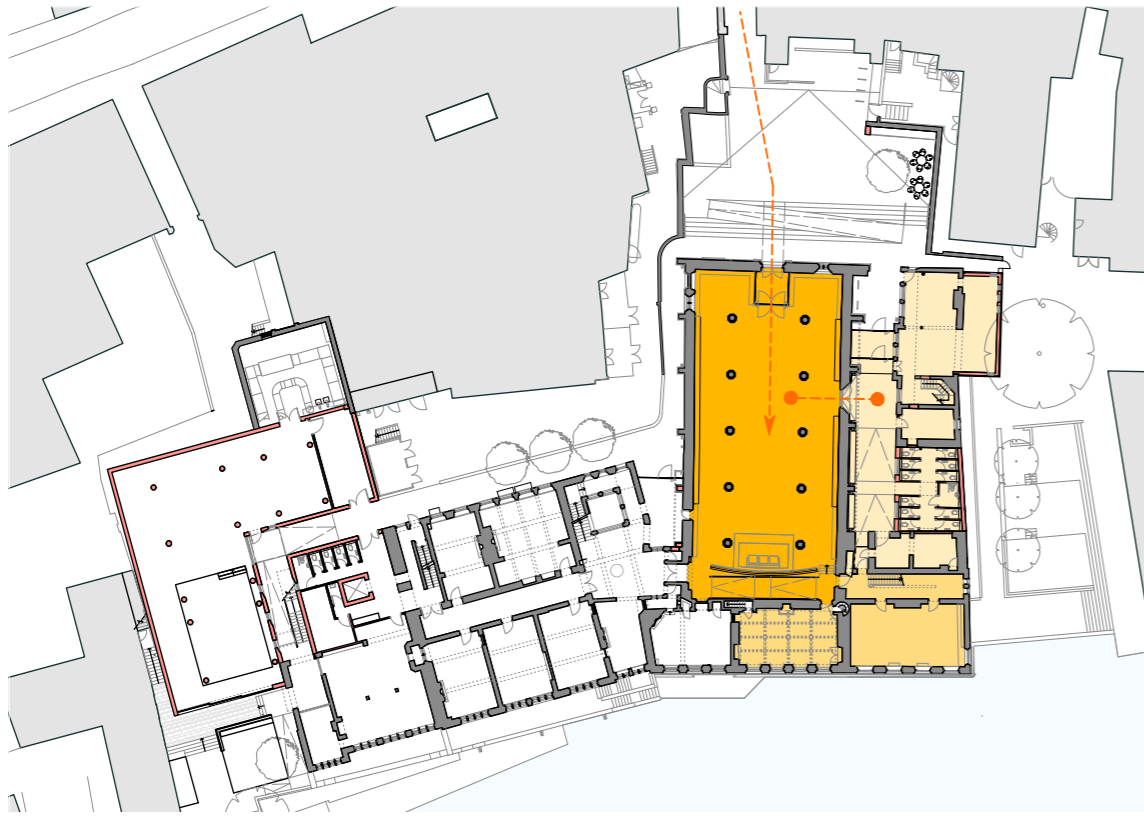


Diagram to show circulation and access for The Guildhall during Civic and Ceremonial events. Access is through Common Hall Yard and the main door to The Guildhall. Interconnectivity is provided to the South Range ancillary accommodation of café space, WC's and furniture store through the proposed new opening. During such events the meeting room and Business Club shall be closed to the public and office users for additional supportive break-out space such as robing etc.

6.0 Office Tenant Use & Circulation



Diagram to show circulation and access for the office tenants, and Business Club at ground floor. Access is through the glazed South Range Slype space past the ancillary accommodation of café space, WC's and furniture store. Interconnectivity to the offices is provided behind the Guildhall screen via the proposed ramp.

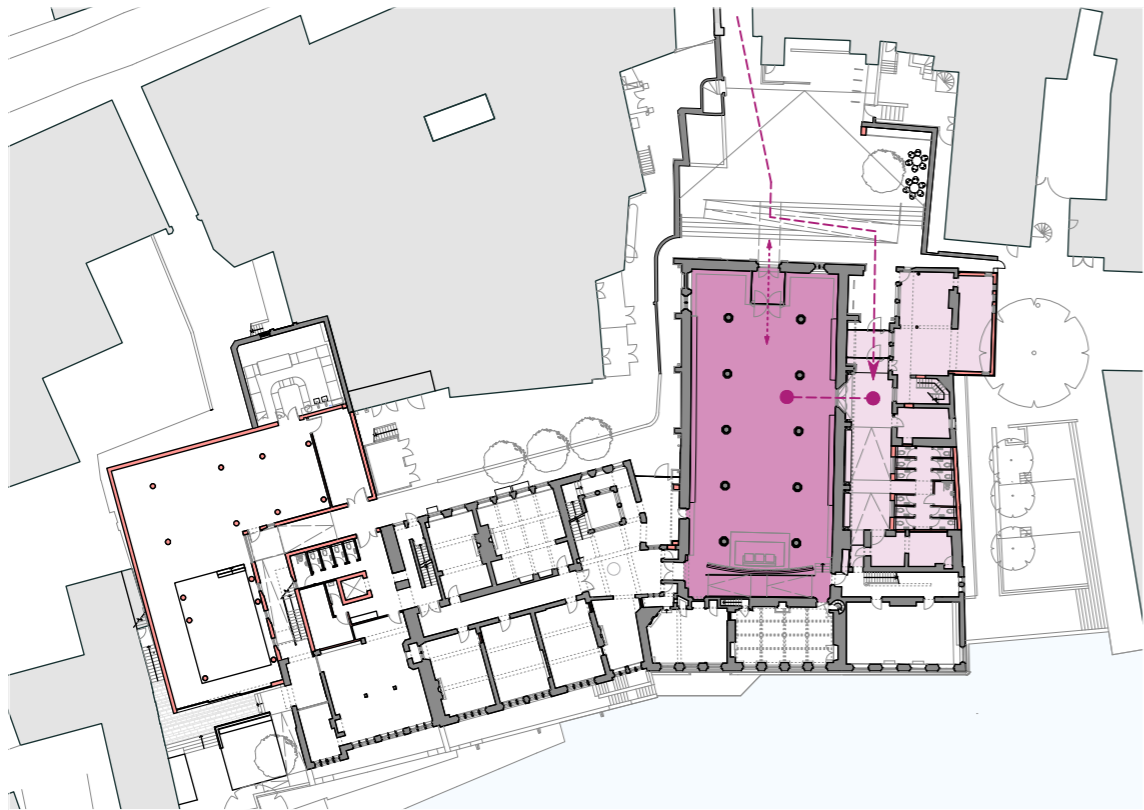


Diagram to show circulation and access for The Guildhall during public events such as concerts or exhibitions. Access is through the glazed South Range Slype space, with an additional entrance through the main Guildhall door if required. Interconnectivity is provided to the South Range ancillary accommodation of café space, WC's and furniture store through the proposed new opening.

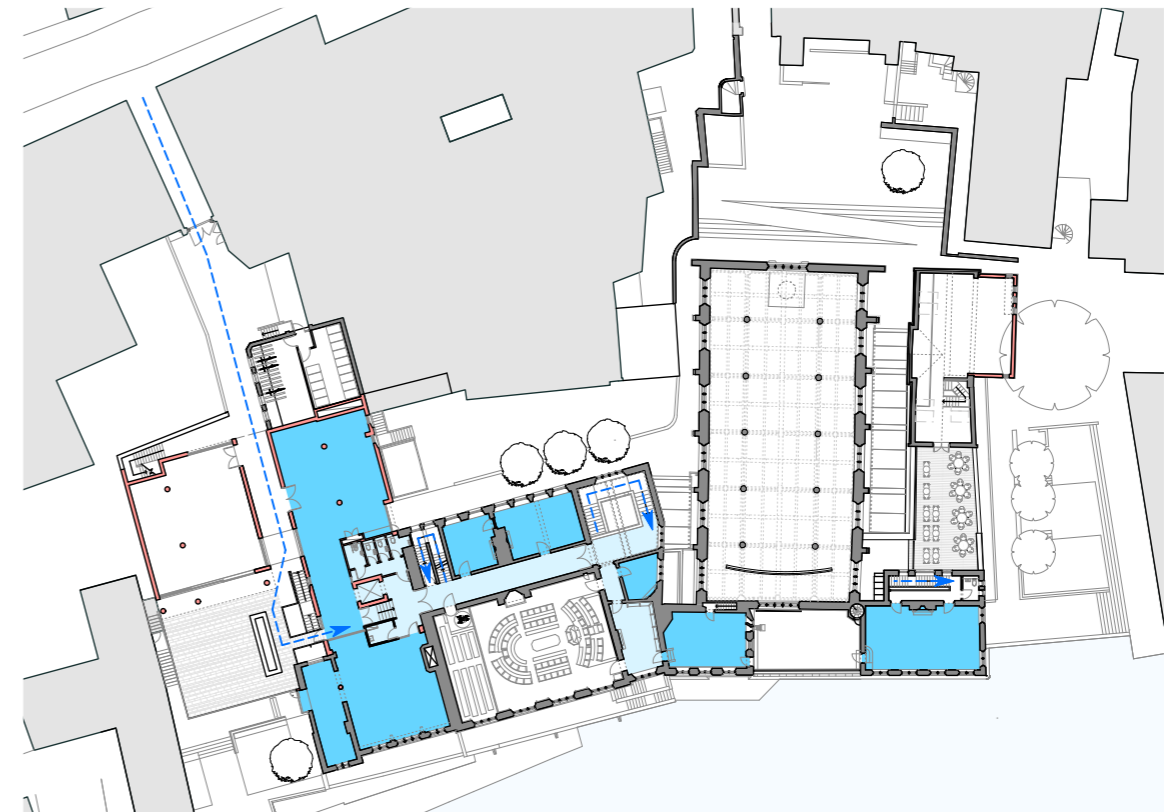


Diagram to show circulation and access for the office tenants, and Business Club at ground floor. Access is through the glazed South Range Slype space past the ancillary accommodation of café space, WC's and furniture store. Interconnectivity to the offices is provided behind the Guildhall screen via the proposed ramp.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Guildhall - Annex 5 – Analysis of options - Long list

| Guildhall complex options | Option 1 | Option 2 | Option 3 | Option 4 | Option 5 | *notes |
|--|------------------------|---|---|---|---|--|
| Description | Full scheme - | Complex retained as existing with minimum refurb works to bring back into use | As full scheme but retain / refurb N. Annex no restaurant | As full scheme - new build N. Annex but no restaurant block | Complex retained as existing but with more comprehensive refurb works | Options 3,4,5 will require new Planning / LBC consents and some re-design work / re-tendering - incurring 12-18 month delay and additional fees. Option 2 is repair to existing only |
| Planning / LBC approvals | Approvals in place | Repair only | New approvals required | New approvals required | New approvals required | |
| Contractor procurement | completed | Re-design / new-tender required | Re-design / new-tender required | Reduced scope may be possible? | Re-design / new-tender required | |
| Office area inc meeting rooms | 1350m2 | 1200m2 | 1200m2 | 1350m2 | 1200m2 | Options 2-3 and 5 give 150m2 net less office space than full scheme |
| Restaurant | 500m2 | 0 | 0 | 0 | 0 | 500m2gross restaurant shell |
| construction costs | £16.5m tendered | £6m estimated | £13.5m estimated | £15m estimated | £9.25m estimated | Cost of building work by contractor (inc contingency allowance) |
| Capital costs (Prudential borrowing) | £20.2m (£16.1m) | £8.0m (£6.2m) | £17.1m (£15.3m) | £18.5m (£14.4m) | £11.8m (£10.0m) | Full project costs to completion including enabling works / repairs / investigations to date and project management and professional fees |
| Abortive costs written off to Revenue | £0 | £1.3m | £0.4m | £0.4m | £1.0m | |
| WYCA funding | Confirmed | Excluded | Unlikely | Possible but subject to change request | Unlikely | WYCA have advised that any scheme delivering less office space / jobs than approved would be unlikely to be supported |
| Net scheme costs | £574k pa | £551k pa | £824k pa | £631k pa | £681k pa | Options 1 and 4 based on 40 year borrowing options 2 3 and 5 based on 30 yr borrowing |
| Elements included | | | | | | |
| New Site Utilities | included | included | Included | included | included | Any saving for supplies without restaurant capacity tbc where order already placed |
| RWSHP River Water Source Heat Pump | included | excluded | included | included | included | |
| Guildhall | | | | | | |
| New floor / under-floor heating | included | excluded | included | included | included | |
| Re-roofing | included | included | included | included | included | |
| Access ramp / new screen / new benching | included | excluded | included | included | Part - ramp only | Access ramp essential for DDA compliant circulation to south range, full scope not affordable |
| South Range | | | | | | |

Guildhall - Annex 5 – Analysis of options - Long list

| Guildhall complex options | Option 1 | Option 2 | Option 3 | Option 4 | Option 5 | *notes |
|---|--|---------------------------------------|---|-----------------------------|---|--|
| Cafe | included | excluded | included | included | excluded | Full scope of improvements to south range not affordable in option 5 |
| Glazed link | included | excluded | included | included | included | Between GH and South Range |
| New toilets | Included - high quality | excluded | Included - high quality | Included - high quality | Included - but at reduced spec | To serve new GH capacity of 320 |
| | | | | | | |
| Victorian Block | | | | | | |
| New roof to council chamber | included | included | included | included | included | Re-roofing to give design life |
| DDA access to CC | included | excluded | included | included | included | Modifications to public gallery |
| New M&E services | included | included | included | included | included | |
| Comfort Cooling to offices / council chamber | | excluded | | | excluded | Full M&E spec includes for comfort cooling option to offices / council chamber - this would not be affordable at basic / intermediate spec options |
| Full restoration of offices / meeting rooms | included | Repair / redecc only | included | included | Partial restoration | |
| Window refurb / secondary glazing | included | Refurb only | included | included | Refurb only | No secondary glazing in options 2 and 5 |
| North . Annex | | | | | | |
| Underpinning to tower | included | included | included | included | included | |
| Office | New build Grade A £16sqft with Business club | basic standard only rent of £8* psqft | Intermediate office spec smaller office quanta rent of £12psqft* with Business club | New build Grade A £16sqft | Intermediate office spec to rent of £12psqft* | New build Grade A equivalent to West Offices / Hiscox standard. Intermediate spec on refurb to standard office spec. Option 2 - base level fit for occupation only. All* values are estimates based on York Market knowledge |
| Replacement M&E | Included Underfloor heating | Included radiators | Included radiators | Included Underfloor heating | Included radiators | Different quality standards |
| New toilet provision | Included - high spec | Included - at basic spec only | Included - mid spec | Included - high quality | Included - mid spec | Full scheme includes high spec washroom standards (sensor taps) Mid spec - as West Offices |
| North Annex restaurant block | | | | | | |
| Restaurant shell | included | excluded | excluded | excluded | excluded | |
| External terrace | included | excluded | excluded | excluded | excluded | |
| Upper floor office area - river views | included | excluded | excluded | excluded | excluded | |
| Riverside courtyard (public access) | included | excluded | excluded | excluded | excluded | |
| External Works | | | | | | |
| Re-pave Guildhall yard with DDA compliant access ramp | included | excluded | included | included | included | York stone paving enhancement |
| External lighting to river elevation | included | excluded | included | included | excluded | |



Executive**14 February 2019**

Report of the Assistant Director of Transport, Highways and Environment & Assistant Director of Regeneration and Asset Management

Portfolio of the Executive Member for Culture, Leisure and Tourism

Consultation on Disposal of Open Space at Rowntree Park Lodge & Update of Financial Business Case**Summary**

1. Following the Executive Decision in January 2018 to convert the upper two floors of Rowntree Park Lodge into holiday let accommodation; this report sets out details of the comments received under Section 123 of the Local Government Act 1972 in relation to the proposed disposal of open space at the Lodge.
2. Under the Local Government Act 1972 such a change in use is considered a disposal of public open space. The Act requires the local authority to advertise "*the disposal*". In this context, disposal does not mean the sale of the property but rather its use by a 3rd party, with the Lodge remaining within Council ownership and long term management control.
3. The report also updates the financial business case for the proposal.

Recommendations

4. The Executive is asked to:
 - a) Consider the objections raised and seek approval to continue with the proposal previously endorsed by Executive in January 2018 to convert the upper two floors into holiday let accommodation.
 - b) To recommend to Full Council, the allocation of a further £110,000 capital budget, funded from prudential borrowing, to facilitate the regeneration of the property in accordance with the revised business

case. This capital allocation will be funded from the revenue receipts from the holiday lets together with funds from existing budgets to deal with property maintenance.

- c) Note that all net revenue generated will be ring fenced for the benefit of Rowntree Park as per the Executive decision in January 2018. Further, note that that the public will have an input in setting priorities for the use of the fund, which is projected to deliver £380,000 over the next 15 years.
- d) Note that the Explore Reading cafe will be closed for a period of 12 weeks during the development works.

Reason: To support Rowntree Park and its stakeholders in developing the facilities on a long term sustainable future.

Background

- 5. The full background to the Park and the Lodges' history is set out within the January 2018 report (see Annex 1). The January report set out the ongoing challenge facing the Council in respect of financing the Park and detailed that expenditure on the care of parks and open space has needed to be reduced over time. The impact of this has seen a the move to a mobile workforce instead of dedicated park keepers, closure of park toilets, leaving sites open overnight, moving away from seasonal bedding to herbaceous planting and an increasing reliance on volunteers.
- 6. The report also set out that, like all parks across the country, making best use of park assets to assist with their care and development has become the norm. In respect of the Lodge building, which incorporates provides for the Reading Cafe at ground floor level, the retirement of a Public Realm employee has resulted in the self contained two upper floors of the Lodge becoming vacant. This presented an opportunity to consider future uses which could compliment the Park and potentially generate a new source of income for the Park, by ring fencing any additional income.
- 7. The previous report set out a number of options which were considered as potential uses for the Lodge. It was recommended that a holiday let use be pursued with capital allocated to refurbish the accommodation, which would be paid from anticipated income generated. Alternative uses dismissed by the previous report included; selling the property;

leasing the property for private or social housing; leasing to a commercial occupier; using as an expansion to the cafe/ library and use for a park keeper.

8. Options previously considered by Executive and which were agreed as unsuitable were to sell the long leasehold of the property; lease the property as private or social residential accommodation or use the property for a commercial use. Furthermore, it was considered that the library / cafe use to the upper floors would be complex and expensive requiring either a lift or extensive remodelling to the exterior to create ramped public access given that access to the upper floors via external and internal stairs.

Update

9. Since the Executive decision in January 2018, architects employed by the Council have designed a scheme to convert the upper two floors of the property into accommodation suitable for a high quality holiday let, commensurate with the setting of Rowntree Park which is seen as highly desirable for a holiday let location. Planning consent is needed for the removal of an external door and fire escape along with a change of use. As the process involves a Council planning application to a Council property the matter will be considered by a Planning Committee later in the year
10. The architects have proposed a design to maximise the useable space by converting a large area of the Lodge currently used as storage space into a third (master) bedroom; there are currently two bedrooms in the upmost floor of the Lodge. (See existing and proposed floor plans in Annex 2). The proposal also incorporates the provision of a good-sized kitchen diner by opening up the existing kitchen and second living room. The architects' design includes a reconfiguration of the entrance hallway and interaction of this and the reception rooms whereby the rear fire escape would no longer be needed. This enables the external stairwell from the store to the garden to be removed, freeing up the rear walled garden which can be used potentially by the Park "Friends" and/ or the Reading cafe.
11. As detailed in the January Executive report, the consent of Nestlé is required for the proposal, given that there are covenants governing the use of the Park which Nestle are considered to have the benefit of. Nestlé's agents have confirmed that they are supportive of the proposal

to use the Lodge as a holiday let where the profits will be ring fenced to support the upkeep of the Park.

12. The proposal has faced complexities during the design stage given asbestos containing materials (ACM's) were identified within the property following pre construction surveys. Consequently the presence of this material will affect the ongoing repair and maintenance of the building and its removal would need to be undertaken through controlled conditions. Given that some of the ACM's are present under the floor of the Lodge, works to the Lodge will require the closure of the whole facility, including the Reading Cafe to clear the ACM's. The presence of the ACM's has had an impact on the costs of the project which are detailed within in the "Business Case Update" section.
13. Explore have been kept informed throughout about the process and continue to support the project.

Loss of Open Space

14. As detailed within the January 2018 Executive report, Section 123 of the Local Government Act 1972 prohibits local authorities from 'disposing' of 'open space' unless they have first advertised the proposed disposal in a local newspaper in two consecutive weeks and considered any objections received ('disposal' would include the granting of a lease, even short-term lettings for use as holiday accommodation).
15. The general public however have not enjoyed access to the Lodge (given it was occupied by the former caretaker of the Park) but the Lodge could still be classed as 'open space' for the purposes of the relevant legislation because it was constructed within Rowntree Park and used for a purpose ancillary to Park's function as an outdoor public recreation facility.
16. A Section 123 Notice, advertising the Council's proposal to rent out the upper two floors of the Lodge for holiday accommodation was published in the York Press on 22nd November and 29th November and invited comments from the public with a deadline date of 12.00 Noon on 20th December 2018.
17. 42 responses have been received, including three after the deadline, all of which objected to the proposals. The key points raised in the responses fall into to broad areas and are set out below;

Objections on the grounds of

- (i) The proposed 'disposal' would go against the intention of gift of the Park by Rowntree that the entirety of the Park, including the Lodge, be available for use by the people of York.
- (ii) That the use of part of the Lodge as a holiday let is incompatible with the Parks War Memorial status.
- (iii) That the proposal is the start of a wider selling off of the Park
- (iv) The hirers may cause noise/engage in anti-social behaviour disturbing nearby residents or potentially damage the Park. Both during construction and once operational.
- (v) That a thorough financial assessment has not been carried out and is risky if the returns are not met.
- (vi) There has not been sufficient public consultation
- (vii) The decision being taken is not transparent
- (viii) Impact upon wildlife living in the Park, including any bats who might be in roof space of the Lodge

Objections suggesting alternative uses:

- (ix) As a community centre / craft venue
- (x) Base for Friends activities
- (xi) Expansion of the Reading Cafe
- (xii) Return to Park Keepers accommodation
- (xiii) Use for social housing

18. Representation on behalf of local residents has been made by Cllr Hayes. Additionally the Friends of Rowntree Park Committee have raised a number of concerns on the planning application and development in general. The planning issues will be dealt with under due planning process and hence it is not appropriate to comment but other concerns are;

- Financial. A concern that the January 2018 reported income projections could be optimistic and that net income may not be substantial.
- Use. That if reasonable returns are not made then alternatives should be considered.
- Nuisance. Concerns over occupiers causing a general nuisance and also by using the vehicular access via Richardson St, which is a narrow residential street leading, via a very tight corner, into the park and to the parking spaces. Concerns are made in respect of local residents being

disturbed by frequent comings and goings, especially if the renters were to be allowed access to all four of the parking spaces, in the relevant area. The café also needs parking, for deliveries etc. Parking is requested to be limited to 2 bays for the holiday let.

- Security. The renters will be inside a locked park after hours. The park is largely unlit overnight, and there are often intruders after hours (as observed by local residents); this presents a few issues for the use as a holiday space.
 - The renters will not have access to the main areas of the park after hours, and it should be a condition that this is made clear to renters, and all reasonable precautions made.
 - The renters should be required to lock the Richardson St gates after using them, after hours.
 - New railings and gates are to be installed near Richardson St. These will replace the current temporary fence panels used during flooding episodes which prevent access to the flooded areas, but allow access to the café. It should be a condition that these railings and gates are indeed installed before letting begins, that they should harmonise with the existing railings/gates and that the renters do not have access to keys for them.
 - A condition should be to include an undertaking to make it quick and easy for renters to contact the management (or a security firm), in the case of overnight intruders in the park, vandalism etc. The park keeper used to fulfill this security function and now, with the lack of Council staff, anti-social behavior has become prevalent, particularly on summer evenings.
 - Bats and birds. Birds have been observed using the roof spaces of the Lodge for nesting. In addition, it is very likely that bats are also using the roof spaces; there are many bats in the park, and this is one of the few built structures with suitable roosting space. It is requested that there is a condition that bat and bird surveys are done, before work starts, with whatever mitigation is required being done before work starts.
19. Addressing the concerns, the following information is provided in response;
- (i) The management of the accommodation will be undertaken by a local agent and as part of any letting occupiers will have to abide by a set of rules governing their behaviour. The high quality nature

of the proposed accommodation combined with the location is unlikely to be appealing to hen and stag parties.

The management company will be available 24/7 for any issues which arise.

Occupiers of the holiday let accommodation will have a requirement to lock the Richardson Street gates after hours as part of the hire agreement if they use the gates after they are locked by council staff at Park closure time. Guests will not have access to the wider Park after hours.

- (ii) Construction traffic will be minimised as part of the proposals and the contractor appointed will work with local residents to address concerns.
- (iii) Whilst an initial bat survey has found no evidence of bats, wildlife surveys during construction will also be undertaken to ensure there is no undue disturbance of wild life and mitigation works will be undertaken.
- (iv) The disposal of the Lodge is purely for short term holiday lets. The Council will retain the freehold ownership of the property in its entirety. Whilst it is anticipated that this should be a successful use for the Lodge, should the Council wish to cease its operation it could do so at short notice and could consider other uses. The disposal notice has therefore been published to advise of the intent to offer short term letting disposals and is not a permanent disposal, when compared to a proposed sale or long lease of a property.

The issue of the public having use of entirety of the Park is unlikely to have ever existed. Throughout the parks history, areas of the park have not been open to the public without the payment of a fee – for example the swimming pool, bowling greens, tennis courts and car park. Buildings within the Park have never been accessible to the public – maintenance facilities and the Park keeper accommodation.

- (xiv) The ground floor space of the Reading cafe already provides a community facility and there are other community facilities nearby (Clementhorpe Community Centre, Lower Ebor Street and Clements Hall, Nunthorpe Road). As detailed in paragraph 8

above, access to the upper floors is via flights of external and internal stairs and hence linking this to the library at ground floor would be complex and expensive and could result in a loss of ground floor space in the Reading cafe.

- (xv) Parking will be provided to ensure that there is sufficient capacity for the Reading cafe and Lodge users. The spaces previously used by the Park Keeper being available for Lodge users. There is also a nearby car park on Terry Avenue within the Park.
- (xvi) Low level access lighting will be included as part of works programme. This will also aid evening use of the Reading Cafe.
- (xvii) Income projections have been refined through the tendering of works and appointment of York based letting agents who have advised on costs attainable on the latest plans (See Business Plan Update Paragraphs 20 to 30).
- (xviii) Any alternative community uses would require considerable capital investment to facilitate access and transform the rooms to their new purpose. Such uses would unlikely provide any significant income to cover the costs of initial capital and ongoing building maintenance and there would likely be an issue in respect of the ability to provide access for such a use (see paragraph xiv above).
- (xix) In parallel with this development plans to install fences and gates to either side of the Lodge to replace the current temporary measures have been under discussion with the Friends for a few years. These are designed to keep the public out of the park in time of flood and at the same time allow use of the cafe. Installing permanent gates will allow out of hours use of the Reading cafe and define the Lodge area. This work will be undertaken in spring 2019 and funded from the Public Realm repair and maintenance budget.

General security in the park generally remains good. If issues arise then report routes are open and action can be taken by Public Realm staff, Neighbourhood Enforcement Officers and North Yorkshire Police.

Business Case Update

20. The original business case reported in January 2018 anticipated income achievable for a holiday let at the Lodge of between £1,000 and £1,300 per week with an average annual occupancy assumed at 70%. Capital expenditure on the refurbishment of the Lodge was anticipated at £150,000. This provided a potential profit of just over £4,000 per annum after costs.
21. Having developed the proposal as detailed earlier in the report, with a view of maximising the floor space and utilising the storage space in the Lodge, a greater area of accommodation can potentially be provided which creates added value. Letting agents have advised that the property should be designed and finished to provide a 5 star specification of accommodation which is commensurate with the unique and desirous holiday location that the Lodge would provide. The Council has appointed a York based agent to manage the lettings and having regard to the proposals. The weekly income is now projected to range £2,000 to £3,000 per week depending on the time of year from the proposal with an annual average occupancy rate of 75%. This increase reflects the specification and large sleeping capacity which the Lodge could offer once refurbished. Flexibility will be provided within the sleeping capacity by using zip beds which can be used for double and single beds, to cater for families with children.
22. Project costs have increased following the discovery of asbestos and the proposed changes to the internal layout to achieve greater utilisation. It is considered that the asbestos would have to be removed in any event in the future and hence removing it in a planned manner now as part of the planned works is recommended.
23. In order to provide certainty in respect of the costs, a specification of works has been drawn up by quantity surveyors and has been tendered. 11 companies have expressed an interest in the project, reflecting the high profile nature of the project.
24. Costs for the refurbishment of the Lodge are £180,000, plus an anticipated £25,000 for fit out and £15,000 for fees.
25. Costs for the removal of the asbestos, reinstatement of the cafe and covering cafe costs during closure (given the removal of the asbestos would necessitate in the temporary closure of the cafe for approximately

12 weeks) would be £34,000 for reinstatement plus £50,000 for removal plus cafe compensation £30,000, totalling £114,000.

26. Contractors were also asked to price for the replacement of the roof on the dormer section of the Lodge given it is considered necessary to improve its thermal insulation levels to provide suitable accommodation and to ensure that any future re roofing would not interrupt future lettings. The cost of this would be £18,000.
27. In addition the contractor has included a contingency of £40,000 and hence this may not be needed.
28. It is proposed that the cost of removing the asbestos and roof works £132k is funded from the removal of asbestos budget held within Facilities Management and the asset structural maintenance budget within Property Services. These can be contained within current budgetary approvals.
29. The revised scheme cost and funding is shown in the table below

| All £'000s | Original Budget | Revised Budget | Change |
|-------------------------------|-----------------|----------------|-------------|
| Project Costs | | | |
| Lodge Refurbishment inc. fees | 150 | 220 | +70 |
| Asbestos Works/ compensation | | 114 | +114 |
| Roof | | 18 | +18 |
| Contingency | | 40 | +40 |
| Total Capital Cost | 150 | 392 | +242 |
| Proposed Funding | | | |
| Prudential Borrowing | 150 | 260 | +110 |
| Removal of Asbestos* | | 90 | +90 |
| Asset Management* | | 42 | +42 |
| Total Funding | 150 | 392 | +242 |

* These are current approved budgets and the costs of the work can be funded from within current approvals.

30. The overall additional costs require further budget £110k funded from prudential borrowing which is shown to be affordable based on latest income projections shown in the table below

| | |
|--|----------------|
| Prudential Borrowing | £260k |
| | |
| Net Rental Income 75% Occupancy | £80,192 |
| | |
| Expenditure | |
| Letting Agent | £9,623 |
| Running costs | £19,920 |
| Revenue cost of borrowing | £25,133 |
| Total Expenditure | £54,676 |
| | |
| Net Profit | £25,516 |

Over the course of the Prudential Borrowing period (15 years) this would generate a projected net profit of £380,000 for use in the Park. Once the borrowing is paid off then the net profit would increase which in turn would generate additional funds for use in the Park.

Council Plan

31. This proposal will support and contribute to Council Plan priorities:

- A prosperous city for all
 - Everyone who lives in the city can enjoy its unique heritage and range of activities.

Implications

32. Implications

- **Financial.** Funding for the improvement works will be funded through prudential borrowing which would be paid back over 15 years. This is set out in paragraphs 20 to 30 above.
- **Human Resources (HR)** There are no HR implications.
- **One Planet Council / Equalities** There are no Equalities implications.
- **Legal:** The Lodge (and Park) is subject to various encumbrances/third party rights including a covenant contained in Conveyances dating from 1919 which prohibits the land from being used for purpose other than a public park, public pleasure ground,

public playing fields or other like purposes of public recreation. In addition the Property is subject to a covenant that no buildings within the land may be used for the sale or distribution of alcohol, nor used for betting and gaming. Any of the options would thus need the consent of the beneficiary of the covenant. As mentioned above it is considered that Nestle are the current beneficiary and their Agent has confirmed that Nestle do not object to the upper two floors of the Lodge being let out for use as holiday accommodation.

- Section 123 of the Local Government Act 1972 prohibits local authorities from 'disposing' of 'open space' unless they have first advertised the proposed disposal in a local newspaper in two consecutive weeks and considered any objections received (disposal would include the granting of a lease, including for use as holiday accommodation). As Rowntree Park has been used by the general public for recreational purposes for many years the Park is clearly 'open space'. Although the general public have not enjoyed access to the upper two floors of the Lodge (since it was occupied by the former caretaker of the Park), it could still be considered that (pursuant to a recent High Court decision) the upper two floors of Lodge is 'open space' for the purposes of the relevant legislation because it was constructed within Rowntree Park and used for a purpose ancillary to Rowntree Park's function of an outdoor public recreation facility. As mentioned above, the proposal to hire out the upper two floors for use as holiday accommodation was therefore advertised in the York Press on 22nd November and 29th November. The specified deadline for submission of any objections or other comments was 12.00 Noon on 20th December.
- Executive must duly consider the comments/objections that have been received by that deadline before deciding whether the Council should proceed with hiring the upper two floors out for holiday accommodation use.
- **Crime and Disorder:** Keeping the building in use prevents deterioration of the assent, and provides a presence in the park which in turn provides passive surveillance.
- **Information Technology (IT)** - None.
- **Property** See main body of the report.

- **Public Health** – “Access to open spaces ... has direct and indirect impacts on people’s physical and mental health, but can also enable people to build social capital” (Kings Fund)
- **Planning (Conservation and Design)** – During 2000-2002 much of Rowntree Park was refurbished with the assistance of the Heritage Lottery Fund. As part of this work a design template for the Park was established; this included exterior finishes to buildings and a colour template. Any exterior alterations would need to follow this design template.

Risk Management

33. In compliance with the Council’s risk management strategy, the main risks associated with the reuse of the upper floors of the Lodge are in line with those previously reported in January 2018 follows:

- **Wider Park care** - The quality of public recreational space at Rowntree Park is at risk in the current Public Sector funding environment. The opportunity to make available for the Lodge to be periodically occupied by the public for a fee and provide revenue to enhance the wider Park mitigates this risk.
- **Funding** – the project costs have now been tendered and, therefore, accurate pricing (including a contingency) has now been allowed for. This considerably reduces the risks associated with the project costs being over budget.
- **Financial** - Although the income projections are estimated, these are based on advice sought from the appointed specialist holiday letting agent and the expected profit is well above the original estimated figures contained in the January 2018 Executive Report.
- **Operational** – possible management problems associated with guests staying at the lodge will be mitigated by the holiday letting agents (which have now been appointed) providing rules which guests need to abide by and by the agents being available 24/7 to deal with any issues that may arise. The council will, therefore, not need to manage the lettings directly. Safety will also be improved by new fencing and gates to separate the lodge and cafe from flood risk areas of the park in times of flood along with enhanced lighting around the lodge/cafe.

- Reputational – the building remains unused, visibly deteriorates and detracts from the wider park experience. As with the principal of listed buildings the functional use of buildings is the best mitigation against deterioration and loss of building and structures and therefore due to the prohibitive costs of opening the Lodge to public use, the use of the Lodge as a holiday let is the best risk option for the preservation of this iconic building
- Alternative use - York Explore the current provider of the library within the wider Lodge building, considered on balance due to the difficulties of adopting the building structure of the Lodge the public recreation opportunities through enhanced investment in the park for events such as literary festivals would be a better outcome for the future of the library service.

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Wards Affected:

Micklegate, Guildhall and Fishergate (reflecting Park usage)

For further information please contact the author of the report

Background Papers:

Future Operation of Rowntree Park Lodge and Park Executive 25 January 2018

Annexes:

- Annex 1 Future Operation of Rowntree Park Lodge and Park Executive 25 January 2018
- Annex 2 Existing and proposed floor plans

List of Abbreviations Used in this Report:

ACM's - asbestos containing materials

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Executive**25 January 2018**

Report of the Corporate Director of Children, Education and Communities

Portfolio of the Executive Member for Culture, Leisure and Tourism and the Executive Leader (incorporating for Finance and Performance)**Future Operation of Rowntree Park Lodge and Park****Summary**

1. The report seeks an Executive decision to invest in Rowntree Park Lodge in order to keep this valuable park asset in good condition, used for public benefit and secure a long term income stream for the Park. Rowntree Park is York premier municipal park, first Green Flag recipient and heavily used site. Given the Lodge's very visible position within the Park, its use, in part by York Explore as a Reading Cafe, investment into the property will contribute significantly to maintaining the parks reputation.
2. This report also highlights the challenges faced by the authority in running its parks and open spaces within the legal framework which places both restrictions and obligations on what is possible.

Recommendations

3. The Executive is asked to:
 - a) To recommend to Council the allocation of £150,000 capital budget to facilitate the regeneration of the upper floors of the Lodge. This capital allocation will be funded from the revenue receipts generated from future use.
 - b) To agree that any net revenue generated should be ring fenced for the upkeep of the Park.
 - c) To lease the upper floors of Rowntree Park Lodge as a Holiday Letting subject to obtaining consent of the beneficiary of the covenants imposed

when the ownership of the park (including the site of the Lodge) was transferred to the Council.

Reason: To support Rowntree Park and its stakeholders in developing the facilities on a long term sustainable future.

Background

4. With the retirement of a Pubic Realm employee the upper floors of the Rowntree Park Lodge have become vacant. This created an opportunity to explore new uses for the space which can contribute in a positive way to the future care and appearance of the Park. Leaving the property vacant risks it falling into disrepair and open to vandalism, which in turn has a negative impact on the park's high standards and reputation.
5. Central to the design of Rowntree Park is the Lodge. Situated adjacent to the entrance on Richardson Street, this tall 4 story structure makes best use of the higher ground to provide a focal point for the park. The upper floors consist of two storeys of living accommodation, incorporating a living room; kitchen; dining room; one large double bedroom, one smaller bedroom and recently refurbished bathroom. Additionally there is a large storage area which could be turned into further living accommodation.
6. Use of the Lodge has remained fairly constant for nearly a hundred years consisting of park keeper's accommodation with parking, a cafe and store rooms. See annexes 1 and 2 for a location plan and photographs of the property.
7. Rowntree Park is York's first municipal park. It was laid out between 1919 and 1921 and is the only known public park designed by Frederick Rowntree who was a distinctive architect in the Arts and Crafts Movement tradition. The park was presented to the City of York by Messrs Rowntree & Co. as a memorial to the Cocoa Works staff that fell and suffered during World War I. The Terry Avenue gates were added as a memorial following the Second World War and are Grade II* listed. The park is on the English Heritage Register of Parks and Gardens of Special Historic Interest and was York's first Green Flag park in 2004.
8. The net running cost of the park is between £60,000 to £80,000 per annum. This includes grounds maintenance, arboricultural management, locking and unlocking, utilities, play ground inspection and care, and repair and maintenance. It is this last area of cost which has the greatest effect on annual running costs. For example in 2016 the toilet hand washer / drier units needed replacement due

to 15 years of use and repeated flooding. Expenditure is offset by income from the car park and cafe rental.

9. In addition to the day to day costs there is significant ongoing capital investment in the park, for example £140,000 was spent on renewing the Skatepark in 2017, and £40,000 will be spent on play area improvements in 2018.
10. Supporting such ongoing expenditure in the current climate is challenging and over the last three years expenditure on the care of parks and open space has had to be reduced. The impact of which can be seen in the move to a mobile workforce instead of dedicated park keepers, closure of park toilets, leaving sites open overnight, moving away from seasonal bedding to herbaceous planting and an increasing reliance on volunteers.
11. In response to this situation, in May 2016 the Executive Member for Economic Development & Community Engagement, established a challenge fund, administered via CVS, to develop volunteering in green spaces. This scheme is operating across five sites where community groups are taking care of a defined space. The Friends of Rowntree Park, working with YUMI Intercultural York (York Unifying Multicultural Initiatives), are maintaining and developing the Central Avenue and two of the adjoining side gardens.
12. In parallel with this initiative officers have worked with local parks communities and users to transfer facilities over to direct community management. In Rowntree Park the tennis courts have been transferred to Rowntree Park Tennis Club to administer bookings and maintain the courts. This allowed for the reduction in parks staff. Similar projects have happened and continue to be developed which reduce staff input and/or save on future facility care: These include
 - West Bank Park where the bowling greens have transferred to the users to care for and manage,
 - Hull Road Park where the old Ranger base is now the home to the Men's Shed project, and Flourish, a dementia friendly gardening project, operate out of the main pavilion.
 - Glen Gardens where the bowling greens have transferred to the users to care for and manage, and, the park pavilion is now a community cafe / kiosk managed by the Friends of Glen Gardens
 - Clarence Gardens where the bowling greens have transferred to the users to care for and manage, and, discussions have started about transferring the park pavilion over to community use.

13. In summary, like all parks across the country, increased working with local communities and making best use of park assets to assist with their care and development has become the "norm".

Options

14. Given the Lodge's prominent position within the Park, its use, in part by York Explore as a Reading Cafe, and the need to maintain the parks high standards officers have explored options which :

- ensure the building is occupied and maintained to a high standard,
- retains a recreational use, and,
- generates an income stream to supplement core funding.

15. In developing the options to achieve these objectives officers have considered the impact of restrictive covenants, and property and planning law. The options listed below are:

Option 1 – Sell the leasehold on the open market

Option 2 – Lease the property for private residential accommodation

Option 3 – Lease the property for social residential accommodation

Option 4 – Commercial rental use

Option 5 – Expand the Library / Cafe Use

Option 6 – Lease the Property as a Holiday Letting

16. For all options it is assumed that the existing parking area formerly used by the Park Keeper would be retained to support the use of the Lodge.
17. All options have been tested against appropriate Local Government and Open Space legislation. This is explored in more detail in the following sections but does place significant restrictions on what is possible.

Analysis

Option 1 - Sell the leasehold on the open market

18. Whilst The Lodge forms part of a multi occupied property which would make disposing the freehold interest difficult, a long lease (virtual freehold) of The

Lodge could be granted in exchange for an upfront premium payment. Given the unique nature of the property it is difficult to estimate its' market value until it is actually marketed. Permanent use as a home has the potential for tension between the householder and the Council regarding use of the park and the Council would lose considerable control of the asset.

19. By retaining the freehold the Council would remain liable for external/ structural repairs but could potentially recoup proper and reasonable costs through a service charge arrangement.

Option 2 – Lease the property for private residential accommodation.

20. A monthly letting income of £1,000 - £1,100 per month is considered achievable if the property was let in an unfurnished but modernised condition.

Option 3 – Lease the property for social residential accommodation.

21. A monthly letting income of £180 per month is the likely attainable income for such an arrangement. As with option 2 modernisation works will be required. The property would then be subject to the Right to Buy legislation and may in time transfer into private ownership.

Option 4 – Commercial rental use

22. As the space is laid out to residential accommodation, there would be considerable conversion costs in providing a commercial use such as office use and this would also require a planning permission for a change of use.
23. Option 1, 2, 3 and 4 are not recommended as they do not comply with the recreational use requirement contained within the legal implications section.

Option 5 – Expand the Library / Cafe Use.

24. The current cafe is managed by York Explore. The cafe is a popular destination and the accommodation forming The Lodge could be incorporated within an expanded operation.
25. Planning permission for change of use and external alterations would be required, whilst any rental income achievable is likely to be minimal. The small additional revenues from option 5 would enhance the park and public recreation opportunities connected with the library such as literary festivals.

26. Library use to the upper floors would be complex and expensive modification requiring either a lift or extensive remodelling of the exterior to create ramped access. If a lift was provided to address the access issue, this would necessitate a lift shaft being constructed which would take up substantial parts of the floor space area currently used as the cafe and also substantial parts of the basement and upper floors of the Lodge.
27. The cost of installing a lift is estimated to be in the region of £250,000. An estimated further £275,000 would be required to take into account alterations to provide full access to all areas of the upper floors, providing a total cost estimated in the region of £525,000. An alternative would be to install an external ramp to replace the current steep set of steps leading up to the property. However, it is considered that to cover the height required, a ramp would have to be substantial, it would take up land in the park and furthermore it would not enable full public access to the upper floor of the accommodation.
28. Given the high cost of the works required, the relatively small amount of additional space that would be created, that full DDA access cannot be achieved and that there would be insufficient additional income to repay the capital costs this option is not recommended.

Option 6 – Lease the Property as a Holiday Letting.

29. The Lodge would be an extremely attractive holiday rental property, benefitting from York's position as one of the UK's top city break locations with a unique park location close to the city centre and the river. It currently provides two bedroomed accommodation but could also readily be converted into three bedrooms. The property also has the benefit of a private garden and parking spaces. As with previous options, modernisation works will be required, together with the need to furnish the property. The cost of property improvements, furnishing and fittings is estimated to be £150,000.
30. If the property was refurbished to provide high quality accommodation local letting agencies consider a hire fee of £1,000 to £1,300 per week could be achieved depending on the time of year. Obviously total income would depend on occupancy rates but we are advised that agencies work typically on the basis of 70% occupancy in York which would provide, on that assumption, £36,000pa at the £1,000 a week rate and £47,000pa at the £1,300 per week rate. Running costs would be deducted from the income. Management fees would be between 15-20% with cleaning costs of around £3,000 per annum
31. Option 6 is not without risk of legal challenge, however the use of a building designed as a small domestic dwelling for public recreation is extremely

challenging, and in particular ensuring compliance with statutory disability access requirements.

32. The business case for a holiday let is anticipated to pay back the capital investment and thereafter any profit would be ring fenced to the park. It would achieve an active use of a space that otherwise is likely to remain empty and therefore become an increasing liability and drain on the investment in the park and public recreation
33. Officers have spoken to letting agents and they have confirmed that this property would be attractive to visitors. The figures in the table below suggest that a breakeven position is achieved at approximately 60% occupancy. The most likely outcome will be around 70% occupancy. Income could be higher if a premium is charged at certain times of the year, e.g. race meetings, or by offering mid-week and weekend breaks. Given the unique and desirable location a higher occupancy rate than 70% is considered possible and the sensitivity analysis below provides projections on likely net income with higher occupancy levels.

| | Occupancy rates | | | |
|------------------------|------------------------|--------|--------|--------|
| | 60% | 70% | 100% | 100% |
| £1,300 pw for 9 months | 60% | 70% | 100% | 100% |
| £1,000 pw for 3 months | 60% | 70% | 70% | 100% |
| | £ | £ | £ | £ |
| Net Rental Income | 31,850 | 37,158 | 49,833 | 53,083 |
| Letting Agent | 5,733 | 6,689 | 8,970 | 9,555 |
| Running costs | 12,420 | 12,720 | 13,440 | 13,620 |
| Prudential borrowing | 13,491 | 13,491 | 13,491 | 13,491 |
| | 31,644 | 32,900 | 35,901 | 36,666 |
| Net Income | 206 | 4,259 | 13,932 | 16,417 |

- Based on £150k capital expenditure
- Income is subject to VAT

34. A decision to invest now will enable a quick start to be made on tendering the refurbishment work in order to bring the property back into use and reduce the likelihood of any misuse during a void period.

Consultation

35. Future uses of the Lodge have been discussed with the Friends of Rowntree Park in August this year and again at their AGM on the 19th October. The Friends of Rowntree Park have provided this position statement.

“As the flat is now vacant, we understand that the Council needs to decide what should be done with the property. We believe that the Friends’ views on the potential development are relevant, as they are the views of local residents who care about the park.

Future use of the flat should benefit the park in some way, as it was part of the original gift to the people of York. This benefit might be financially, or in-kind.

We understand that the property seems unsuited to community space, such as hireable rooms, but we consider that it might work well as a small business hub, artists’ studios or for holiday letting, as well as ‘normal’ domestic occupation.

The property should not be sold off.

Any occupation would need to be compatible with the nature of the park and the needs of its diverse users, as well as the operation of the café.

If income was generated from the property, we think that the park should directly benefit from it. In particular, the park is beginning to suffer badly from the lack of regular gardening maintenance. The Friends’ and other volunteers cannot fill this gap entirely, but income from the flat could be put towards gardeners to be employed in the park, for example.

Whilst the discussions about development are in progress, we believe that the flat is vulnerable to damage, and that it should be protected by occupation, preferably of a 24 hour (domestic) nature. There are various companies which supply suitably-reviewed, short-term property guardians. This needs to happen immediately. “

36. Discussions have also taken place around Library usage. The Reading Cafe is very popular and celebrates the joy of reading in new and exciting ways. It is a response to the changing ways that people want to access books and information. Explore, who currently operate York’s library service are developing plans to improve the existing space and looking at how they can deliver events and activities that support our objectives across the wider park, working with the Council and the Friends of Rowntree Park.

37. Explore have said they support the Holiday Let for the Lodge, recognising that the flat does not meet the current standards for access for a library and the room sizes are quite modest. It would be prohibitively expensive to make the space fully accessible. Micklegate Ward members have been consulted. They have been reassured that the Friends views on the future use of the building have been considered and have been informed that it is proposed that the net revenue should be ring fenced to the upkeep of the Park. Councillor Hayes would prefer to see the Lodge used for rental accommodation or an expansion of the Explore Reading Cafe but understands why these are not possible. Councillor Crawshaw is on balance happy to accept that a Holiday Let be put forward and would prefer to see a social enterprise / not for profit company managing the letting if possible.

Council Plan

38. This proposal will support and contribute to Council Plan priorities:

- A prosperous city for all
 - Everyone who lives in the city can enjoy its unique heritage and range of activities.

Implications

39. Implications

- **Financial.** The improvement works will need to be funded through prudential borrowing which would be paid back over 15 years. Income from option 6 is estimated in the region of £1,000 to £1,300 per week, for 70% of the year. This would potentially give a net income in the range £4,000 - £5,000 depending on the cost of the improvements.
- **Human Resources (HR)** There are no HR implications.
- **One Planet Council / Equalities** There are no Equalities implications.
- **Legal:** The Lodge (and Park) is subject to various encumbrances/third party rights including a covenant contained in Conveyances dating from 1919 which prohibits the land from being used for purpose other than a public park, public pleasure ground, public playing fields or other like purposes of public recreation. In addition the Property is subject to a covenant that no buildings within the land may be used for the sale or distribution of alcohol, nor used for betting and gaming. Any of the options would thus need the consent of the benefactor of the covenant.

- Section 123 of the Local Government Act 1972 prohibits local authorities from 'disposing' of 'open space' unless they have first advertised the proposed disposal in a local newspaper in two consecutive weeks and considered any objections received (disposal would include the granting of a lease, including for use as holiday accommodation). As Rowntree Park has been used by the general public for recreational purposes for many years the Park is clearly 'open space'. The general public however have not enjoyed access to the Lodge (since it was occupied by the former caretaker of the Park). However, despite this, it could therefore be considered that (pursuant to a recent High Court decision) the Lodge could still be classed as 'open space' for the purposes of the relevant legislation because it was constructed within Rowntree Park and used for a purpose ancillary to Rowntree Park's function of an outdoor public recreation facility.
- Section 10 of the Open Spaces Act 1906 ('Section 10') obliges local authorities which own open space to hold and administer it in trust to allow the enjoyment of it by the public as open space 'for no other purpose'. The effect of this 'statutory trust' (according to the High Court decision referred to above) is that local authorities have a duty to allow general public access to their open space (including by the city's residents) with the consequence that any disposal of open space property by a local authority should ensure/reserve a right for use by the general public for recreation. When the Lodge was needed as, and in use for, park keeper's accommodation it was necessary to exclude public access to it. Now that the Lodge is not being used for that purpose, any new use should be public recreation. A library is (according to case law) capable of being a 'public recreation' use.
- However it is considered that the other options referred to in this report may not be classed as public recreation use, including holiday letting, since it could be considered to restrict access to those persons who might be willing to and able to afford the fee for hiring the Lodge for their private holiday accommodation. This is however not dissimilar to the ability to book exclusive use of the Tennis Courts. Use for residential or commercial accommodation would definitely not comply with the public recreation use requirement. The risk for the holiday let option therefore needs to consider the ability of the public to access the Lodge, all be it at a cost and thereafter for a defined period have exclusive access to part of the park. This principal is an extension of chargeable Car Parking, Hiring Tennis Courts and allowing clubs such as the Canoe Club to have exclusive use of elements of the park. Ultimately interpretation of the legislation will be a matter for the Courts.
- Any money generated from Rowntree Park (including the Lodge) can only be used towards the upkeep of Rowntree Park. The courts have made it clear in

various cases that a local authority cannot make a profit from any open space land which it owns – monies received from such land must be reinvested in maintaining it for public recreational use with the holiday letting proposal maximising the benefit to the park and public recreation.

- **Crime and Disorder:** Keeping the building in use prevents deterioration of the asset, and provides a presence in the park which in turn provides passive surveillance.
- Whilst The Lodge is not at risk of flooding, the surround park can and does flood to a level just below the cafe veranda. For safety reasons the park is closed when the risk of flooding reaches the base of the flood protection wall and only reopens when water levels recede. People are excluded from the park in case the flood wall fails in which case a sudden inundation would occur. If the park does flood it is kept closed whilst the clean up operation takes place. To prevent people entering potentially dangerous situation permanent security fencing is being installed at either side of The Lodge.
- **Information Technology (IT)** - None.
- **Property** See main body of the report.
- **Public Health** – “Access to open spaces ... has direct and indirect impacts on people’s physical and mental health, but can also enable people to build social capital” (Kings Fund)
- **Planning (Conservation and Design)** – During 2000-2002 much of Rowntree Park was refurbished with the assistance of the Heritage Lottery Fund. As part of this work a design template for the Park was established; this included exterior finishes to buildings and a colour template. Any exterior alterations would need to follow this design template. As long as the building stays in residential use and in its current form planning permission would not be required.

Risk Management

40. In compliance with the Council’s risk management strategy, the main risks associated with the reuse of the upper floors of the Lodge are as follows:

- Option 1, 2, 3 and 4 are clearly not capable of being considered as available for public recreation and therefore the risk of legal challenge cannot be mitigated.

- The quality of public recreational space at Rowntree Park is at risk in the current Public Sector Funding Environment. The opportunity to make available for the Lodge to be periodically occupied by the public for a fee and provide revenue to enhance the wider park mitigates against this risk.
- The use of the Lodge as a building designed and constructed as a domestic dwelling for an open public access facilities has significant risks of being detrimental to the aesthetic of the building and creating a low quality public building.
- In discussion with York Explore the current provider of the library within the wider Lodge building, they considered on balance due to the difficulties of adopting the building structure of the Lodge the public recreation opportunities through enhanced investment in the park for events such as literary festivals would be a better outcome for the future of the library service.
- Operational – failure to find a suitable managing agent and therefore the Council having to directly manage bookings, and,
- As with the principal of listed buildings the functional use of buildings is the best mitigation against deterioration and loss of building and structures and therefore due to the prohibitive costs of opening the Lodge to public use, the use of the Lodge as a holiday let is the best risk option for the preservation of this building.
- Reputational – the building remains unused, visibly deteriorates and detracts from the wider park experience.

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Regeneration and Asset
Management
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Chief Officer Responsible for the report:

Jon Stonehouse - Corporate Director,
Children, Education and Communities

Report **Date** 08.12.17
Approved

Specialist Implications Officer(s) List information for all

Implication Financial
David Gladders
Accountant
Tel No. 01904 551101

Implication Legal
Gerard Allen
Senior Solicitor (Property)
Tel No. 01904 552004

Wards Affected: List wards or tick box to indicate all

All

Micklegate, plus Guildhall and Fishergate (to reflect the park usage)

For further information please contact the author of the report

Background Papers:

Decision Session – Executive Member for Economic Development & Community Engagement, in consultation with the Executive Members for Environment, and Culture, Leisure & Tourism. 10th May 2016 Supporting the Local Delivery of Improvement to York's Parks, Gardens, and Open Spaces

Annexes –

Annex 1 Location plan
Annex 2 Lodge photographs

List of Abbreviations Used in this Report:

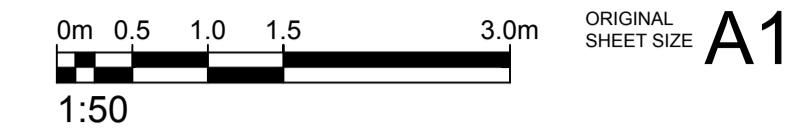
CVS – Council for Voluntary Services

DDA – Disability and Discrimination Act

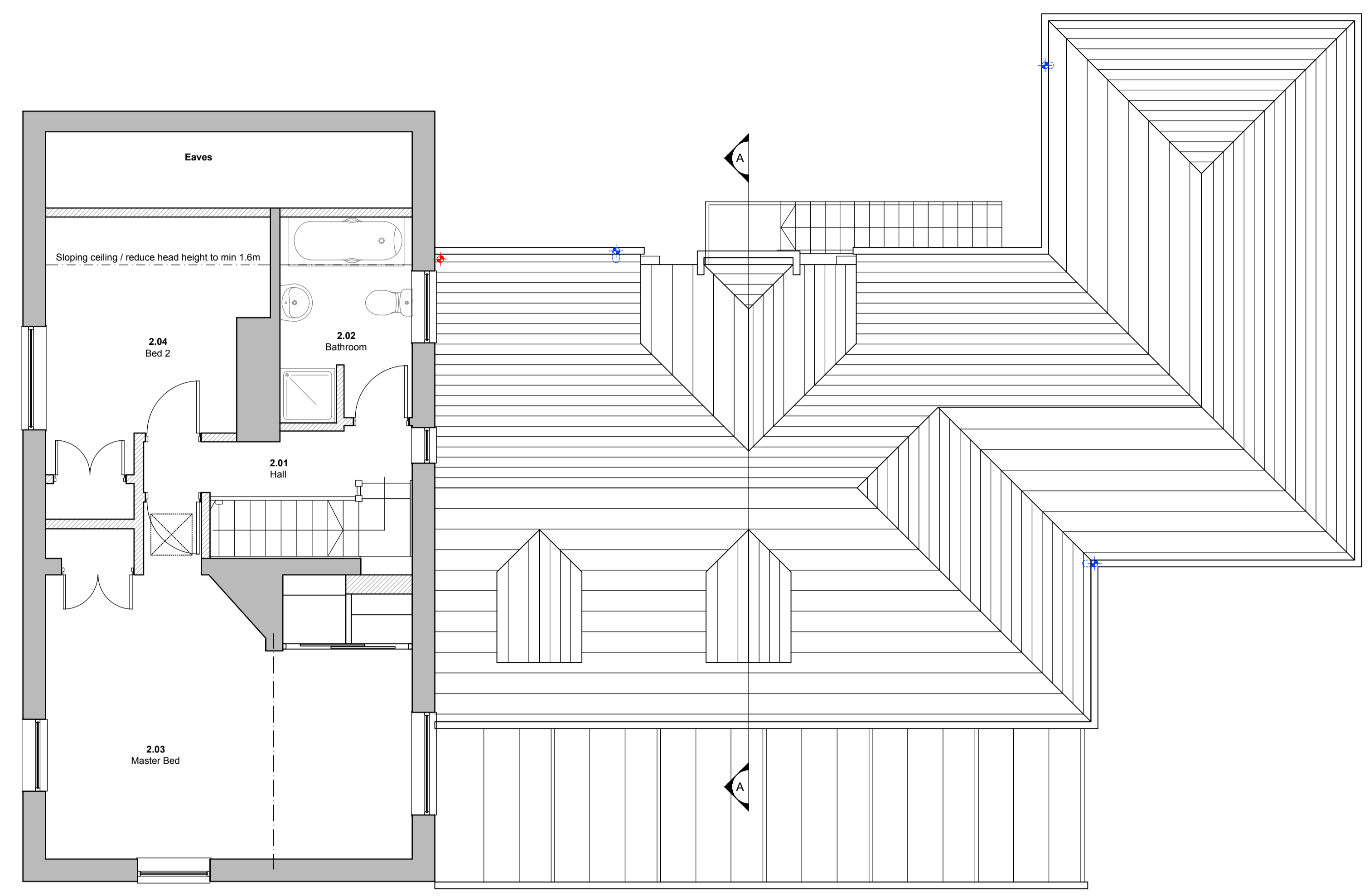
VAT – Value Added Tax

YUMI - York Unifying Multicultural Initiatives

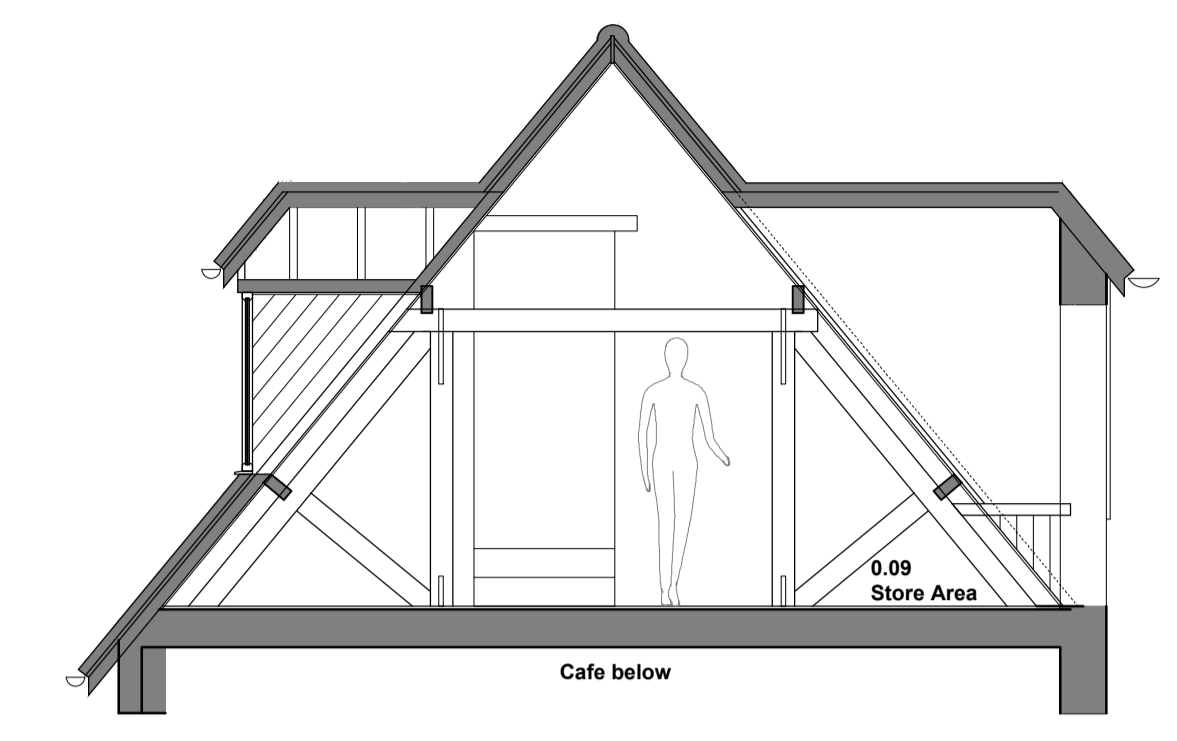
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KEY PLAN



Existing Second Floor Plan | Park Keeper's Lodge | 1:50 @ A1



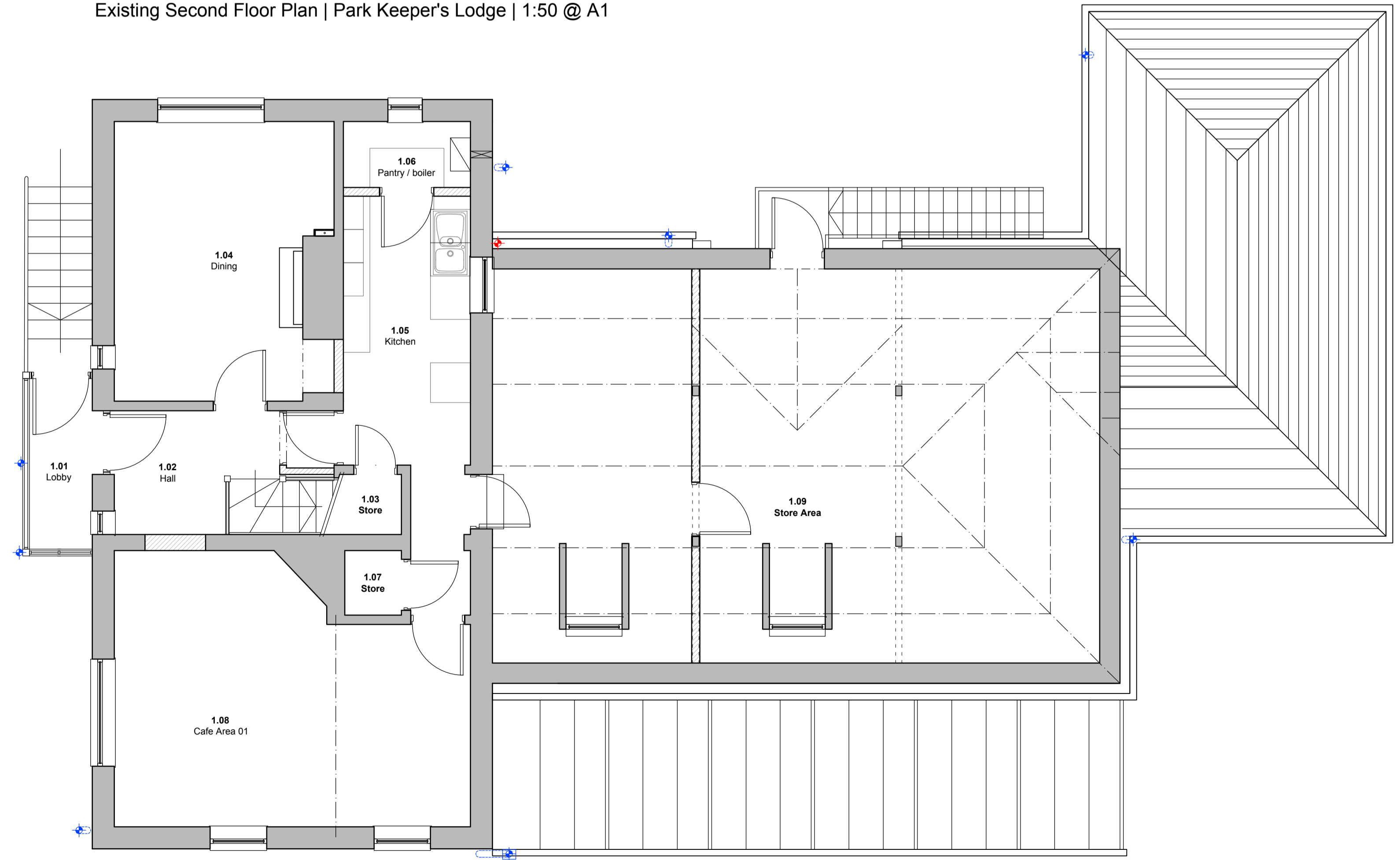
Section A-A | Existing Attic Space | 1:50 @ A1

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Notes:



Existing First Floor Plan | Park Keeper's Lodge | 1:50 @ A1

| PLANNING ISSUE | | | | |
|--|-------------------|----------------|---------|------|
| P3.0 | IRW | 27/09/2018 | | |
| COMMENT | | | | |
| REV | DRAWN | DATE | CHECKED | DATE |
| | | | | |
| <small>NPS Leeds Ltd Unit 3a, First Floor, Evolution House, Springwell Road, Holbeck, Leeds, LS12 1AW, Tel: 0113 320 1630; Email: leeds@nps.co.uk; web:www.nps.co.uk</small> | | | | |
| CLIENT | | | | |
| City of York Council Property & Asset Management Team | | | | |
| PROJECT | | | | |
| Conversion of Park Keepers Lodge Rowntree Park, Richardson St, York, YO23 1JU | | | | |
| TITLE | | | | |
| Existing First & Second Floor Plans Section through Attic Space | | | | |
| SCALES | DISCIPLINE | PROJECT NUMBER | | |
| 1:50 | ARCHITECT | 18-01-1152 | | |
| DRAWING NUMBER | REV CODE | | | |
| NPS-DR-A-(00)-021 | P3.0 | | | |
| STATUS CODE | PURPOSE OF ISSUE | DRAWN BY | | |
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KEY PLAN

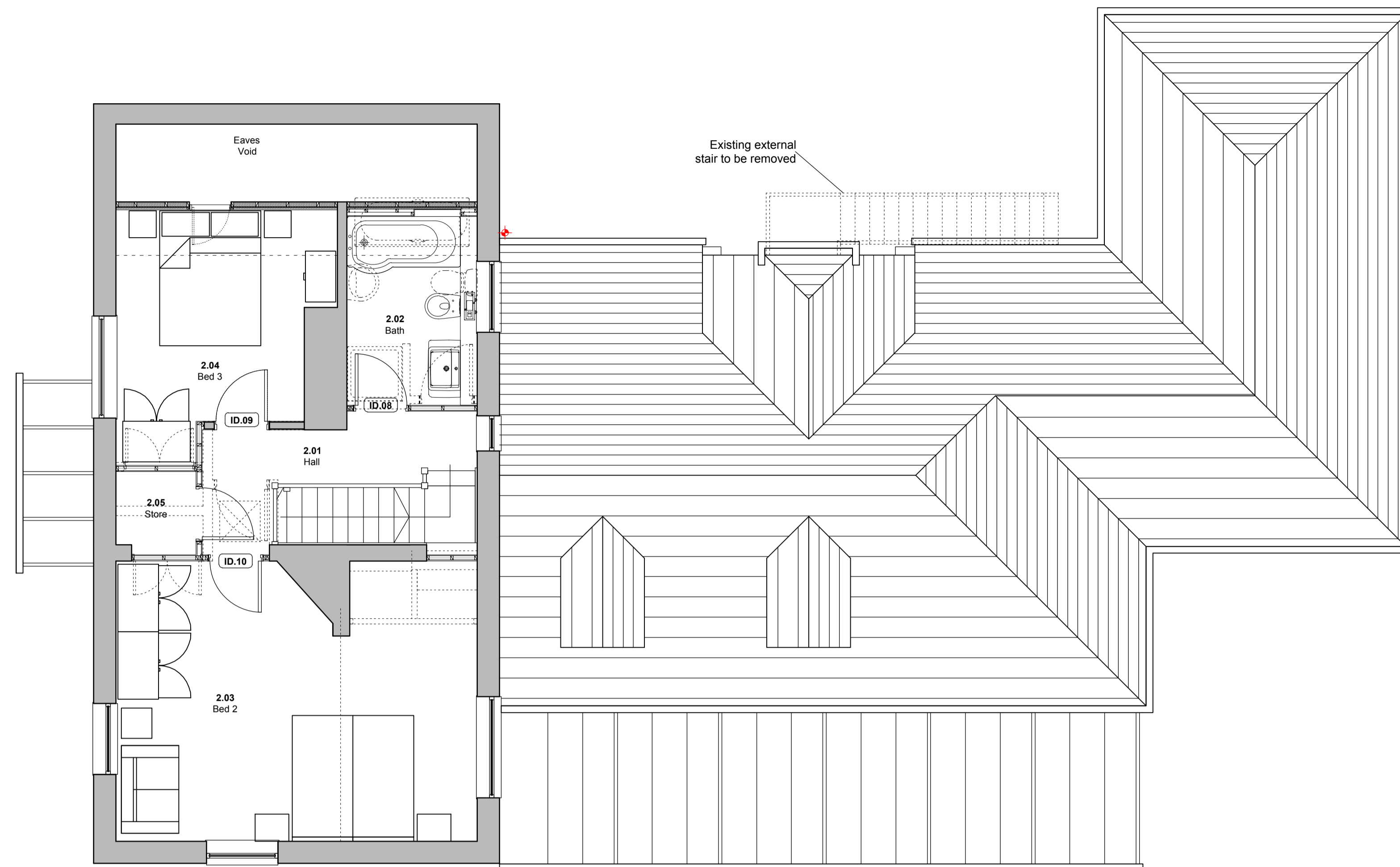


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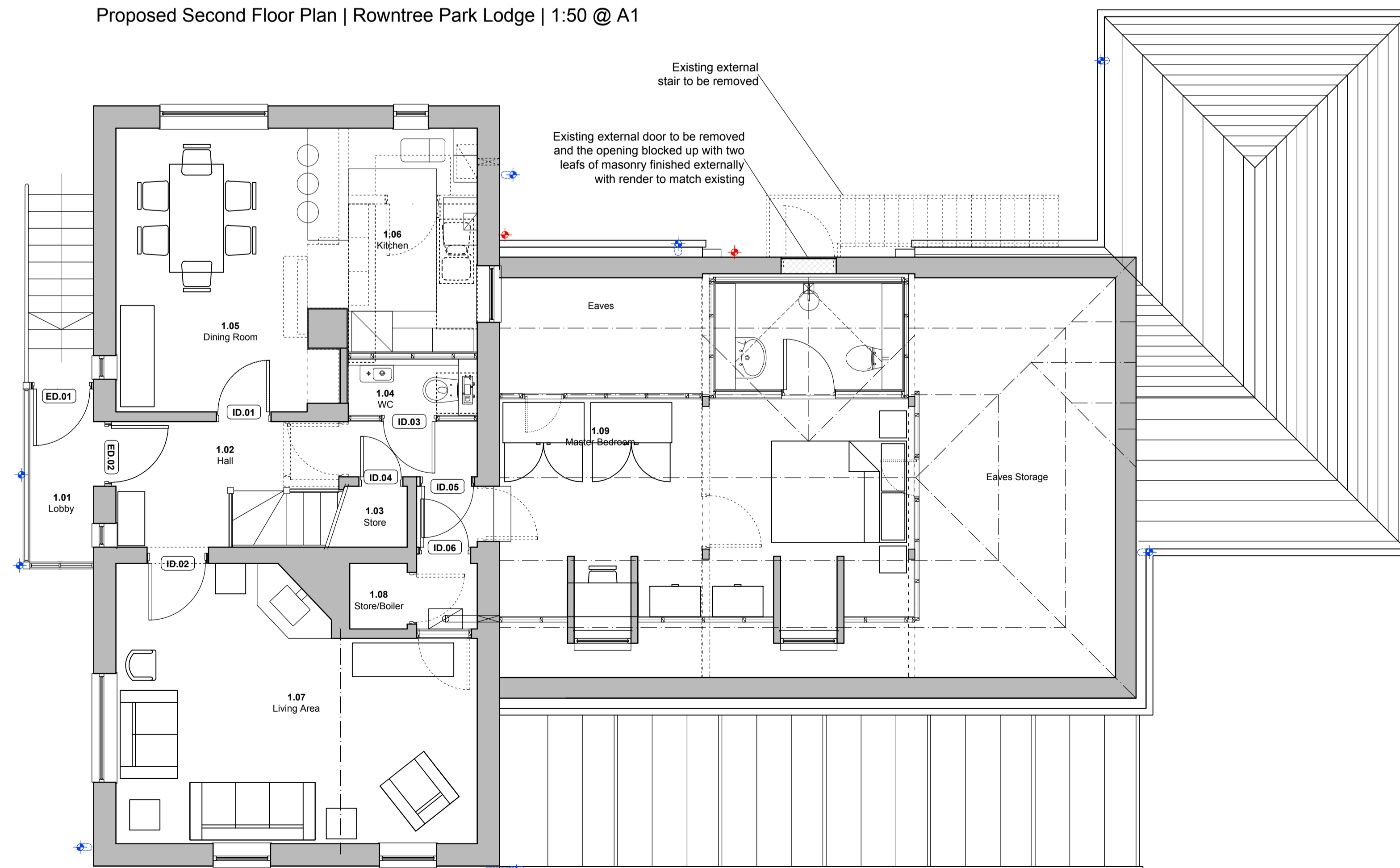
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Notes:



Proposed Second Floor Plan | Rowtree Park Lodge | 1:50 @ A1



Proposed First Floor Plan | Rowtree Park Lodge | 1:50 @ A1

| PLANNING ISSUE | | | | | |
|----------------|-----|------------|----|------------|----|
| PLANNING ISSUE | IRW | DATE | ML | DATE | ML |
| P3.0 | IRW | 01/10/2018 | ML | 01/10/2018 | ML |

| COMMENT | | | | | |
|---------|-------|------|---------|------|----------|
| REV | DRAWN | DATE | CHECKED | DATE | APPROVED |
| | | | | | |

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Tel: 0113 320 1630; Email: leeds@nps.co.uk; web:www.nps.co.uk

CLIENT
City of York Council
Property & Asset Management Team

PROJECT
Conversion of Rowtree Park Lodge,
Richardson St, York, YO23 1JU

TITLE
Proposed First & Second Floor Plan

| SCALES | DISCIPLINE | PROJECT NUMBER |
|--------|------------|----------------|
| 1:50 | ARCHITECT | 18-01-1152 |

| DRAWING NUMBER | REV CODE |
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| NPS-DR-A-(00)-026 | P3.0 |

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Executive**14 February 2019**

Report of the Deputy Chief Executive / Director of Customer & Corporate Services

Portfolio of the Executive Leader (incorporating Finance & Performance)

2018/19 Finance and Performance Monitor 3

Purpose of the Report

1. To present details of the overall finance and performance position for the period covering 1 October 2018 to 31 December 2018, together with an overview of any emerging issues. This is the third report of the financial year and assesses performance against budgets, including progress in delivering the Council's savings programme.

Summary

2. The financial pressures facing the council are projected at £525k. This is slightly higher than previous year's forecasts at this stage in the financial year. However, the council has regularly delivered an under-spend by the year end, demonstrating a successful track record of managing expenditure within budget over a number of years.
3. This report highlights a number of known pressures that need to be carefully managed throughout the year, with mitigation strategies being in place and regularly monitored across all directorates. It is expected that, as a result of ongoing monitoring and identification of mitigation, overall the council will again outturn within the approved budget. There is a contingency provision available to cover some of the projected pressures, and it is also anticipated there will be improvement in the position during the year.
4. York is maintaining both sound financial management, and delivering priority services to high standards, during a period of continued challenge for local government. In particular, key statutory services continue to perform well, having seen investment in recent years. Whilst there remain challenges in future years, the overall financial and performance position is one that provides a sound platform to continue to be able to deal with the future challenges.

Recommendations

5. Executive is asked to
- note the finance and performance information
 - note the position on the overall budget and the need to retain some of the additional business rates income to cover potential cost pressures

Reason: to ensure expenditure is kept within the approved budget

Financial Analysis

6. The council's net budget is £121.9m. Following on from previous years, the challenge of delivering savings continues with £5m to be achieved in order to reach a balanced budget. Early forecasts indicate the council is facing financial pressures of £525k and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below. The position will continue to be monitored carefully to ensure that overall expenditure will be contained within the approved budget.
7. The following sections provide more details of the main variations and any mitigating actions that are proposed.

Table 1: Finance overview

| 2017/18 outturn | | 2018/19 Forecast Variation Monitor 2 | 2018/19 Forecast Variation Monitor 3 |
|--------------------|---|---|--|
| £'000 | | £'000 | £'000 |
| +147 | Children, Education & Communities | +869 | +943 |
| -204 | Economy & Place | +322 | nil |
| -274 | Customer & Corporate Services | -200 | -250 |
| 285 | Health, Housing & Adult Social Care | +576 | +830 |
| -574 | Central budgets | -300 | -350 |
| -620 | Total | +1,267 | +1,173 |
| -761 | Contingency | -648 | -648 |
| -1,381 | Total including contingency | +619 | +525 |
| | Potential additional income from business rates | -2,000 | -1,000 |

Children, Education & Communities

8. A net overspend of £943k is forecast primarily due to children's social care.
9. Children's social care staffing budgets are currently projecting a net overspend of £173k, mainly due to expensive agency staff being used to cover important but hard to fill social worker posts. This is lower than the position in previous years following the introduction of 'golden hello' and 'golden handcuff' payments to new and existing staff in some of the key social work teams.
10. Based on the current numbers of Looked After Children (LAC) being maintained throughout the rest of the year there is a net projected overspend on placement and associated costs of £1,147k, including £263k on local fostering, £476k on independent fostering agencies, £223k on adoption allowances, £143k on inter-agency adoption fees, £60k on direct payments and £96k on other costs, offset by a projected underspend on leaving care costs of £114k. There is also a net projected overspend of £196k within The Glen and disability short breaks budgets due to delays in implementing the new model of provision for children with the most complex needs.
11. There is a net projected underspend of £146k due to vacancies being held in the skills team.
12. The savings targets for the SEN element of home to school transport have not been achieved because of a growth in the number of pupils/students requiring transport and the specialist requirements of that transport accordingly resulting in a forecast overspend of £651k. The main increase in numbers have been at post 16/19 where because of the city now being able to provide more specialist education provision for this group of students more locally, subsequently we have had to provide more transport to the likes of York College, Askham Bryan, Choose 2, Blueberry Academy. The changes in legislation to allow EHCP's to ages 19-25 resulting in significantly more students accessing this option has significantly increased our transport spend accordingly.
13. The cost per pupil of transport over the last 3 years has gradually been falling as we have worked with our transport providers to increase the size of vehicles and reduce the number of passenger transport assistants. This indicates strong contract management processes are in place to reduce expenditure. As indicated above however the increase in numbers and need has impacted on expenditure. The option of renegotiating contracts has not been considered as we have driven down costs through the contract management process and we are clear that we would be unable to find a transport provider who could deliver a service for the volumes required and meets the high level of safeguarding assurances that we have set. A number of other more minor variations make up the overall directorate position.
14. The directorate management team are committed to doing all they can to try and contain expenditure with the approved budget and are currently exploring all options available to further mitigate this forecast overspend. This includes

consideration of existing efficiency savings to identify if these can be stretched further, or implemented early and continued restrictions on discretionary spending. In addition, a placement review report is currently being worked on which will propose more local provision and will help to slow the rate of expenditure in this area. Other than SEN home to school transport, all agreed budget savings are being delivered.

15. Provision will need to be made in the 2019/20 budget for the pressures on looked after children and further mitigations to offset the increase in home to school transport costs.

Economy & Place

16. Overall a net nil variation is forecast, although there are some cost pressures being managed within this overall forecast. The following paragraphs outline the main variations.
17. Income from council car parks to November 2018 stands at 3.2% above latest projections. Income in April and May was below budget (-4.6%) partly due to the early Easter holidays however income between June and September was significantly higher than budgeted (8%) primarily due to good weather and increased attractions within the city centre. Income in November was 5% above budget as the city centre continues to attract visitors. Overall there is a forecast of £175k surplus at the council car parks. There has also been an increase in sales from both Respark and season tickets with forecast income £200k higher than budget.
18. Within waste collection, additional recruitment over and above the establishment has taken place to minimise the impact sickness levels have on waste and recycling collections. There is a forecast overspend on salaries (6%) and is the primary reason for the waste collection forecast overspend of £200k. This forecast has reduced since monitor 2 due to additional resources agreed by Executive. Commercial waste income, as in previous years, is predicted to be £100k short at year end. Waste tonnages are broadly in line with expectations and following reconciliations of tonnages with North Yorkshire relating to commissioning, there is a forecast underspend within waste disposal of £100k.
19. A review of maintenance and safety arrangements, alongside the management and administration of fleet, has resulted in additional expenditure being incurred to ensure the continuing operation of a compliant service in line with the standards as directed by operating licence requirements, H&S (PUWER) and duty of care to transport users. This has resulted in a projected overspend of £350k primarily on additional staffing resources brought in to deliver the service more effectively. The introduction of more preventive maintenance will deliver a more efficient fleet which will, over time, bring costs down.

20. Elsewhere within the directorate there are underspends forecast in Highways (£90k) due to increased amounts of work undertaken within the service and economic growth (£69k) from the early delivery of future savings.
21. The overspend within the directorate has reduced over the year through mitigation delivered and investment by the Executive. These will continue to be explored with the aim that the overall position will be brought in on budget. All agreed budget savings have been delivered.

Customer & Corporate Services

22. A net underspend of £250k is forecast and this is predominately due to additional income within bereavement services of £130k and additional grant funding secured to offset some staffing costs within business intelligence. Agreed budget savings are being delivered in line with the original plans across a number of areas. A range of other minor variations make up the directorate position. Work will continue to try and identify additional savings to help the overall position.

Health, Housing & Adult Social Care

23. A net over spend of £830k is forecast for the directorate, mainly due to pressures within adult social care. This is a worsening of the position reported at monitor 2.
24. Pine Trees, a day support service for customers is forecast to underspend by £65k due in the main to securing additional Continuing Health Care (CHC) Income for two customers. Underspends are also forecast on the supported employment scheme at Yorkcraft (£98k). This is as a result of the DWP proof of concept pilot being undertaken in adult social care in partnership with United Response. Successful outcomes have resulted in a change in focus for employment as the project has supported or is continuing to support 31 people into and towards mainstream employment, work experience, and long-term sustainable voluntary work.
25. The personal support service, which provides care and housing support in the council operated independent living communities, is forecast to overspend by £253k due to additional staffing costs. The level of staffing needed in the independent living schemes has been reviewed and the overspend has reduced by £69k since monitor 2. There is an overspend of £651k on direct payments as there has been a reduction in the amount of unused payments recovered. Work is underway to review all direct payment accounts to determine what is recoverable, whether ongoing payments should be altered following large refunds and review the policy to ensure that our recovery procedure is robust and timely. In addition, a very expensive placement since the last report is likely to cost £261k in this financial year.
26. There is pressure on external step down beds (£166k). A small budget has been set previously to place people externally as the exception but there have

been several high cost placements made to date this year and the use of these beds is increasing. Older people's residential care is forecast to overspend by £189k on permanent placements and £96k on short term places, and older peoples nursing care is forecast to overspend by £285k due to an increase in both the number of customers and the complexity of support required. In addition, the lack of vacancies in the city means customers are having to be placed in more expensive placements.

27. The learning disability working age residential budget has got significantly worse since Qtr 2 with a £306k overspend now predicted as opposed to £71k at Qtr 2. This is due to non achievement of anticipated savings of £227k.
28. As previously reported, two homes have closed in the city. Moorlands and Amelia House gave notice to the council that they were shutting. The council successfully fulfilled its responsibility to find homes for over 50 residents. This is causing £431k of budget pressure as the capacity to provide homes for these people in the city was only available at a higher cost than previous placements. However the department is able to mitigate this pressure in 2018/2019 from budget released by the closure of council run homes. The adult social care commissioning team works closely with independent care home providers in the city to help improve quality and reduce the risk of home closures.
29. The supported living for learning disability customers continues to be a budget pressure and is forecast to overspend by £622k. This is mainly due to higher than budgeted inflationary pressures, and increase in the number of voids and a delay in starting the work needed to deliver agreed budget savings. Colleagues are now reviewing the schemes, particularly those with void placements, to see if the scheme may be more suitable for customers who are in more expensive placements and are also reviewing levels of care provided to individual customers as well as securing more CHC income from the CCG. This overspend could increase by £313k if the mitigations around increasing CHC income, better void management and achieving some of the expected annual savings are not delivered.
30. A range of other minor variations make up the overall directorate position.
31. The Department has identified areas to mitigate the overspend to make every effort to bring it back to a balanced position. Dealing with the budget pressures is a standing item at DMT meetings with all options available to further mitigate the current overspend projection being explored.
32. The following areas are being investigated for action by the end of the financial year:
 - Direct payments
 - i. Review all direct payment accounts to determine what is recoverable and whether ongoing payments need to be altered
 - ii. Ensure direct payment recovery procedure is robust and timely

- iii. Review expensive packages of care
- Continuing Health Care (CHC)
 - i. Review recent decisions where CHC has reduced but a significant commitment still exists with the council
 - ii. Chase outstanding cases with health
- Supported living
 - i. Work with providers to limit price increases beyond inflationary levels
- Better Care Fund / grant slippage
 - i. Review spend on council run schemes to determine if any slippage that can support this years financial position
- Other budgets
 - i. Review list of all temporary staff arrangements to consider whether they can be stopped / provided differently
 - ii. Restrict all discretionary spend and hold recruitment to vacant posts where possible and safe to do so
 - iii. Consider any potential to charge costs against capital schemes or reserves.

33. An extra £240m national funding was announced to help adult social care departments alleviate pressures felt in the care system over winter and York received £732k. This funding has been included in the overall projection.

Housing Revenue Account

34. The Housing Revenue Account budget for 2018/19 is a net cost of £6,416k due to the £10m investment from the working balance into providing new council houses. Overall, the account continues to be financially strong and is forecasting a small overspend of £101k meaning that the working balance will reduce to £23.1m at 31 March 2019 as outlined in the 2018/19 budget report. This compares to the balance forecast within the latest business plan of £22.3m.

35. The working balance is increasing in order to start repaying the £121.5m debt that the HRA incurred as part of self financing in 2012. The current business plan assumes that reserves are set aside to enable to the debt to be repaid over the period 2023/24 to 2042/43. Following the decision by Members to fund new Housing Development initiatives through the HRA this will impact the thirty year business plan and therefore an update of the business plan is being presented to members elsewhere on this agenda.

Corporate Budgets

36. These budgets include treasury management and other corporately held funds. It is anticipated that a £350k underspend will be achieved, predominantly as a result of reviewing some assumptions on the cash flow position following a review of the profile of planned capital expenditure which will mean less interest being paid than previously anticipated.

37. As outlined in the monitor 2 report presented to Executive in November, it is likely that additional income will be available during the year as a result of the Council being part of the Leeds City Region business rates retention pilot. At that same meeting Executive agreed to allocate £1m of this additional income to the venture fund to support York central. Members are asked to note that the remaining funding may be required to deal with some of pressures outlined in this report.

Contingency

38. As in previous years a contingency budget of £500k is in place. In the 2017/18 outturn report presented to Executive on 21th June the remaining balance of £250k from the 2017/18 general contingency was added to the balance available for 2018/19. A further £10k was allocated to the WWI commemorations (as agreed in January 2018) and £92k towards York's bid to be a host city for the rugby league world cup 2021 (agreed in November 2018) leaving a balance of £648k available. Members are asked to note that this may be required to deal with some of pressures outlined in this report. Any decisions regarding the allocation of this sum will be brought to a future meeting.

Loans

39. Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. There are 2 loans in this category. Both loans are for £1m and made to Yorwaste, a company part owned by the Council. The first was made in June 2012 with a further loan made in June 2017 as agreed by Executive in November 2016. Interest is charged on both loans at 4% plus base rate meaning currently interest of 4.75% is being charged. All repayments are up to date.

Performance – Service Delivery

40. The Performance Framework surrounding the Council Plan for 2015-19 launched in July 2016 and is built around three priorities that put residents and businesses at the heart of all Council services.
41. The Council Management Team and Executive have agreed a core set of thirty indicators to help monitor the council priorities and these provide the structure for performance updates in the following sections. Some indicators are not measured on a quarterly basis. The DoT (Direction of Travel) is calculated on the latest three results whether they are annual, quarterly or monthly.
42. Of the strategic indicators where new quarterly or annual data has been provided since the last reporting period, the following have seen improvements:
- % of panel who agree that they can influence decisions in their local area
 - % of panel satisfied with their local area as a place to live

- Household waste recycled/composted (YTD)
- % of panel confident they could find information on support available to help people live independently
- Proportion of adults in contact with mental health services living independently, with or without support

43. The following indicators have been identified as having a poor direction of travel:

- % of panel satisfied with the way the council runs things
- Number of incidents of ASB within the city centre ARZ
- Net Additional Homes Provided (YTD)
- Average sickness days lost per FTE - CYC (Excluding Schools) - (Rolling 12 Month)

A Council That Listens to Residents

| | | 2017/18 | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 | DoT | Frequency | Benchmarks | |
|--|-------------------------------------|--|------------|------------|----------------------------|--------|-----------|------------|---|
| Service Delivery | A Council That Listens to Residents | % of panel who agree that they can influence decisions in their local area | 26.87% | 25.68% | Not collected this quarter | 28.95% | ➡ | Quarterly | National Community Life Survey 17/18: 26% |
| | | % of panel satisfied with their local area as a place to live | 89.94% | 88.09% | Not collected this quarter | 88.61% | ➡ | Quarterly | National Community Life Survey 17/18: 77% |
| | | % of panel satisfied with the way the Council runs things | 62.13% | 60.29% | Not collected this quarter | 57.33% | ⬇ Bad | Quarterly | National LG Inform 17/18: 72.50% |
| | | Overall Customer Centre Satisfaction (%) - CYC | 93.13% | 93.16% | Not available | 93.47% | ➡ | Quarterly | Not Available |
| The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual, quarterly or monthly. | | | | | | | | | |

44. The council carries out a number of consultation and research activities throughout the year, including: annual surveys, statutory research, one-off pieces of research and using Talkabout, our citizens' panel, which is comprised of a representative sample of around 1,000 York residents who are invited to complete a bi-annual survey to capture a variety of resident satisfaction measures across all areas of council business. Details of all other public consultations are available on the consultations page of the Council's website.

% of residents who agree that they can influence decisions in their local area - this measure gives an understanding of residents' recognition about how we are listening and reacting to residents views

45. The Q3 Talkabout survey found that 29% of panellists agreed that they could influence decisions in their local area which is higher than the latest national figure of 26% (Community Life Survey 2017/18). 92% of respondents think it's important that residents can influence decisions in their local area.

Tenant Satisfaction Survey

46. City of York Council's Housing Services are committed to working with their tenants to improve services and sent out an annual survey to a sample of tenants asking them how satisfied they are with their home and the landlord services provided by the council. The survey was conducted between

September and November 2018 and there were a total of 595 responses received. Of the questions that are nationally benchmarked with other local authorities (Housemark 2017/18 median figures), satisfaction with:

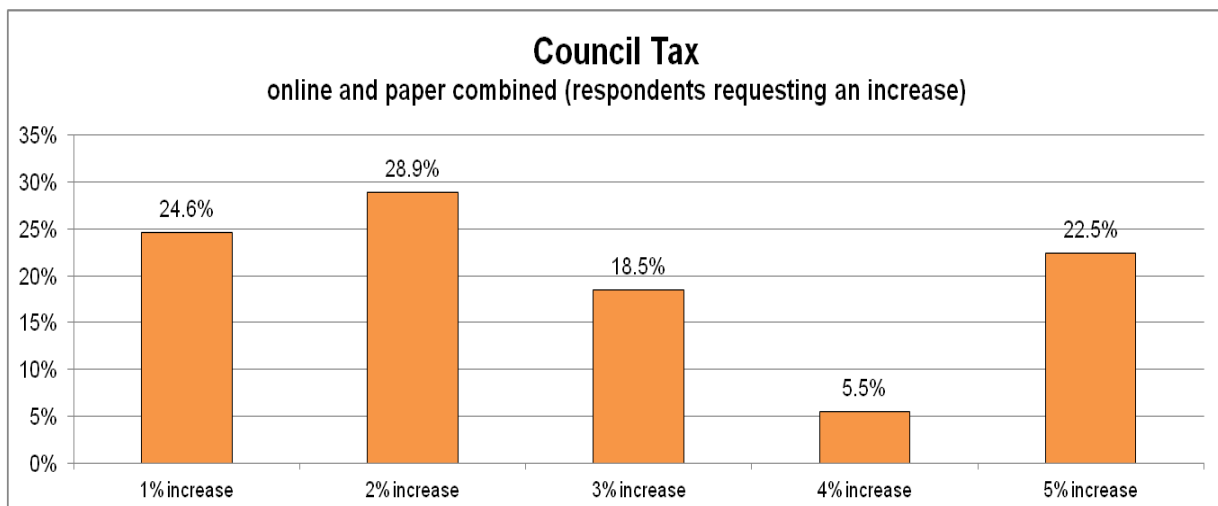
- Repairs and maintenance improved by 1.1% compared to last year's survey (79.9% were satisfied) which is comparable to the median of 79%.
- Overall quality of the home saw a small improvement of 0.7% compared to last year (81.6% were satisfied) which is below the median of 85%.
- Neighbourhood as a place to live remains virtually the same as last year (81.8% were satisfied) which is below the median of 85%.
- Landlord listens to views and acts upon them decreased by 4.7% compared to last year (68.8% were satisfied) which is comparable to the median of 69%.

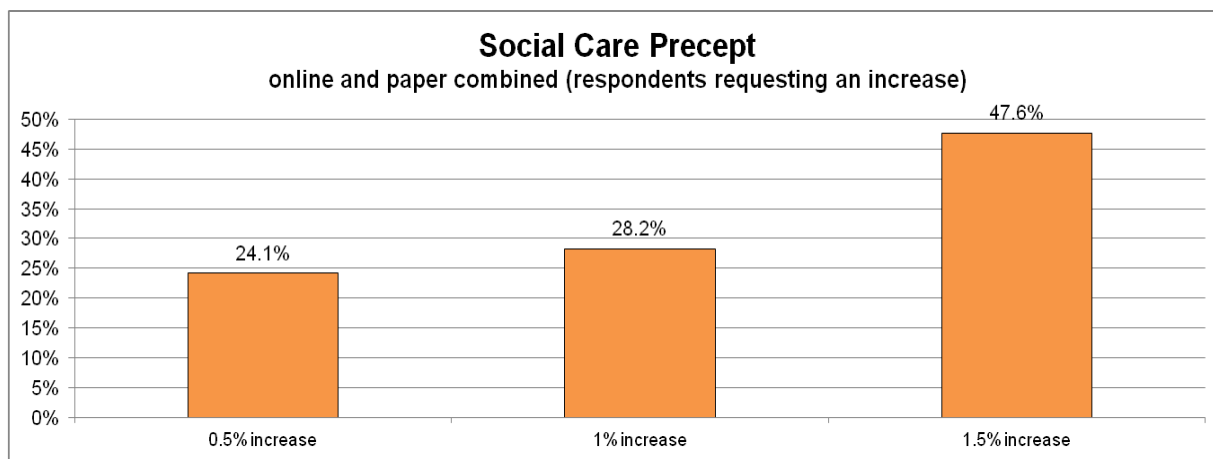
47. The Survey also showed notable declines in satisfaction in a number of issues relating to complaints and how they are handled. Officers have started working with tenants and the Customer Complaints and Feedback team to understand more fully why satisfaction has declined in this area. Initial research has shown that there is a difference in what customers perceive as a complaint and what is classed as a formal complaint and therefore logged through the complaints process. Further research will be conducted on data from formal complaints and comparing it with the data on complaints gathered through the survey to see if there are any notable patterns.

Budget Consultation

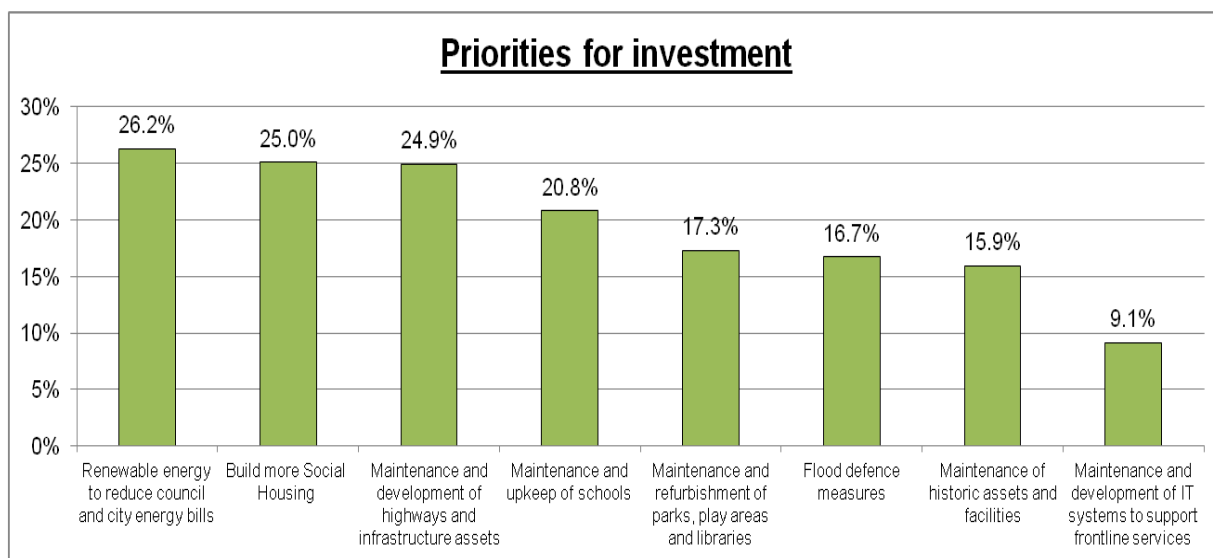
48. The council budget consultation opened on the 1st October and ran until the 30th November 2018. Residents were invited to give their views on taxes and service budgets by using an online budget simulator or by completing a paper survey featured in 'Our City'. A total of 366 respondents participated, 155 by paper and 211 online. Some of the headline results are shown below. The Council will consider the responses to the budget consultation in the financial planning cycle for the 2019/20 budget setting process.

49. The following two graphs show the percentages of respondents who agreed with varying increases in council tax and a social care precept.





50. Car parking charges were thought to be fair by 43% of respondents and 30% were in favour of an increase, predominantly to reduce traffic pollution in the city but 27% were opposed to any increase, mainly due to concerns about deterring shoppers from the city centre.
51. Other fees and charges were thought to be at acceptable levels by 59% but there were suggestions for the opportunity for donations to be made at free sites and the introduction of a tourist tax.
52. The following graph shows their views on the areas identified for investment.



School Admission Arrangements Consultation

53. The annual school admission arrangements consultation took place between October and December 2018 and relates to how admissions applications and decisions will be made for the 2020/21 school year. The consultation is a joint exercise between all admissions authorities in York including: City of York Council on behalf of community and voluntary controlled schools, the governing bodies of voluntary aided schools, the academy trusts of single academies and the trust board, and local governing committees, of multi-academy trusts. Following the consultation, all admission authorities will determine their admission arrangements by the end of February 2019 in line with the School Admissions Code.

% of residents who have been actively involved in redesigning and delivering services - this measure gives an understanding of residents' recognition about how they are involved in service redesign

Future Focus

54. The Adult Social Care community led support model continues to develop. Talking Points are community locations that offer residents the opportunity to have a face to face conversation with social care staff. Talking Point appointments have been increasing and over 100 customers have now been seen. As a result of offering this option, these customers have been seen more quickly with a waiting time just over 8 days as opposed to 9 weeks. The quick response reduces the risk of customers experiencing a crisis situation and enables the social care team to provide a more proportionate response earlier on in the social care process.
55. A number of very positive outcomes for the project have been identified. In particular:
- The percentage of customers going on to receive paid for services was 47% (compared with 78%) in Q2 2017/18) with 33% of those seen being given advice, information and support meaning they needed no ongoing services.
 - More than 95% of people invited to the hub have said they were satisfied with the experience and, most importantly their outcomes from attending a Talking Point. 97% of residents seen said they would recommend the Talking Point option to others.
56. Examples of other consultations active during Q3 include;
- Redevelopments in Fossgate
 - Haxby and Wigginton Library Proposal
 - Statement of Licensing Policy and Impact Assessment
 - Hackney Carriage and Private Hire Licensing Policy
 - Bootham Park Site

Voice of the Children

57. York Youth Council (YYC) supported the national UK Youth parliament 'Make Your Mark' ballot of 11-18 year olds. 'Make Your Mark' is a central part of the British Youth Councils mission and it guides campaign ideas for local Youth Councils. The YYC facilitated the ballot in 35 separate schools and organisations including primary and secondary schools, colleges and youth groups. Over 4,500 young people in York voted and the top three topics were Mental Health, ending knife crime and tackling homelessness which now form the YYC priorities for this year. The YYC are gathering information by speaking to relevant services and professionals to better understand the current situation.
- Mental Health: The YYC are working with colleagues from the North Yorkshire Youth Executive (Youth Council) and the North Yorkshire Police Youth Commission to create an awareness campaign signposting

young people to existing mental health services available across York and North Yorkshire.

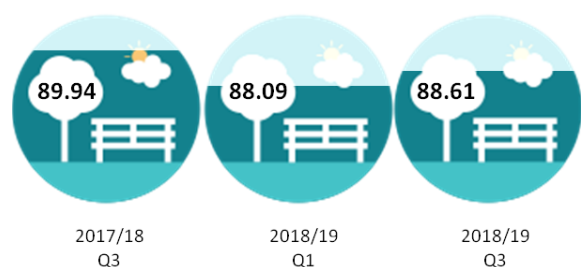
- Homelessness: They have spoken with officers in the Housing team and other services in relation to homelessness and will continue to gather information before deciding how to progress the campaigns. The launch of the 2018-2023 “Preventing homelessness together” strategy will build upon the achievements delivered through previous homelessness strategies. The core focus will be on early intervention and the prevention of homelessness, backed up by high quality joined up support to get people back on their feet when things do go wrong.
- Knife Crime: They will be working with York Youth Offending Team, North Yorkshire Police Youth Commission, North York Police and other partners in relation to the issue of knife crime.

58. Participation opportunities for young people in care and care leavers continue to be delivered via the Children in Care Council (CiCC). This includes monthly Show Me That I Matter panel meetings (13-17 yrs), monthly meetings of the Care Leavers Forum, I Still Matter (17-21 yrs) and fortnightly Speak Up Youthclub sessions (10-16yrs). Activity has included taking part in a consultation conducted by TACT (The Adolescent and Children’s Trust) on the language used regarding children in care, meeting with representatives from fostering to look at how to better involve young people in the recruitment and training of foster carers, designing and accommodation leaflet for the Pathway team and attending the Corporate Parenting Board to help present the Local Offer for Care Leavers. The CiCC and Care leavers Forum have also met with the Director, Assistant Director, Service Manager for Pathway and Elected Members to feedback on the work they have been doing.

% of residents satisfied with their local area as a place to live - this measure gives an understanding of residents’ views about the area and the quality of their ward / neighbourhood

59. The results from the Q3 18/19 Talkabout survey showed that 90% of the panel were satisfied **with York** as a place to live and 89% **with their local area**. Satisfaction levels for the local area continue to be significantly higher than the latest national figures of 77% (Community Life Survey 2017/18) and 78% (Local Government Association Poll October 18).

% of panel satisfied with their local area as a place to live



60. Where residents indicated that they were dissatisfied **with York** as a place to live, the most common reasons were crime and anti-social behaviour (mainly city centre drinking), economy and transport (largely traffic issues), value for money and residents not being at the heart of decision making. Where residents were dissatisfied **with their local area** as a place to live, the most common reasons were crime and anti-social behaviour, public realm and highways. Specifically these concerns were about: intimidating and noisy groups of hen

and stag parties; the lack of a police presence; the standards of street cleansing (including littering levels) and the poor quality of road surfacing.

61. 78% of respondents thought that their local area was a good place for children and young people to grow up. Where residents disagreed that their local area was a good place for children to grow up, the main reasons were safety, available activities or services and available green spaces.
62. 92% of respondents to the Q3 18/19 Talkabout survey agreed that it was important to feel part of their local area with 80% agreeing that they did belong. These results have both increased from the previous survey and the latter is higher than the National benchmark scores of 62% in the Community Life Survey 2017/18 and 78% from LG Inform.
63. When asked if they agree their local area is a place where people from different backgrounds get on well together a decrease can be seen from 75% in Q1 to 68% in Q3. This is below the national figure of 82% from the Community Life Survey 2017/18.

% of residents satisfied with the way the Council runs things - this measure gives an understanding of residents' satisfaction with frontline service delivery and the Council's responsiveness to residents' views

64. The Q3 18/19 Talkabout survey showed that 57% of respondents were satisfied with the way the Council runs things which is a further reduction compared to previous survey results. Satisfaction levels continue to be similar to the LG Inform benchmark figure of 60% for October 2018. Where residents indicated that they were dissatisfied with the way the council runs things, the most common reasons were public realm and highways.
65. The Council aims to deliver financial sustainability whilst improving services and outcomes for York residents and 43% of respondents agree that the Council provides value for money which is similar to the LG Inform benchmark figure of 44% for October 2018.

% of residents who think that the Council and partners are doing well at improving the quality of streets/public spaces - this measure gives an understanding of residents' satisfaction with frontline service delivery and the Council's responsiveness to residents' views

In the Q3 18/19 Talkabout survey, panellists responded positively to one area indicating they believe the council are doing well in conserving York's heritage. Responses continued to reflect that panellists thought the council and partners could do more to reduce air pollution, improve the quality of streets/public spaces and encourage the use of low emission vehicles. The Low Emission Strategy (LES), introduced in 2012, has proved particularly effective at tackling emissions from service vehicles such as buses, taxis and Heavy Goods Vehicles which contribute to poor air quality in York. Work to improve the air quality includes the introduction of more electric Park & Ride buses, the continued roll-out of the new taxi licensing policy that specifies minimum emission standards for new or replacement taxis and the delivery of the Strategic Electric Vehicle fast charge network in the city.

Overall Customer Centre Satisfaction (%) - CYC - (being replaced with Digital service satisfaction 2017) - this measure gives an understanding of the quality of our face to face, phone and front office customer services (and in future our digital services through the CYC website)

66. The Customer Centre offers advice and information on many services including benefits, council tax, housing, environmental, transport, educational, social care and planning. At the end of phone enquiries customers have the opportunity to complete a short phone based customer satisfaction survey or, when visiting West Offices, rate their experience via a feedback terminal. Customer Satisfaction remains high at the end of Q3, with over 90% of people rating the service as either good or very good.

A Focus on Frontline Services

| | | 2017/18 | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 | DoT | Frequency | Benchmarks | |
|------------------|-------------------------------|--|--------------------------------|--------------------|----------------------------|---------------------|-----------|------------|--|
| Service Delivery | A Focus on Frontline Services | Children Looked After per 10k (Snapshot) | 53 | 56 | 56 | 56 | → | Quarterly | National 17/18: 64 Regional 17/18: 71 |
| | | Number of Incidents of ASB within the city centre ARZ | 1934 | 497 | 570 | (Avail Feb 19) | ↑ Bad | Quarterly | Not Available |
| | | Household waste recycled / composted - (YTD) | 43.00% | 57.00% | (Avail Feb 19) | (Avail May 19) | → | Quarterly | National 16/17: 43.7% Regional 16/17: 42.9% |
| | | Delayed transfers of care from hospital which are attributable to adult social care, per 100,000 population (YTD Average) (New definition for 2017/18) | 6.4 | 7.9 | 7.4 | 7.5 (October 18) | → | Quarterly | National 17/18: 4.3 Regional 17/18: 3.4 |
| | | % of panel confident they could find information on support available to help people live independently | 64.81% | 66.11% | Not collected this quarter | 72.52% | → | Quarterly | Not Available |
| | | Proportion of adults in contact with secondary mental health services living independently, with or without support (YTD Average) | 69.00% | 83.00% | 86.00% | (Avail Mar 19) | ↑ Good | Quarterly | National 17/18: 57% Regional 17/18: 69% |
| | | % of adults (aged 19+) that meet CMO recommendations for physical activity (150+ moderate intensity equivalent minutes per week) | (Avail Apr 19) 72.03% 16/17 | Collected annually | Collected annually | Collected annually | → | Annual | National 16/17: 66% Regional 16/17: 64.6% |
| | | Average Progress 8 score from KS2 to KS4 | 0.11 | Collected annually | Collected annually | Collected annually | → | Annual | National 17/18: -0.03 |
| | | Number of days taken to process Housing Benefit new claims and change events (DWP measure) | 3.20 | 2.97 | 3.51 | 3.61 (Nov 18) | → | Quarterly | National 18/19 Q1: 8.23 days |

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual, quarterly or monthly.

Number of Children Looked After - this measure gives an understanding of the efficiency and effectiveness of a key front-line service which has impacts on vulnerability and the life chances of children

67. There were 207 children and young people in care at the end of December 2018. This evidences a continued consistency of practice and need, against the national trend of increasing looked after numbers.

Joint Targeted Area Inspection

68. York had a joint targeted area inspection of the multi-agency response to sexual abuse in the family in September 2018. Ofsted, CQC, HMI Constabulary and HMI Probation undertook a joint inspection of the effectiveness of partnership working between the local authority, police, health, youth offending and probation services. The inspection found a strong shared commitment to working in a child focused way and listening to the voices of children as being central to the work across all agencies in York. It highlighted the strong

leadership and challenge to partners provided by the local safeguarding children board. The inspectors found that ‘effective leadership and a whole council approach have been important in ensuring that the local authority continues to develop the effectiveness of its services’. The report highlighted strengths in the relationships between agencies which now need to become more systematic to ensure consistency of response across all agencies.

Number of Incidents of Anti-Social Behaviour within the city centre - this measure gives an understanding of the impacts of Anti-Social Behaviour on Leisure and Culture and therefore the "attractiveness" of the city

69. Latest available data (2018/19 Q2) indicates a small increase in anti-social behaviour and violent crime within the city centre, with a gradual increasing volume in the last three quarters. Overall crime levels in York in 2018/19, based on available data to August, are predicted to see a small rise on last year to 13,500 crimes compared to 11,958 in 2017/18 and this is due to a small increase in crime reports across a wide range of categories.

70. The number of service calls received due to “flytipping” concerns reduced from 2276 in 2016-17 to 2151 in 2017-18. Estimated figures for 2018-19 show a further reduction in calls received. Conversely, the number of warning letters issued, formal cautions, prosecutions and injunctions for fly-tipping has increased significantly between 2016-17 and 2017-18. In September Neighbourhood enforcement officers from City of York Council worked alongside North Yorkshire Police officers in the north of the city as part of Operation Eyeball, a multi agency taskforce launched in June. Vehicles were stopped to see if they were carrying waste and were licensed to do so and 17 notices were served, ordering evidence to be provided showing that there were licences to carry waste. In the last 2 years there have been 5 successful prosecutions and 13 formal cautions have been issued for fly-tipping which included the award of a 12 month custodial sentence for one individual. In February 2018 the Neighbourhood Enforcement team launched the Crime Not To Care campaign in partnership with Keep Britain Tidy. The campaign is running for 12 months and its aim is to highlight to residents their duty of care responsibilities in relation to domestic waste in an effort to reduce fly-tipping. The council is currently in the process of procuring portable CCTV cameras for use in fly-tipping hot-spot areas. The Neighbourhood Enforcement team is particularly keen to deploy CCTV in rural and semi-rural areas, where there is little natural surveillance from surrounding properties. The aim is to increase opportunities for intelligence-gathering for enforcement purposes.

Household waste recycled / composted (YTD) - this measure gives an understanding of a key outcome of the Council plan

71. The amount of landfill waste, in Q1 2018/19, has increased to 14,026 tonnes from 12,190 tonnes during the same period in 2017/18. This will decrease, going forward, as the Allerton Waste Recovery Park diverts York’s waste from landfill (Harewood Whin



landfill site has now closed) to use it, instead, to generate electricity.

72. Residual waste per household has increased to 155kg per household (140kg in Q1 2017/18) but this should also start to decrease from the initiation of the voluntary pledge, by supermarkets, to eradicate single-use plastics from packaging and any remaining plastic in use will have to be totally recyclable by 2025. Co-mingling recycling (recyclable waste that is mixed together instead of being separated) is due to either narrow streets in the City in which the correct vehicle could not access, or due to buildings and residences in the city that have not yet been asked to separate their waste. Work to reduce the 320 tonnes per month of co-mingled recycling is continuing. St Nick's provide a weekly city centre recycling collection to c.2420 and there has been a positive effect on residents' behaviour from the 'rejection' of various items in the recycling process. A communications campaign has been proposed to improve knowledge of what items can and cannot be recycled in York, particularly relating to plastics.
73. 57% of household waste was recycled in Q1 2018/19 which is a big improvement from 49% in the same period in 2017/18. It is worth noting that recycling rates are usually higher in the first half of the year and therefore could fall in subsequent quarters.

Delayed transfers of care from hospital which are attributable to adult social care - this measure gives an understanding of how well our health and social care services are integrated

74. A delayed transfer of care (DToC) occurs when a hospital patient is deemed medically fit to be discharged, but cannot be released from hospital because they are waiting for community support to be arranged by the NHS and/or a local authority, or because the patient cannot agree where he/she should reside following discharge. The number of days that hospital patients are delayed in these circumstances are aggregated and measured to show how well NHS and local authority adult social care services are working together.
75. There continues to be a fluctuating trend in the number of days that patients are delayed leaving hospital that are "*attributable to adult social care*". In 2017/18, on average, there were 6.4 beds occupied each day per 100,000 adults by York residents across the health and social care system that were attributable to adult social care. During the first 7 months of 2018-19, this average increased to 7.5 beds per day for every 100,000 adults in York. Although it is increasing, patients are staying in hospital, on average, for shorter periods of time, which means that the system is getting better at supporting people to get where they want to be quickly, but against a backdrop of increasing numbers of unplanned or emergency admissions.

Better Care Fund

76. The Better Care Fund (BCF) provides CYC and the Vale of York Clinical Commission Group (VoY CCG) with finances to work together on a range of measures, including delayed transfers of care, aimed at improving outcomes for NHS and adult social care users in the City of York area. The total number of days that patients resident in York have been delayed, for all reasons, during

the last twelve months for which statistics have been published (November 17 – October 18) was 10,655 which equates to, on average, 29 beds each day occupied because of DToC across the health and social care system. From August to October 2018, this figure was 2,967 days which equates to 32 beds each day.

77. Recent changes to the Continuing Healthcare ‘discharge to assess’ pathways have had unintended consequences in that they have increased the amount of DToC attributable to the NHS. The closure of two large nursing homes in the city has impacted on the ability of Adult Social Care to place patients quickly, as well as considerable pressures in both the residential and homecare markets.

% of residents confident they could find information on support available to help people live independently - this measure gives an understanding of residents’ ability to support themselves in line with new adult social care operating model

78. The results from the Q3 18/19 Talkabout survey showed that 73% of residents were confident that they could find information on support available to help people live independently which is a 7% increase from Q1. The creation of the Live well York website during 2018, an information and advice community website for adults and families, along with the use of Talking Point venues across the city may have contributed to this increase in confidence.

Admissions to Residential Care Homes

79. Avoiding permanent placements in residential and nursing care homes is a good measure of how effective packages of care have been in ensuring that people regain control of their lives. Research suggests that, where possible, people prefer to stay in their own home rather than move into residential care.
- The rate at the end of Q3 2018-19 for younger adults (aged 18-64) requiring permanent residential and nursing care is lower than a year earlier, with 4.47 younger adults per 100,000 population being placed into these homes during 2018-19 Q3, compared with 5.96 per 100,000 population during 2017-18 Q3. This equates to 6 younger adults entering these homes in 2018-19 Q3, compared with 8 during 2017-18 Q3.
 - For older people, aged 65 or over, the rates of those assessed as needing to go into residential care during 2018-19 Q3 was lower than in 2017-18 Q3 (141 per 100,000 population in 2018-19 Q3 compared with 197 per 100,000 population in 2017-18 Q3). This equates to 53 older people entering residential care during 2018-19 Q3, compared with 74 in the corresponding period during 2017-18.
80. There are 1,401 registered care beds in York of which, 455 are residential care and 946 are nursing care. The majority (around 90%) of these beds are specifically for older people. This is a reduction from the number previously reported following the closure of Moorlands and Amelia House. The Older People’s Accommodation Programme is focused on increasing the opportunities for older people to live well independently with a view to delaying and preventing the need for residential care. The programme has increased the provision of accommodation for Independent Living with Extra Care, including

the recent extension of Glen Lodge, the current project to extend the accommodation at Marjorie Waite Court and provision of round the clock care at Auden House. The next phase of the programme will focus on identifying what is important to the city's residents about how and where they live in older age.

Proportion of adults in contact with secondary mental health or learning difficulties services that are living independently - this measure gives an understanding of adults' social care users perception of their ability to support themselves

81. Improving employment and accommodation outcomes for adults with mental health and learning difficulties are linked to reducing risk of social exclusion and discrimination. Supporting someone to become and remain employed is a key part of the recovery process, while stable and appropriate accommodation is closely linked to improving people's safety and reducing their risk of social exclusion.
- During 2018-19 Q3, 9% of those with learning disabilities were in employment, a very slight decrease compared with 2018-19 Q2 (9.2%).
 - The percentage of those with learning disabilities living in their own home, or with family, stayed the same (78% in both 2018-19 Q2 and Q3).
82. At the end of 2018-19 Q2, the latest data available to CYC, 22% of all clients in contact with secondary mental health services were in employment, which represents an increase compared with that in 2018-19 Q1 (20%). The percentage of all adults in contact with secondary mental health services living independently, with or without support, was 86% at the end of 2018-19 Q2, compared with 83% during 2018-19 Q1.

% of Physically Active Adults (to be replaced by people engaging with Wellbeing service after launch) - this measure gives an understanding of the overall health of the cities residents

83. The latest data from the Adult Active Lives Survey for the period May 2017 to May 2018 was published in October 2018. 512 people in York aged 16 and over took part in the survey and reported higher levels of physical activity, and lower levels of physical inactivity, compared with the national average. Positively:
- 70.2% of people in York did more than 150 minutes of physical activity per week compared with 62.3% nationally.
 - 19.4% of people in York did fewer than 30 minutes per week compared with 25.2% nationally
84. The first Active Lives Children and Young People survey covering the period September 2017 to July 2018 was published in December 2018. 201 children aged 5-16 from York took part in the survey and reported higher levels of physical activity compared with the national average, particularly in relation to outdoor, non school related activities.
- 30.9% of children in York did at least 30 minutes of non school related physical activity each day compared with 21.5% nationally.
 - 28.5% of children in York did at least 30 minutes of non school related outdoor physical activity compared with 17.4% nationally.

Average Progress 8 score from Key Stage 2 to Key Stage 4 - this measure gives an understanding of educational attainment levels within the city

85. Progress 8 is a measure of the progress made by pupils between Key Stage 2 and Key Stage 4. A positive score represents progress above the average for all pupils and a negative score progress below the average for all pupils. In 2018, the average Progress 8 score for Year 11 pupils was +0.11, which is significantly above the national average. The Progress 8 score of +0.11 is the same as 2017 and again puts the city in the top quartile for all Local Authorities. This result is an unvalidated statistic published by the DfE in October 2018. The finalised score is due to be released in January 2019.

Number of days taken to process Housing Benefit new claims and change events - this measure gives an understanding of the efficiency and effectiveness of a key front-line service

86. Due to improvements in digital processes, performance in this area remains consistently strong in York with the average number of days taken to process a new Housing Benefit claim or a change in circumstance less than 4 days during November 2018. York performance is also the best out of all other local authorities that we are benchmarked against (North and East Yorkshire, Lincolnshire and the Humber) and much higher than the national average of 7.6 days (2017-18).

A Prosperous City for All

| | | | 2017/18 | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 | DoT | Frequency | Benchmarks |
|--|---------------------------|--|----------------------------------|----------------------------|----------------------------|----------------------------|----------|-----------|--|
| Service Delivery | A Prosperous City for All | %pt gap between FSM and non-FSM pupils at 15, who attain a Level 3 qualification by the age of 19 - (Snapshot) | (Avail Apr 2019) 33.90% 16/17 | Collected annually | Collected annually | Collected annually | → | Annual | National 16/17: 25.2% Regional 16/17: 27.2% |
| | | Median earnings of residents – Gross Weekly Pay (£) | £519.3 | Collected annually | £512.60 | Collected annually | → | Annual | National 18/19: £571.1 Regional 18/19: £520.9 |
| | | Net Additional Homes Provided - (YTD) | 1296 | Not collected this quarter | 291 | Not collected this quarter | ↓ Bad | Quarterly | Not Available |
| | | Business Rates - Rateable Value | £254,662,152 | £254,045,397 | £253,954,041 | £254,937,091 | → | Quarterly | Not Available |
| | | One Planet Council - All Resources - Total CO2 (t) | Not Collected | Not Collected | Not Collected | Not Collected | → | Annual | Not Available |
| | | % of panel who give unpaid help to any group, club or organisation | 66.22% | 67.83% | Not collected this quarter | 64.72% | → | Quarterly | National Community Life Survey 17/18: 64% |
| The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual, quarterly or monthly. | | | | | | | | | |

%pt gap between FSM and non-FSM pupils at 15, who attain a Level 3 qualification by the age of 19 - this measure gives an understanding of the inequality gap

87. The attainment gap at age 19 is currently 33.9% in York compared to 25.2% nationally. Work continues with York's 6th forms and colleges to ensure that young people achieve their potential post-16. There has been good progress in recent years on the Level 3 attainment gap at age 19, the 16/17 result is a dip and we need to see if it is a "one off". Clearly this outcome is fed by indicators at earlier points; achieving a Level 2 outcome at 16 is a prerequisite for following a Level 3 programme post 16. This means that work with younger pupils is critical to sustainable improvement in the long term. The margins are small with this indicator – ten more disadvantaged young people achieving Level 3 at 19 would

bring the York % gap below national. We intend to look at this issue with York College in particular in the summer term when the 17/18 data is available.

88. Reducing the attainment gap between disadvantaged pupils and their peers remains one of the City's main priorities. This year, Schools and partner agencies across York have signed up to a city-wide pledge to help disadvantaged pupils achieve at school and work will prioritise actions needed to improve the outcomes for disadvantaged children in the early years in order to address issues early and close the attainment gap more sustainably. This year, School Improvement Projects which include a focus on narrowing attainment gaps include:
- Reading for Real – 8 primary Schools
 - Inclusion Expert – 4 primary Schools
 - Secondary attendance - 1 secondary school
 - Excellence for all – 2 secondary and 2 primary schools
 - Making the difference with differentiation - 4 primary schools
 - Empowering the disadvantaged – 4 primary schools
 - Using metacognition and self-regulation training to improve outcomes for disadvantaged students – 2 secondary schools

89. 92% of 16-17 year olds who are Not in Education, Employment or Training (NEET) are not qualified to Level 2, demonstrating challenges before people are aged 19. Learning and Work Advisers from the council's Local Area Teams provide specialist information, advice and guidance to young people who are in the care of the local authority, those in alternative education provision, those in the youth justice system, and those aged 16-18 who are NEET.

Median earnings of residents – Gross Weekly Pay (£) - this measure gives an understanding if wage levels have risen within the city, a key corner-stone in the cities economic strategy

90. In April 2018, the median gross weekly earnings for full-time resident employees in York were £512.60, a decrease of 1.4% (before inflation) from £519.30 in 2017. Since the economic downturn of 2008 to 2009, growth (before inflation), has been fairly steady, averaging approximately 1.1% per year up to 2017. Nationally the increase was 1.5% and regionally, 1.3% over the same period. To improve wages, the big challenge is to make more high quality jobs - those that contribute more to the economy - available to people living in York and during 2017 there were 5,000 additional jobs created. The majority of these jobs were in the professional, scientific, technical businesses and food and drink sectors.

Median earnings of residents
Gross Weekly Pay (£)



Job Seekers Allowance (JSA) Claimants

91. The JSA figures should be viewed in the context of the number of people receiving Universal Credit in York increasing from 4,599 in October to 4,795 in November. Figures from the Office for National Statistics showed that;
- There were 180 JSA claimants in York in November 2018 which is the same as in the previous month but a decrease of 130 from November 2017.
 - The claimant count for York represents 0.1% of the working population, which is lower than both the regional and national figures of 1.1% and 0.8% respectively in November 2018.
 - Recent figures also highlight a fall of 15 in the youth unemployment count since November 2017. The youth unemployment figure of 0% is lower than both the regional and national figures of 1% and 0.6% respectively.

Low-income families

92. The HMRC defines the proportion of children living in low-income families as the proportion of dependent children, aged under 20, living in families either in receipt of out-of-work benefits or in receipt of tax credits with a reported income which is less than 60 per cent of median income.
93. The latest figures are from August 2016 where, in York, there was a 0.3% increase (to 10% or around 3,500 children) but this is still considerably less than the peak in 2009 (13.3% or around 4,700 children). In England, the overall proportion of children in low-income families increased by 0.4% (to 17.0%) and, of the regions, Yorkshire and the Humber had the largest increase of 0.9 per cent (to 19.5%).

Department of Work and Pensions

94. Data released by the Department of Work and Pensions is published 6 months in arrears and the latest data relates to May 2018. The total number of claimants for either Income Support or Employment Support Allowance in York is 5,170, which is a decrease of 200 from February 2018. The claimant count represents 3.7% of the working population which is lower than both the regional and national figures of 7.7% and 6.9% respectively. Although these figures are the lowest in the region, due to the changes in the benefits system some of the data is transitional. The introduction of Universal Credit, for example, means that some people are still in the process of transitioning over. The Council provides a dedicated Universal Credit support service offering assistance with making a claim, managing a claim, support relating to monthly budgeting and any concerns over money resulting from a claim. Up to November 2018, 4,795 residents have moved onto Universal Credit.

UK employer skills survey 2017

95. The Department for Education conducted their fourth UK wide employer skills survey in 2017. The survey asked over 87,000 employer establishments about:
- Recruitment difficulties and skills lacking from applicants
 - Skills lacking from existing employees
 - Underutilisation of employees' skills

- Anticipated needs for skill development in the next 12 months
- The nature and scale of training, including employers' monetary investment
- The relationship between working practices, business strategy skill development and skill demand

Net Additional Homes Provided - this measure gives an understanding of how many new homes have been built in the city

96. Positively, there were 1,447 net housing consents granted during the first half of 2018/19 which represents a continued high level of approvals. Of these approvals, 98.3% were for traditional housing sites which include the Former British Sugar Corporation Site, the Former Lowfield School Site and York St John University Playing Fields Site. Between April and September 2018 there were 291 net additional homes completed (this compares to a half yearly average of 550 additional homes completed during this period over the previous five years). Of these additional homes:
- 67.4% were completed on housing sites
 - 13.7% were a result of off campus privately managed student accommodation schemes which comprised the Former Herbert Todd & Son site in Percy's Lane and Abbeyfields Veterinary Centre in Clarence Street
 - 9.3% resulted from 'prior approval' i.e. sites benefitting from relaxed permitted development rights to allow conversion to residential use
 - 9.6% resulted from the development of over 55's accommodation.

Business Rates - Rateable Value - this measure gives an understanding of how much money the Council is likely to receive to spend on public services

97. Business rates are based on the property's 'rateable value' which is the Valuation Office Agency's (VOA) estimate, as at 1st April 2015, of the property's open market rental value. The government's aim to increase the level of business rates retained by local government from the current 50% to 75% in April 2020 means that York may start to receive an increased level of income especially as higher rated development schemes (e.g. hotels and offices) are completed and then assessed.

Council Tax Collection

98. The collection rate for Council Tax at the end of December was 83.9% which is a very similar rate to the corresponding period in 2017/18. The collection rate for Business Rates at the end of December was 83.07% compared with 83.74% in the corresponding period in 2017/18.

% of residents who give unpaid help to any group, club or organisation - this measure gives an understanding of how much volunteering is currently being undertaken within the city

99. The results of the Q3 18/19 Talkabout survey showed that 65% of the respondents give unpaid help to a group, club or organisation which is comparable with the government's Community Life Survey 2017/18 which found that 64% of respondents reported any volunteering in the past 12 months.

Other Performance

Major Projects - this measure gives an understanding of the performance of the large projects the Council is currently working to deliver

100. There are currently 14 major projects in progress during December which is the same as in September 2018. Each project is given a status to give an overview of significant risks and provide assurance as to how individual projects are being managed. 9 projects are rated “Amber” (one more than last quarter) and 5 are rated “Green” (one less than last quarter). The Housing ICT Programme is now rated as ‘Amber’ due to risks around supplier availability for system demonstrations and internal resources.

| | | | 2017/18 | 2018/19 Q1 | 2018/19 Q2 | 2018/19 Q3 | DoT | Frequency | Benchmarks |
|-----------------------------|-------------|---|---------|--------------------------------|--------------------------------|--------------------------------|-----------|-----------|--------------------------------------|
| Organisational Health Check | Performance | Red rated Major Projects - CYC | 1 | 0 | 0 | 0 | ➡ | Quarterly | NC |
| | | Amber rated Major Projects - CYC | 6 | 9 | 9 | 10 | ➡ | Quarterly | NC |
| | | Overall Council Forecast Budget Outturn (£000's Overspent / -Underspent) | -£620 | £1,545 (excluding contingency) | £1,267 (excluding contingency) | £1,173 (excluding contingency) | ➡ | Quarterly | NC |
| | Employees | PDR Completion (%) - CYC - (YTD) | 90.40% | 36.70% | 77.77% | 82.36% (Nov 18) | ⬆ Good | Quarterly | NC |
| | | Staff FTE - CYC Total (Excluding Schools) - (Snapshot) | 1972.2 | 1994.8 | 2071.4 | 2,094.8 (Nov 18) | ➡ | Quarterly | NC |
| | | Average sickness days lost per FTE - CYC (Excluding Schools) - (Rolling 12 Month) | 11.5 | 11.8 | 11.8 | 11.9 (Nov 18) | ⬆ Bad | Quarterly | CIPD (Public Sector) 16:17: 8.5 days |
| | | Voluntary Turnover (%) - CYC Total (Excluding Schools) - (Rolling 12 Month) | 7.55% | 6.84% | 7.46% | 7.89% (Nov 18) | ➡ | Quarterly | NC |
| | | % of staff who would recommend the council as a good place to work | NC | 71.12% | 75.00% | 68.00% | ➡ | Quarterly | NC |
| | | % of staff who believe action will be taken following this survey | NC | 30.70% | 37.00% | 30.00% | ➡ | Quarterly | NC |
| | | % of external calls answered within 20 seconds - CYC | 89.75% | 87.70% | (Avail end Jan 19) | (Avail Mar 19) | ➡ | Quarterly | SSAC Industry Standard 17/18: 80% |
| | Customers | % of complaints responded to within 5 days | 58.76% | 39.60% | 49.44% | 50.10% | ➡ | Quarterly | NC |
| | | FOI & EIR - % In time - (YTD) | 89.20% | 92.80% | 92.24% | 87.61% | ➡ | Quarterly | NC |
| | | Digital Services Transactions / Channel Shift | | | | | ➡ | Quarterly | NC |
| | | | | | | | | | |

The DoT (Direction of Travel) is calculated on the latest three data points whether they are annual, quarterly or monthly.

Performance – Employees

Staffing PDR Completion Rates - this measure gives an understanding of how we making sure that the organisations strategic aims, goals and values are being passed to all employees

101. City of York Council is committed to developing confident, capable people working positively for York. As part of that commitment, all colleagues are entitled and encouraged to reflect on their performance and discuss future aspirations and work goals through regular one to ones and an annual Performance and development Review (PDR) appraisal. The annual PDR process starts in May and, by the end of November 2018, 82.4% of PDRs had been undertaken, an improvement on the 68% at the same point last year.

Staff Total - this measure gives an understanding of total numbers of staff, and our staffing delivery structure

102. At the end of November 2018 there were 2,569 employees (2,095 FTEs) working at City of York Council (excluding schools), an increase of 35 individuals (42 FTEs) from the Quarter 2 monitor. In part, this is due to the transfer of the Social Enterprise Community Interest Company 'belIndependent' and its employees in to City of York council.

Average sickness days lost per FTE (12 Month rolling) - this measure gives an understanding of the productivity of the organisations employees

103. At the end of November 2018/19 the rolling 12 month sickness days per FTE has increased slightly to 11.9 days (from 11.8 in Q2). After improving over spring/summer, monthly sickness rates have increased and days lost so far in the autumn/winter period are higher than the same point in 2017/18. October showed a particular increase with 2,023 days lost compared to 1,855 in October 2017. Feedback from other Local Authorities suggests that while high, absence at the Council is roughly in line with other LAs.

104. Proposals for tackling absence were agreed to Executive in Autumn 2018 on the future use of a dedicated external team to focus on attendance and work with managers and employees on a timely return to work. Work to procure this service is underway.

Staffing Turnover - this measure gives an understanding of the number of staff entering and leaving the organisation

105. Total staff turnover has decreased to 12.4% (from 14.9%) over the rolling 12 months to November 2018 while voluntary leavers have increased to 7.9% (from 7.5% in the Q2 Monitor). This level of staffing turnover is expected and in line with the council's changing service delivery models.

Staff Satisfaction - this measure gives an understanding of employee health and their satisfaction with the Council and a place to work and its leadership, management and practices

106. Throughout 2018/19, employees will be invited to complete six short surveys covering a range of topics including 'values and behaviours' and 'leadership and management', with feedback helping to shape and improve the organisation and make CYC an even better place to work. A report summing up wider organisation action will be created at the end of the survey process.

Performance – Customers

External Calls answered within 20 seconds - this measure gives an understanding of speed of reaction to customer contact

107. In 2018/19 Q3, the percentage of all external calls answered within 20 seconds was 71.3% which is below the industry benchmark of 80%. Customers are waiting slightly longer for their calls to be answered. This is to be expected as the service recruits resource.

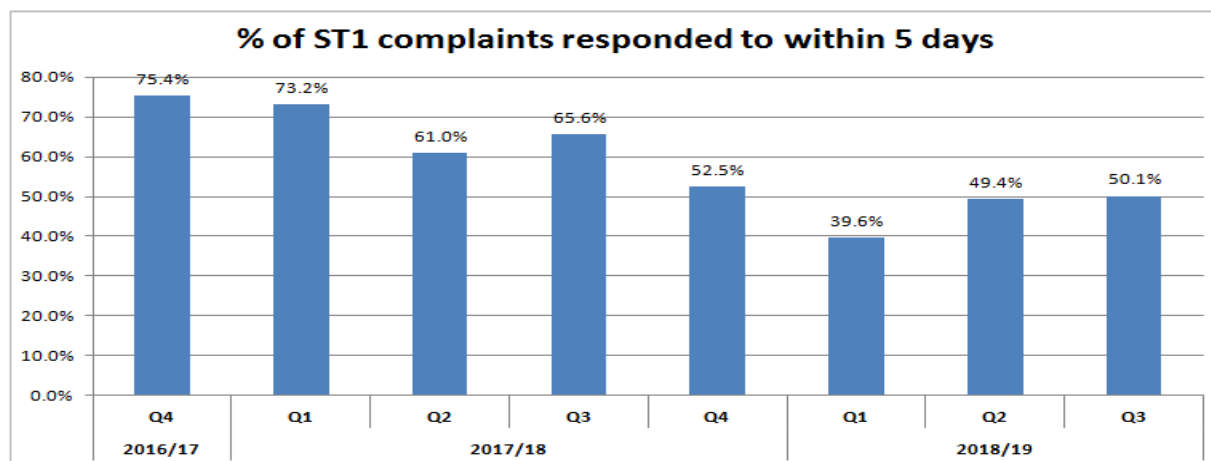
Customer Centre

108. Our Customer Centre is the main point of contact for residents and business visitors. During Q3, the number of calls received decreased to 54,912 (62,529 in Q2), with 95% answered (52,143). The drop in demand is seasonal and expected. During peak periods customers may experience increased waiting

times and, although calls are typically not held in a queue for more than 44 seconds, customers can make use of the call back facility.

% of complaints responded to within 5 days

109. In 2018/19 Q3 the council received 473 stage 1 corporate complaints and responded to 50.1% of them within the 5 day timescale. This is a further improvement following on from the significant improvement made in the number of stage 1 corporate complaints responded to in time in the previous quarter. Where timescales were not met, this was due to resource pressures in some service areas. The following graph shows the percentage of Stage 1 complaints responded to within the 5 day target over the previous few quarters:



110. Additional resources have been provided to deal with and monitor complaints with work ongoing to;

- Ensure that complaints performance is monitored. Managers now have access to a dashboard of live reports relating to real time complaints and customer performance information;
- Refresh the corporate complaints policy and procedures along with the complaints IT system

FOI & EIR - % In time - this measure gives an understanding of our speed of reaction to FOI's

111. In 2018/19 Q3, the council received 515 FOIs, EIRs and SARs. CYC achieved 85.5% in-time compliance for FOIs (Freedom of Information requests), 80.0% in-time compliance for EIRs (Environmental Information Regulations requests) and 71.1% in-time compliance for SARs (Subject Access to records requests). There has been a small decrease in the total number of FOIs, EIRs and SARs requests received in this quarter compared to Q2. There has been an improvement in the number of SAR requests responded to in time this quarter, which is promising given that the timescale for a response has reduced from 40 days to one month. However, CYC has not maintained previous performance in responding to FOIs and EIRs and will work with management teams and service areas to continue to improve response times. We are continuing to look for ways to improve the reporting in this area based on feedback from service areas, management teams, councillors and committees and aim to include this in the end of year report. This will include, where possible, benchmarking information, data breaches, ICO cases and outcomes.

Digital Services Transactions/Channel Shift

112. The number of residents who came to West Offices during Q3 decreased to 10,656 (11,529 in Q2). The average wait time was 6 minutes and 82% of residents were seen within the target wait time of 10 minutes. 12,557 business visitors came to West Offices during Q3 (12,879 in Q2). In addition to speaking with customers over the phone and face to face, the customer service team also responded to 8,904 emails.

113. Customers are also opting to access services using alternative ways;

- 2,520 made payments using the auto payments facility,
- 19,604 people used the auto operator (transfers to individuals and teams without speaking with a customer service team member),
- 56% of street lighting and street cleansing issues were reported by customers on-line
- 210 customers used the self serve option in the customer centre to access services
- Circa 6,500,000 pages of our website were reviewed (If a visitor visits a page more than once during the same session or in the relevant period, it is re-counted).

Procurement

114. During 2018-19, work will continue on embedding social value principles in all procurements and finalising the Councils commissioning strategy, as well as introducing council wide contract management guidance and effectively managing relationships with our key suppliers.

Annexes

115. All performance data (and approximately 1000 further datasets) within this document is made available in machine-readable format through the Council's open data platform at www.yorkopendata.org under the "performance scorecards" section.

Consultation

116. Not applicable.

Options

117. Not applicable.

Council Plan

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

Implications

119. The implications are:

- **Financial** are contained throughout the main body of the report.
- **Human Resources (HR)** There are no HR implications.
- **One Planet Council / Equalities** There are no One Planet Council or equalities implications.
- **Legal** There are no legal implications.
- **Crime and Disorder** There are no crime and disorder implications.
- **Information Technology (IT)** There are no IT implications.
- **Property** There are no property implications.
- **Other** There are no other implications.

Risk Management

120. An assessment of risks is completed as part of the annual budget setting exercise. These risks are managed effectively through regular reporting and corrective action being taken where necessary and appropriate.

Contact Details

| | | | | |
|--|--|---|-------------|--------|
| Authors: | Chief Officer Responsible for the report: | | | |
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| Ian Cunningham Head of Business Intelligence <i>Ext 5749</i> | Report Approved | √ | Date | 1/2/19 |
| Wards Affected: All | | | | ✓ |
| For further information please contact the authors of the report | | | | |

Background Papers:

None

Glossary of Abbreviations used in the report:

| | | | |
|-----|------------------------------|------|-----------------------------------|
| ARZ | Alcohol Restriction Zone | HMI | Her Majesty's Inspectorate |
| ASB | Anti Social Behaviour | HMRC | Her Majesty's Revenue and Customs |
| BCF | Better Care Fund | HRA | Housing Revenue Account |
| CCG | Clinical Commissioning Group | ICO | Information Commissioner's Office |
| CHC | Continuing Health Care | ICT | Information and |

| | | | |
|--------------|---|------|-------------------------------------|
| | | | Communications Technology |
| CMO | Chief Medical Officer | JSA | Jobseeker's Allowance |
| CPIH | Consumer Prices Index including owner occupiers' housing costs | LAC | Looked After Children |
| CQC | Care Quality Commission | NHS | National Health Service |
| CYC | City of York Council | PDR | Performance and Development Review |
| DMT | Departmental Management Team | SEN | Special Educational Needs |
| EIR | Environmental Information Regulations | TACT | The Adolescent and Children's Trust |
| FOI | Freedom of Information | VOA | Valuation Office Agency |
| FSM | Free School Meals | YTD | Year to Date |
| FTE | Full Time Equivalent | YYC | York Youth Council |
| H&S PUWER | Health and Safety – Provision and Use of Work Equipment Regulations | | |

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Executive**14 February 2019**

Report of the Deputy Chief Executive / Director of Customer and Corporate Services
Portfolio of the Executive Leader (incorporating Finance & Performance)

Capital Programme – Monitor 3 2018/19**Summary**

- 1 The purpose of this report is to set out the projected outturn position for 2018/19 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2018/19 capital programme approved by Council on 22 February 2018, updated for amendments reported to Executive and Council in the 2017/18 outturn report resulted in an approved capital budget of £106.291m.

Recommendations

- 3 Executive is asked to:
 - Recommend to Full Council the adjustments resulting in a decrease in the 2018/19 budget of £15.952m as detailed in the report and contained in Annex A.
 - Note the 2018/19 revised budget of £106.291m as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2018/19 – 2022/23 as set out in paragraph 17, Table 2 and detailed in Annex A.
 - Approve the use of £120k from Capital contingency to the Mansion House scheme as set out in paragraphs 54-56.

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

Consultation

- 4 The capital programme was developed under the capital budget process and agreed by Council on 22 February 2018. 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

- 5 A net decrease of £15.952m is detailed in this monitor resulting in a revised capital programme of £106.291m. There is an increase of £194k in 2018/19 attributable to the net effect of additional grant received in year. This is offset by a £16.146m decrease in 2018/19 due to re-profiling of budgets to future years.
- 6 Table 1 outlines the variances reported against each portfolio area.

| Department | Current Approved Budget £m | Projected Outturn £m | Increase (decrease) £m | Reprofile £m | Total Variance £m | Paragraph Ref |
|--|-------------------------------|-------------------------|---------------------------|-----------------|----------------------|---------------|
| Children, Education & Communities | 8.937 | 7.067 | (0.070) | (1.800) | (1.870) | 8-13 |
| Health, Housing & Adult Social Care – Adult Social Care | 4.221 | 4.199 | 0.178 | (200) | (0.022) | 14-15 |
| Health, Housing & Adult Social Care – Housing & Community Safety | 31.282 | 26.957 | 0.245 | (4.570) | (4.325) | 16-26 |
| Economy & Place – Transport, Highways & Environment | 34.122 | 29.415 | 0.589 | (5.296) | (4.707) | 27-44 |
| Economy & Place – Regeneration & Asset Management | 14.622 | 10.179 | (0.919) | (3.524) | (4.443) | 45—51 |
| Community Stadium | 23.432 | 23.442 | 0.187 | (0.177) | 0.010 | 52 |
| Customer & Corporate services | 2.203 | 1.608 | (0.016) | (0.579) | (0.595) | 53-56 |
| IT Development Plan | 3.424 | 3.424 | - | - | - | 57 |
| Total | 122.243 | 106.291 | 0.194 | (16.146) | (15.952) | |

Table 1 Capital Programme Forecast Outturn 2018/19

Analysis

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

Children, Education & Communities

- 8 A number of amendments have been made as part of this report, resulting in a net decrease to the capital programme of £1.870m in 2018/19. Key variances are summarised below, referenced to further narrative.

| Scheme | Amendment | Amount 18/19 £m | Amount 19/20 £m | Amount 20/21 £m | Further Details – Paragraph ref |
|-----------------------------|------------|-----------------------|-----------------------|-----------------------|--|
| DfE Maintenance | Adjustment | (0.040) | (0.300) | (0.300) | 9 |
| DfE Maintenance | Re-profile | (0.500) | 0.500 | - | 10 |
| Expansion of SEN facilities | Re-profile | (0.200) | 0.200 | - | 11 |
| Southbank Expansion | Re-profile | (0.900) | 0.900 | - | 12 |
| Energise Roof | Re-profile | (0.200) | 0.200 | - | 13 |

- 9 Within the overall maintenance programme a reduction totalling £620k across 2018/19 and 2020/21 is required. This is in response to both the size of the 2018-19 grant announcements which was significantly lower than expected, and also due to the number of academy conversions during the 2018/19 financial year, which will reduce the amount of grant paid to the Council.
- 10 The individual schemes within the main maintenance programme are now complete with final payments and retentions outstanding. Only small internal works and any emerging urgent issues are likely to be progressed over the winter. A detailed budget analysis of the major schemes has identified that nearly all schemes have been delivered within budget, with only two minor overspends. A number of schemes are now predicted to outturn significantly lower than budget. In total this underspend is predicted to be in the region of £500k, therefore this element of the scheme has been transferred into 2019/20 where it can be added to the amount of grant estimated to be received, in order to increase the number of schemes that can be funded

- 11 The plans that are being drawn up for investment to create additional provision for SEND pupils are still progressing. It is now likely that any further schemes agreed in 2018/19 will only be minor, therefore funds of £200k are to be transferred from 2018/19 into 2019/20.
- 12 Within the Southbank expansion scheme, it is now unlikely that the work at Millthorpe will be carried out and claimed by the MAT until 2019/20 so the majority (£900k) of this remaining budget needs to be re-profiled into next year
- 13 Work on the Energise Roof will not begin until spring, therefore there is unlikely to be much expenditure before the end of the financial year, therefore £200k of this £250k scheme is to be transferred from 2018/19 into 2019/20

Adult Social Care

- 14 The Older Persons Accommodation (OPA) scheme has now been split out between individual site elements to allow progress to be more clearly monitored between various elements of the programme and their respective funding sources. The original OPA single line in the capital programme is now split between:
 - OPA – The centre at Burneholme incl enabling works
 - OPA – Burneholme Sports facilities
 - OPA – Haxby Hall
 - OPA – Lowfields enabling works
 - OPA – Ashfield Estate sports pitches
 - OPA – Community space at Marjorie Waite Court
- 15 Funds of £200k for the Telecare scheme have been transferred from 2018/19 into 2019/20. Expenditure of £277k has been spent to date on equipment to mobilise the social care workforce and also equipment needed to make the Alarm response service more efficient. A review is underway of the services Be Independent provide and therefore some of the 2018/19 budget has been transferred to 2019/20 pending this review.

Housing & Community Safety

- 16 There have been a number of amendments to this area as part of this report resulting in a net decrease to the capital programme in 18/19 of £4,325k. Key variances are summarised in the table below, referenced to further narrative.

| Scheme | Amendment | Amount 18/19 £m | Amount 19/20 £m | Further Details – Paragraph ref |
|--|------------------|--------------------------------|--------------------------------|--|
| Modernisation of Local Authority homes | Re-profile | (0.470) | 0.470 | 17 |
| Local Authority Homes Phase 1 | Re-profile | (0.150) | 0.150 | 19 |
| Duncombe Barracks | Re-profile | (0.200) | 0.200 | 20 |
| Disabled Facilities Grant | Re-profile | (0.150) | 0.150 | 21 |
| Disabled Facilities Grant | Adjustment | (0.145) | - | 21 |
| IT Infrastructure | Re-profile | (0.700) | 0.700 | 232 |
| James House | Re-profile | (0.600) | 0.600 | 23 |
| Shared Ownership Scheme | Re-profile | (1.200) | 1.200 | 24 |
| Lincoln Court Independent Living | Re-profile | (1.100) | 1.100 | 25 |

- 17 Within the Modernisation of Local Authority homes scheme, total funds of £470k have been transferred from 2018/19 to 2019/20. £280k of this relates to the replacement of the Festival flat windows which is now at the second stage of the leaseholder consultation due to a breach in the lease that 2 leaseholders had already replaced windows themselves. As freeholder the Council needs to be assured the work received planning approval therefore no formal award can be made until this is resolved.
- 18 As part of the redevelopment of the site including what was the now closed EPH known as Windsor House, new boilers and boiler house will be constructed, with further work to fully upgrade the remainder of the heating system in Lincoln Court to bring the whole system up to modern standards, this works is now to take place in 2019/20 therefore funds of £190k for this element of work and the fire detection system have been transferred into 2019/20
- 19 Within the Local Authority Homes phase 1 scheme work is programmed to start on the Newbury site in December with completion of the development in July 2019. Funds of £150k have therefore been transferred into 2019/20 to cover future costs.
- 20 The Duncombe Barracks scheme is currently subject to contractual agreement, with the intention is to purchase the site by financial year end. On that basis is envisaged that £200k of the budget should be transferred into 2019/20 for the detailed design work ahead of a planning application.

- 21 The budget for the Disabled Facilities grant scheme has been increased by £145k to reflect an increase in DfG grant announced in December 2018. This funding will be used before Council funded budget therefore the remaining council funded budget of £150k has been transferred into 2019/20.
- 22 Tenders have now been returned for the Housing ICT replacement programme and contracts are expected to be awarded in January 2019. Funds of £700k have therefore been transferred into 2019/20.
- 23 The James House project is now expected to complete in early May 2019. £600k of funds has therefore been transferred into 2019/20.
- 24 The council's shared ownership programme is expected to provide 65 homes by March 2021. Most of the programme will be second hand homes chosen directly by customers thereby giving them maximum choice in the housing market. To date five purchases have been completed, seven homes are with solicitors with four completions expected by the end of the financial year. Two more houses have had offers accepted and a further 16 applications have been approved and are expected to move forward. There is a strong level of interest in the scheme and further marketing will ensure the momentum of the programme is maintained. Remaining funds of £1.2m have been transferred into 2019/20
- 25 Following health and safety advice a decision has been taken to temporarily vacate tenants from Lincoln Court for the duration of the refurbishment and extension works. As a result of this action a revised planning application has been submitted with some significant design improvements which can be delivered now that the building will be empty. The estimated start on site date will now be within Q1 of 2019/20, resulting in the projection that £1m of the capital budget will need to be transferred into the 2019/20 budget. Adult Social Care are reducing their programme by £100k and the Housing programme is to be increased by £100k to match the Executive recommendation on 15th March 2018
- 26 The contract has been awarded for the Marjorie Waite Court extension with works expected to be completed by Summer 2020. The existing budget will be reprofiled once programme of works has been agreed.

Transport, Highways & Environment

27 There have been a number of amendments to this area as part of this report resulting in a net decrease to the capital programme in 18/19 of £4.707m. Key variances are summarised in the table below, referenced to further narrative.

| Scheme | Amendment | Amount 18/19 £m | Amount 19/20 £m | Amount 20/21 £m | Amount 21/22 £m | Further Details – Paragraph ref |
|--|------------------|--------------------------------|--------------------------------|--------------------------------|--------------------------------|--|
| Highways Resurfacing & reconstruction | Adjustment | 0.117 | - | - | - | 28 |
| Highway, footway & cycleway improvement acceleration | Adjustment | 1.006 | - | - | - | 29 |
| Highway, footway & cycleway improvement acceleration | Re-profile | (1.000) | 1.000 | - | - | 29 |
| Special Bridge Maintenance | Re-profile | (0.565) | 0.565 | - | - | 30 |
| Replacement of unsound lighting columns | Re-profile | 0.250 | - | (0.250) | - | 31 |
| Fleet acquisition | Adjustment | 0.110 | - | - | - | 32 |
| Better Play areas | Adjustment | 0.165 | - | - | - | 33 |
| Knavesmire Culverts | Re-profile | (0.200) | 0.200 | - | - | 34 |
| Better Bus Area fund | Re-profile | (0.417) | 0.417 | - | - | 35 |
| Local Transport plan | Re-profile | (0.634) | 0.634 | - | - | 36 |
| York City Walls Restoration programme | Re-profile | (0.250) | 0.250 | - | - | 38 |
| Scarborough Bridge | Re-profile | (0.555) | 0.555 | - | - | 39 |
| WYTF - YORR | Re-profile | (0.775) | 0.775 | - | - | 40 |
| WYTF – Station Frontage | Adjustment | (0.850) | (13.200) | (7.300) | (3.000) | 41 |
| WYTF – Station Frontage | Re-profile | - | (5.118) | 6.318 | (1.200) | 41 |
| Fordlands Road Flood defences | Re-profile | (0.200) | 0.200 | - | - | 42 |
| Smarter Travel Evolution Programme | Re-profile | (0.950) | 0.950 | - | - | 43 |

- 28 The budget for the Highways resurfacing and reconstruction scheme has been increased by £117k in 2018/19 to reflect the LTP grant being higher than forecast.
- 29 Additional in year funding has been allocated by the DfT for highways improvements therefore the budget for the Highway, footway & cycleway improvement acceleration scheme has been increased by £1.006m in 2018/19. Due to the timing of this additional external funding, £1m of existing CYC funded budget has been transferred into 2019/20 to ensure the external DfT funding is utilised.
- 30 It is now anticipated that the majority of the work within the Special Bridge maintenance scheme will be carried out in 2019/20, following the inspections carried out in 2018/19. Funds of £565k have therefore been transferred from 2018/19 into 2019/20.
- 31 The column replacement programme has capacity to be accelerated and as the columns are already life expired it is operationally beneficial to accelerate the programme. Total funds of £250k are therefore being brought forward into 2018/19 from 2020/21.
- 32 The Fleet acquisition scheme requires £110k of Council funds in 2018/19 to fund the replacement of a small number of vehicles, primarily vans.
- 33 Due to the immediacy with which these replacements are required there is not an opportunity to fully consider electric vehicles for this small batch. The medium to long term vehicle replacements (2019-20 and beyond) will be subject to whole life cost analysis and electric or other alternative options will be fully considered and evaluated.
- 34 Additional external funding of £165k has been received in 2018/19 in relation to the Better Play areas scheme, including the delivery of an improved playground at Poppleton.
- 35 It is anticipated that a small amount of works will be carried out on the Knavesmire Culverts in 2018/19 however the majority can only be carried out when access allows which will now be 2019/20. Funds of £200k have therefore been transferred from 2018/19 into 2019/20.
- 36 Within the Better Bus area fund, work on 6 vehicles has been completed to date. Work commenced on the retro-fitting of the next batch of buses in the programme, but the Council and York Pullman were made aware in October 2018 that Green Urban's accreditation for the retro-fitting of vehicles had been suspended by the Energy Savings Trust who are responsible for

approving abatement technologies for use in the zones that require them. It is understood that Green Urban are working with the Energy Savings Trust to revive their accreditation. The accreditation will not be re-instated with sufficient speed to enable the retro-fitting programme to re-commence within this financial year. The schools bus retro-fitting project therefore requires funds of £217k to be transferred from 2018/19 into 2019/20.

- 37 Implementation of improvements to the Wigginton Road/ Haxby Road/Clarence Street junction to improve bus reliability in the area has been deferred to summer 2019 to avoid clashing with other highways schemes planned for early 2019. Funds of £200k have therefore been transferred from 2018/19 into 2019/20
- 38 There has been slippage in the delivery of the new sub-station at Monks Cross (needed for the new rapid chargers), as the initial proposed location for the new sub-station was at the edge of the section of parking transferred to the Community Stadium as part of the Stadium development. The delivery programme for the Rapid Charging Hubs project was then put on hold until the outcome of the council's ERDF bid was known. As a consequence the original scheme (new sub-station and 4 rapid charging points) will not now be delivered in 2018/19.
- 39 The York City walls scheme has seen revised timescales for the ongoing restoration work meaning funds of £250k have been transferred from 2018/19 to 2019/20
- 40 Work started on the Scarborough Bridge replacement scheme in October. Work to construct the ramps and embankment is ongoing, and the new footbridge will be installed in February 2019. The remaining funding of £555k has therefore been transferred into 2019/20 to fund the improvements to the pedestrian and cycle facilities on each side of the new footbridge.
- 41 Within the West Yorkshire Transport Fund (WYTF) York Outer Ring road (YORR) scheme the main works for the A1237/ Wetherby Road Roundabout upgrade scheme are now substantially complete, following the completion of the resurfacing work in November 2018, the remaining landscaping and drainage works will be completed by early 2019. Site clearance for the construction of the A1237/ Monks Cross roundabout will commence in January 2019 with the main construction work starting later in the spring. The later start date for the main works means that the funding requirement will need to be re-profiled. Funds of £775k for this scheme have therefore been transferred from 2018/19 into 2019/20.
- 42 There have been a number of adjustments to the WYTF Station frontage scheme. This scheme was a combined scheme for the York Central access

and improvements to the station frontage. The funding for the York Central access as now been combined with the new scheme added in for York Central Infrastructure. The remaining funding in this scheme is for the station frontage scheme which has been reprofiled to match delivery expectations.

- 43 Current flood resilience works on the A19 have been delayed in their completion due to the wider delivery of the Germany Beck development access road. Initial investigation and appraisal works for the Fordlands Road scheme were delayed to ensure delivery of the ongoing works. City of York Council have identified a holistic scheme to deliver flood alleviation works on Fordlands Road, flood protection to properties in the Fordlands Road estate and further resilience to the A19 works. Feasibility and appraisal of this scheme has been passed to the Environment Agency consultants, the complexity of the amended scheme and delays due to the ongoing A19 works have led to changes in the funding programme. The amended scheme will deliver wider benefits to the community. Therefore the funds have been transferred into 2019/20
- 44 The allocation for the Smarter Travel Evolution Programme has been reduced to £475k in 2018/19 to match existing expenditure, with the remaining funding being transferred to 2019/20, as the majority of the planned improvements to on-street technology and communications equipment will be carried out in 2019/20.
- 45 As proposed at the Environment decision session on 10th December 2018 a position will be created with oversight of all major capital projects, awareness of broader corporate priorities and with scope to lead delivery projects in order to deliver a more coordinated approach to sustainability and resilience, capitalising on opportunities as and when they arise. It is proposed that the post and associated project opportunities will be funded over 3 years utilising £150k from the One Planet Council capital budget

Regeneration & Asset Management

46 There have been a number of amendments to this area as part of this report resulting in a net decrease to the capital programme in 18/19 of £4.443m. Key variances are summarised in the table below, referenced to further narrative

| Scheme | Amendment | Amount 18/19 £m | Amount 19/20 £m | Amount 20/21 £m | Amount 21/22 £m | Amount 22/23 £m | Further Details – Paragraph ref |
|---|------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|--|
| Riverbank Repairs | Re-profile | (0.170) | 0.170 | - | - | - | 45 |
| Castle Gateway (Picadilly Regeneration) | Re-profile | (0.750) | 0.750 | - | - | - | 46 |
| Commercial Property Acquisition | Re-profile | (2.520) | 2.520 | - | - | - | 48 |
| York Central | Adjustment | (0.922) | - | - | - | - | 49 |
| York Central Infrastructure | Adjustment | - | 67.610 | 59.885 | 26.527 | 0.978 | 50-51 |

47 The Riverbank repairs scheme requires funds of £170k to be transferred from 2018/19 into 2019/20. The budget is earmarked for (i) remedial work on leased land north of Scarborough bridge which the council is required to maintain and (ii) riverbank works near the Foss Barrier once the new flood defences have been completed by the Environment Agency

48 Within the Castle Gateway (Piccadilly Regeneration scheme), progress on the submission of the planning applications for work package 1 (St George's Field multi-storey car park and Castle Mills apartments) has been delayed due to the need to divert a Yorkshire Water sewer. An application was made to Yorkshire Water in August 2018 but due to the proximity of the sewer to the pumping station they have required additional time to undertake detailed hydraulic analysis of the proposed solution, and we will not receive a response until March 2019. This has resulted in a delay to scheme design as we await the outcome of that application and has resulted in the planning application submission being pushed back until spring 2019.

49 The tender deadline for the construction contract at the Guildhall has been extended to 9th January 2019. A further update report will be brought to Executive after this time.

- 50 The Commercial Property acquisition scheme requires funds of £2.5m to be transferred from 2018/19 into 2019/20. Executive have approved the purchase of further properties at Swinegate, however contract terms have not been finalised and due diligence has not yet commenced. It is therefore unlikely to be completed until the early part of 2019/20.
- 51 On 13th December, Council approved the creation of a capital budget for York Central Infrastructure. This infrastructure includes the new access bridge, highway cycle and pedestrian routes into and through the site, a new station entrance, a 5.5 ha park, 3 public squares with enabling ground works, site clearance, remediation and utilities supply. In line with Council approval funds totalling £155m across 2019/20 – 2022/23 have been added to the capital programme. The drawdown of this budget is subject to further individual reports to Executive.
- 52 A net reduction of £922k has been made to the existing York Central scheme. This reflects a number of adjustments including funds being transferred to the York central Infrastructure scheme of £4.662m which are part of the delivery package, and funds of £850k of WYTF funding being brought into the scheme from the Station frontage scheme referred to at paragraph 41. An additional £2.890m of funding has also been awarded by YNYER LEP to support the development of the York Central Scheme.

Community Stadium

- 53 The new Community Stadium complex is expected to be completed during the Summer of 2019. The total budget has been increased by £187k in 2018/19 to reflect interest on the s106 balance. The interest earned on the s106 receipts are added to the programme each year and are being used to fund a number of small additional costs surrounding the boundary fencing at the site that are council liability

Customer & Corporate Services

- 54 The expansion of the Hazel Court Photovoltaic scheme at the beginning of the year is providing to be successful to date, with the system exporting excess electricity to the grid. The scheme is to be extended further, however this has been deferred while further potential properties are being reviewed, as further work is required to develop individual business cases.
- 55 Funds of £237k have been deferred from the West Offices Major repairs scheme as no further expenditure is proposed this financial year.
- 56 All works at the Mansion house have now been completed. It has now been open a full year to the public as a visitor attraction, venue and as a home to the Lord Mayor. The feedback from visitors has been exceptional, and restoration well received. The house has been shortlisted for the 2019 National Civic Trust awards and has won two awards at the York Design awards in the category of conservation/ restoration.
- 57 The total project cost for this scheme was £2.859m with £1.294m being funded externally. This includes the cost of additional works totalling £120k. Members are asked to approve the funding of these additional works from the existing capital contingency pot within the current approved capital programme. These works include:
- Additional structural and conservation works to the stateroom ceiling, requiring specialist work and prolonged scaffolding usage
 - Additional works to the facade of the house once painting commenced, requiring prolonged scaffolding usage
 - Additional works to Stateroom floor to enable the conservation heating system to be installed and structural improvements to the floor

Summary

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

| Gross Capital Programme | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Total |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Children, Education & Communities | 7.067 | 17.159 | 9.116 | 8.500 | 0 | 41.842 |
| Health, Housing & Adult Social Care – Adult Social Care | 4.199 | 4.740 | 0.595 | 0.616 | 0.638 | 10.788 |
| Health, Housing & Adult Social Care – Housing & Community Safety | 26.957 | 37.354 | 27.534 | 12.652 | 10.741 | 115.238 |
| Economy & Place – Transport, Highways & Environment | 29.415 | 32.602 | 21.309 | 12.865 | 6.225 | 102.416 |
| Economy & Place – Regeneration & Asset Management | 10.179 | 83.733 | 60.112 | 26.754 | 1.198 | 181.976 |
| Community Stadium | 23.442 | 9.287 | - | - | - | 32.729 |
| Customer & Corporate Services | 1.608 | 0.829 | 0.250 | 0.250 | 0.200 | 3.137 |
| IT Development Plan | 3.424 | 3.430 | 1.435 | 1.770 | 1.970 | 12.029 |
| Revised Programme | 106.291 | 189.134 | 120.351 | 63.407 | 20.972 | 500.155 |

Table 2 Revised 5 Year Capital Programme

Funding the 2018/19 – 2022/23 Capital Programme

59 The revised 2018/19 capital programme of £106.411m is funded from £46.126m of external funding and £60.285m of internal funding. Table 3 shows the projected call on resources going forward.

| | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | Total |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Gross Capital Programme | 106.291 | 189.134 | 120.351 | 63.407 | 20.972 | 500.155 |
| Funded by: | | | | | | |
| External Funding | 46.126 | 115.610 | 73.789 | 24.139 | 4.596 | 264.260 |
| Council Controlled Resources | 60.165 | 73.524 | 46.562 | 39.268 | 16.376 | 235.895 |
| Total Funding | 106.291 | 189.134 | 120.351 | 63.407 | 20.972 | 500.155 |

Table 3 – 2018/19 –2022/23 Capital Programme Financing

- 60 The Council controlled figure is comprised of a number of resources that the Council has ultimate control over. These include Right to Buy receipts, revenue contributions, supported (government awarded) borrowing, prudential (Council funded) borrowing, reserves (including Venture Fund) and capital receipts
- 61 During Executive meetings in October 2016 and July 2017, Members decided to ultimately finance the purchase of property at Hospital Fields Road and Swinegate from Capital receipts. Therefore it should be noted that all future capital receipts are assumed to be used for this purpose in the medium term. This strategy will deliver significant revenue savings, and reduce the need for savings within the revenue budget.

Council Plan

- 62 The information contained in this report demonstrates progress in achieving the priorities set out in the Council Plan.

Implications

- 63 This report has the following implications:
- **Financial** - are contained throughout the main body of the report
 - **Human Resources (HR)** – There are no HR implications as a result of this report
 - **One Planet Council/ Equalities** – The capital programme seeks to address key equalities issues that affect the Council and the public. Schemes that address equalities include the Disabilities Support Grant, the Schools Access Initiative, the Community Equipment Loans Store (CELS) and the Disabilities Discrimination Act (DDA) Access Improvements. All individual schemes will be subject to Equalities Impact Assessments
 - **Legal Implications** - There are no Legal implications as a result of this report.
 - **Crime and Disorder** - There are no crime and disorder implications as a result of this report.
 - **Information Technology** – The information technology implications are contained within the main body of the report,
 - **Property** - The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from capital receipts.
 - **Other** – There are no other implications

Risk Management

64 There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects. In addition, the Capital Asset Board meet monthly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised

Contact Details

| | | | |
|---|---|---|--------------------|
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| Debbie Mitchell Corporate Finance Manager 01904 554161 | Report Approved | √ | Date 1/2/19 |
| Wards Affected: All | | | |
| For further information please contact the author of the report | | | |

| |
|---|
| Specialist Implications: |
| Legal – Not Applicable |
| Property – Not Applicable |
| Information Technology – Not Applicable |

Annexes

Annex A – Capital Programme 2018/19 to 2022/23



Executive**14 February 2019**

Report of the Deputy Chief Executive/Director of Customer and Corporate Services

Portfolio of the Executive Leader (incorporating Finance & Performance)

Financial Strategy 2019/20 to 2023/24**Summary**

1. This report presents the financial strategy 2019/20 to 2023/24, including detailed revenue budget proposals for 2019/20, and asks Members to recommend to Council approval of the proposals. Following on from consultation with residents and business groups, the financial strategy delivers a balanced budget for 2019/20 with savings proposals totalling £4.3m, equivalent to 3.5% of the net budget. There are separate reports on the agenda covering the capital budget and the treasury management strategy.
2. Key issues included in the proposals are as follows;
 - A proposed basic council tax increase of 1.75 % in 2019/20.
 - In addition an increase of 1.5% in line with the government's social care precept, equating to additional income of £1.4m, which provides support for social care
 - Revenue savings of £4.3m in 2019/20
 - A reduction in the SFA (settlement funding assessment) from central government of £4.1m
 - Ensuring a financially prudent budget by addressing known budget pressures, including likely pay awards and inflationary pressures
 - Investment in key priority front line services
 - In total, £3.9m additional recurring growth relating to adult social care, including pay and pension costs

- £1.8m to cover increased pay and pension costs across all areas of the Council
- £800k growth in Children's Services and £150k one off growth for additional social care workers
- £340k growth in Waste and Street Cleansing and £185k one off growth to cover pressures in waste services and create capacity to invest in transformation
- £602k to cover unavoidable contractual price increases mainly in waste services and children's services
- £300k to ensure that the library service has sufficient budget to continue with the existing service provision
- £822k funded from New Homes Bonus and business rates to set up a Service Risk Reserve, to provide one off funding to facilitate the effective management of major budget pressures, or the management of critical performance concerns
- £1.5m funded from business rates to allocate into the venture fund, to deal with future cashflow or revenue implications regarding major planned developments
- One off investment of £420k to fund the continued development of the Local Plan
- Use of £450k funding from the transport reserve to fund ongoing expenditure, in line with the decision made in the 2018/19 budget
- A net revenue budget of £123.372m, which will be funded by:
 - i. Council tax income of £90.066m
 - ii. Retained business rates of £32.806m
 - iii. One off income of £500k
- Alongside these proposals, elsewhere on the agenda the Capital Strategy Report details significant capital investment in transport, highways, schools, libraries and housing, which together with the revenue budget proposals ensure continued investment in key frontline service delivery, and supports the councils key priorities.

Recommendations

3. Members are asked to approve the average rent decrease of 1.0% to be applied to all 'social housing rents' for 2019/20, as required by legislation. This is shown in table 16 and described in paragraph 168.
4. Members are asked to approve the average rent increase of 3.4% to be applied to all rents which fall outside the definition on 'social housing rents' for 2019/20, with the exception of a 2.7% increase on the Gypsy, Roma and Traveller Community site rents as described in paragraphs 170 and 172.

Reason: to ensure the ongoing financial stability of the HRA and allow work on improving the quality of the council's affordable housing to continue.

5. Members are asked to consider the appropriate levels of council tax that they wish to see levied by the City of York Council for 2019/20. In doing so they should pay due regard to factors such as;
 - Expenditure pressures facing the council as set out in the report
 - Impacts of savings proposals set out in annex 2
 - Medium term financial factors facing the council as outlined in the report
 - Projected levels of reserves as set out in the report
 - Statutory advice from the Deputy Chief Executive/Director of Customer and Corporate Services
6. In light of the considerations outlined in the paragraph above, Members are asked to recommend to Council approval of the budget proposals as outlined in this report. In particular;
 - The net revenue expenditure requirement of £123.372m
 - A council tax requirement of £90.066m
 - The revenue growth proposals as outlined in the body of the report
 - The 2019/20 revenue savings proposals as outlined in annex 2
 - The fees and charges proposals as outlined in annex 3

- The Housing Revenue Account (HRA) budget set out in annex 4, the HRA savings proposals set out in annex 5 and the 30 year HRA Business Plan set out in annex 6
- The dedicated schools grant proposals outlined from paragraph 173
- The use of £100k of funds previously set aside in a Public Health Grant Reserve, to fund one off investment in substance misuse, as outlined in paragraph 77
- The use of £930k New Homes Bonus funding to fund one off investment and £51k New Homes Bonus to fund recurring expenditure, as outlined in paragraph 83
- the use of the remaining £522k New Homes Bonus funding and £300k funding from the business rates pool to create a Service Risk Reserve for future use, as outlined in paragraph 84
- the use of £1.5m funding from the LCR and NWY business rates pools to allocate into the venture fund, to deal with future cashflow or revenue implications regarding major planned developments including Castle Gateway, and Castle Museum, as referred to in the Capital Strategy report, and to be subject to future reports to the Executive

Reason: To ensure a legally balanced budget is set

7. The effect of approving the income and expenditure proposals included in the recommendations would result in a 3.25% increase in the City of York element of the council tax, 1.5% of which would relate to the social care precept. It is intended that the total council tax increase including the parish, police and fire authority precepts, will be agreed at the full Council meeting on 28 February 2019.

Background

National Context and Funding Issues

8. York has the 9th lowest band D council tax, the 4th lowest spend per head of population and the 4th lowest government funding per head of any unitary council in England. Annex 9 includes the relevant background data from all unitary authorities for 2018/19.

9. All aspects of the public sector are continuing to face challenging times. In recent years the council has had to deal with large reductions in funding, combined with a range of significant pressures.
10. The settlement funding assessment (SFA), comprises revenue support grant (RSG) and a business rates baseline. Further details of the settlement figures and medium term outlook are provided later in the report.
11. In relation to council tax, the proposals in this report are predicated on a basic council tax increase in 2019/20 of 1.75 %, plus an additional increase of 1.5% in line with the government's social care precept. Further information on council tax and the social care precept is included later in the report.

Local issues and challenges

12. Locally demand for council services continues to increase, with an ageing population and increased complex needs in respect of elderly care. There are also significant challenges in the health sector, including challenging financial positions for health partners which are in turn a significant financial risk to the council as described below. In addition, rising inflation is driving costs up, and there is continued pressure on many of the council's income budgets.
13. Adult Social Care services are facing significant challenges to make care and support sustainable for the future. A growing, ageing population with increasingly complex conditions are putting pressure on services. For example; demographics show that there are 2,800 older people in York with dementia; this is set to grow by 25% to around 3,500 in the next 10 years. Across York 14,000 older people live alone, this is set to grow to 16,000 by 2027 and there are an estimated 2,500 people over 65 providing 20 hours or more unpaid care each week. By 2025, it is estimated that that this level of care provided by older people will increase by 16%. These are just some of the challenges that the social care market faces in York.
14. The increased use of the Better Care Fund (BCF) to encourage the integration between health and adult social care, represents a significant risk to the council. The total BCF pooled budget for use across the health and social care sector in York is £17.5m in 2019/20, of which £8.6m is allocated to adult social care services. Clearly any future

reduction in either the overall BCF or the proportion allocated to social care would have a material affect on the council's finances.

15. In addition, this needs considering in the wider context of the health and social care economy in York as both the health commissioner (Vale of York Clinical Commissioning Group) and main provider (York Teaching Hospital NHS Foundation Trust) are currently carrying significant deficits. With the CCG projecting a £62m deficit by the end of 2018/19 and the hospital already reporting an in year deficit for 2018/19 of £9m. Their challenging plans to address these deficits may well impact on the future level of funding available for social care services. Whilst there is significant investment in social care for next year, there is a significant risk of further pressures in this area, and pressure on the ability of the service to meet challenging national targets. Members should consider carefully the level of council tax in the context of these significant pressures on social care.
16. Whilst devolution of business rates presents opportunities for the council, there are also associated risks with business rates appeals. The major capital programme the Council is embarking upon brings with it some significant risks. It is important that proper provision is made for such risks in the context of consideration of the levels of revenue reserves and contingencies. This is considered within the S151 statutory statement, and the section on reserves.
17. In particular this budget sets aside further business rates income to the Venture Fund, to provide funding for major capital projects where there are likely to be short/medium term cash flow issues. In doing so the Council is recognising the importance of these projects for the long term prosperity of the City, but ensuring their financial impacts in early years can be managed. In shaping the budget these issues have been carefully considered to ensure we set a budget that is both prudent and protects vulnerable people. Ensuring that there is the capacity to invest in council priorities has been a critical part of the budget deliberations.

Council Priorities

18. The Council Plan for 2015/2019 is based on our statutory responsibilities and the priorities of our administration. The plan is built around three key priorities:
 - **a prosperous city for all** - where local businesses can thrive and residents have good quality jobs, housing and opportunities

- **a focus on frontline services** - to ensure all residents, particularly the least advantaged, can access reliable services and community facilities
 - **a council that listens to residents** - to ensure it delivers the services they want and works in partnership with local communities.
19. The plan was formally approved by Council on 8 October 2015 following consultation with residents, businesses and staff.
20. A 'Vision For The City in 2030' was approved at Executive in July 2016. The key elements of the vision describes how the city will be in terms of the place, its people and the council, with sustainable growth providing the means to ensure all residents can fulfil their potential. This was summarised as "The Council will secure the future of York as a prosperous, progressive, and sustainable city, giving the highest priority to the wellbeing of its residents, whilst protecting the fabric and culture of this world-famous historic city"
21. The budget reflects the Council priorities with significant revenue and capital investment in a number of critical areas, or protection to existing spending, as set out in both capital and revenue reports. Specific examples of revenue investment include;
- Adult social care –revenue investment in 2019/20 of £3.9m for specific increases in costs of care/other contracts, pay and pension costs and demographic growth
 - Children's services – key statutory budgets are protected. Additional funding of £800k is included to support pressures, £140k to support inflationary increases and £150k one off funding for additional social workers.
 - Waste and Street Cleansing - additional investment for City Centre cleansing, for cleansing outside of the city centre, environmental 'Pride in York' schemes and the provision of free recycling boxes.
 - Libraries – additional investment to ensure that there will be no reduction in in the total number of staffed libraries across the city
22. Additional capital investment totalling £186m in relation to Transport, Housing, Economy, Environment, Schools and Libraries are outlined in the capital report.

Medium Term Financial Strategy

23. Anticipating that the council would be self funded from council tax and business rates in the medium term, it was recognised that a successful economy is critical to the council's financial future, with strong and growing business rates and the ability to attract better paid employment to the City.
24. Inevitably, savings will still need to be found in the medium term to deal with further reductions in funding and growth pressures. This is covered in more detail later in the report.
25. The medium term strategy will need to focus on delivering efficiencies across all areas and a need to drive forward some corporate savings programmes. Ensuring that there is the capacity to invest in key priority areas has been a critical part of previous budget decisions and will need to continue in the future.
26. This strategic approach ensures that any cross cutting implications are taken into consideration and savings in one particular area do not impact on other budgets in an unintended way.
27. This is covered in further detail later in the report.

Consultation

28. The council has been working with residents and businesses to identify the services that matter most to them and to understand their priorities for spending the council budgets.
29. The budget consultation launched on 3 October 2018 and closed on 23 November 2018 for paper surveys and closed at midnight on 30 November 2018 for online surveys.
30. This year the key component was an online 'budget slider' in order for residents to 'balance the budget' and understand the difficulties of completing this process in relation to different, competing service delivery areas. The consultation replicated a number of question sets from previous years on council tax and the social care precept, to allow us to track feedback.
31. The consultation was promoted to residents through various existing channels via the Business Intelligence team, published on the council's consultation page, and promoted via the communications teams. Paper

copies of the survey were available at council buildings and 3rd party premises across the city.

32. The online survey was promoted;
 - Within the business community via existing business network links and distribution groups such as Make It York, BID, York Chamber of Commerce, York Federation of Small Businesses and asking them to pass on to their members.
 - To equalities groups via the equalities network.
 - Our City was distributed to all households in the City (approx 89,000) in October, with delivery taking place over a two week period. The question set shown in Our City was the same as the online budget consultation, but with a reduced number of equalities questions. As with the distributed paper copies of the budget consultation, responses were sent back via Freepost to West Offices.
33. There was a drop-in session at West Offices with the Leader and Deputy Leader present along with some officer support.
34. The level of response to the online 'Budget Slider' and 'Our City' publication consultation processes, despite the variety of communication and awareness raising methods, has resulted in fewer responses than anticipated. This year there were 366 responses, fewer than in previous years.
35. This does not mean that other valuable insight cannot be gained from the process. Visits to the online 'Budget Slider' were tracked during the consultation, and showed that there were 2,782 unique visits to the web page, of which,
 - 49% of people who visited the homepage went into the budget slider.
 - However only 7% of people who visited the homepage went on to complete the slider.
36. This suggest that either; people found the budget setting process difficult and therefore did not finish and submit their feedback, the process may have been too lengthy, or that people did not understand how to use the functionality. As the product is a relatively common method of capturing feedback on budgets across the country, and the time people spent on the survey was less than 3 minutes, it suggests the most likely reason for

the low response rate is that people found it hard to make choices between the competing priorities for funding included in the consultation.

37. The key messages from the consultation were;

- The largest category (29%) of respondents were in favour of a 2.0% increase in the basic council tax (excluding social care precept)
- The largest category (48%) of respondents were in favour of the maximum 1.5% increase in the social care precept
- Asked about car parking charges, the largest category (43%) of respondents thought that the charges should remain the same
- Asked about fees and charges in general, the largest category (59%) of respondents thought that the charges should remain the same
- Respondents were asked if they agreed with various areas for capital investment. The area most agreed was a priority was renewable energy to reduce council and city energy bills (26%), followed by build more social housing (25%) and maintenance and development of highways and infrastructure assets (25%). Maintenance and historic assets and facilities (16%) and maintenance and development of IT systems to support front line services (9%) were the least favoured capital investment schemes.
- The consultation asked if certain services should have their funding stay the same or have funding reduced or increased. From the online respondents, the service that most believe should have increased funding is Public Health (27%), and the service that most people believe should have their funding decreased is Communities and Equalities (63%).

38. These consultation results have been used to inform the budget, as evidenced below;

- Respondents did not favour the maximum basic council tax increase, which is 3% before a referendum. The basic council tax increase is set at 1.75%. In previous years the council has favoured increased efficiency rather than increases in council tax. The council has delivered savings of more than £100m over last 10 years and there are a further £4.4m of savings set out in this report. Over the last 2 years, increases in council tax have been

3% (2016/17), 3.7% (2017/18) and 1.99% (2018/19). These increases were 0.99% (2016/17), 1.29% (2017/18) and 1% (2018/19) below the maximum limit allowable without a referendum.

- The council have prioritised capital investment in highways, housing and energy efficiency as detailed in the Capital Strategy report elsewhere on this agenda.
- Waste and Recycling services have not had any funding reductions since 2016/17 and adult social care services for vulnerable people continue to be protected.
- Respark permits and car parking charges have been frozen

39. All views and data gathered during the consultation will in due course be published on the York's open data platform www.yorkopendata.org

40. The council has a statutory duty to consult businesses on the council's expenditure plans. The consultation was publicised through York business networks and forums including Make It York, The Business Improvement District, York Chamber of Commerce and the York Federation of Small Businesses. The council will use these forums to announce the publication of this report on 31 January and will report any further feedback received by businesses to the Executive.

Principles that have shaped the budget process

41. As outlined above, due to the reduction in government funding, it is critical that the council continues to support economic growth, recognising the significant financial benefits in the form of retained business rates, and creation of jobs. Ensuring that there is a strong link between the capital and revenue budgets to support the delivery of council priorities is essential. The Capital Strategy sets out significant capital investment, and details regarding some of the major capital schemes that will impact on the economy of the city.

42. At a time of significant reductions in grants and rising demand it is absolutely essential to set a prudent, stable and achievable budget. Many councils across the country are now experiencing very severe financial challenges. Whilst the challenges for this council are significant, through sound financial planning, and in year management, the council retains strong financial health, and continues to be able to make

significant strategic investments. In response to a shift in demand led expenditure pressures and reductions in grant funding, the council is taking steps to enable itself, residents and communities to work together as equal partners to meet their future needs and priorities.

43. In terms of investment, the council spends a significant amount of its budget on protecting vulnerable people through its social care services. In 2018/19, the net cost of adult social care was £51.7m, 42% of the council's net budget.
44. The scale of the budget reductions required will inevitably affect all services and all residents to some extent. In considering what savings can be made we have taken long term approaches to the development of future services. This approach will help to protect the needs of the most vulnerable people in York.
45. The budget process adopted a risk based approach, and in particular prioritised statutory services to vulnerable adults and children, and key frontline services. Whilst all areas were asked in 2015 to consider the long term implications of up to a 30% reduction in their net spend over a 4 year period, assessment of options, risks, and links with priorities took place in formulating the final proposals.
46. Alongside the revenue budget, set out in the separate Capital Strategy report are proposals for further major investment in a variety of schemes. These continue the council's approach to prioritise investment in the economy, housing, transport, and to invest to save including energy efficiency. In addition, the council is continuing to make a significant investment in ICT, recognising that the need for high quality technology will be crucial to delivering services in the most effective manner in the future, particularly in relation to adult and children's services and customer services.

Budget analysis

47. The budget setting process has taken into account the following issues, (which are considered in more detail in following paragraphs);
 - i. Consideration of the 2018/19 position.
 - ii. Consideration of unavoidable cost increases, priority areas, how to create the capacity in priority areas and creating the capacity to allow for service improvement and innovation.

- iii. Consideration of reductions in grant funding.
- iv. Ensuring that the budget is robust and prudent and is based upon the strategic financial advice of the Deputy Chief Executive/Director of Customer and Corporate Services as s151 officer.
- v. Ensuring there is a strong link between the capital and revenue budgets and that the delivery of priorities fully considers the two budgets hand in hand.

2018/19 position

- 48. As part of the budget approved in February 2018, considerable investment was made in priority services to ensure sufficient resources to deliver statutory and priority services. The most notable example was additional funding for adult social care contracts, with the inclusion of £2.1m growth. At a time of significant financial challenges, this was a major investment to ensure the council were able to provide a better funding deal for care providers and to cover a general increase in adult contracts, including the new national living wage.
- 49. As outlined earlier in the report, and in a separate report elsewhere on this agenda, the latest finance and performance report identifies a range of budget pressures with the expectation that these will be contained within the overall approved budget by the end of the financial year.
- 50. However some areas identified as pressures in 2018/19 will require additional funding going forward and these include £964k to cover the closure of Older Person's Homes, £340k relating to waste and street cleansing and £800k in Children's services. These are covered further in the next section of the report. In addition the Council will need to take some concerted actions to ensure cost pressures are minimised, with cost avoidance strategies to be implemented. Provision is included within the budget for this.

Unavoidable cost increases, priority areas and creating capacity

- 51. There is continued pressure on budgets from an increase in costs in elderly care due to an increase in demand and more complex needs. The cost of adult social care is forecast to increase as existing customers with high needs transition from children's services.

52. A detailed analysis of these pressures has been conducted and additional resources have been allocated for areas where it was considered essential to invest. In addition we have identified areas where there is a need for additional investment to deliver council priorities, to ensure budgets are prudent and to protect vulnerable people.
53. The following bullet points set out the areas where additional investment is being made;
- Pay and Pension costs - **£1,800k** is included for pay and pension costs in 2019/20. An assumption of 2% is made for a pay award. Capacity is also created to provide funding for the Living Wage.
 - Contractual price increases **£1,941k** - to cover an increase in adult social care contracts
 - Contractual price increases **£602k** - to cover unavoidable contractual price increases mainly in waste services and children's services
 - Adult Social Care **£600k** – Growth is required to cover the cost of adults as they transition from Children's Services within 2019/20
 - Waste and Street Cleansing Pressures **£340k** – Executive agreed additional investment for City Centre cleansing, cleansing outside of the city centre, environmental 'Pride in York' schemes and the provision of free recycling boxes. This was funded as a one off using the 2017/18 underspend and it is now proposed to fund on a recurring basis. It is also proposed to halve the price of bulky waste collections from £44 to £22 at an estimated cost of £57k.
 - Children's services **£800k** – Growth is required to cover the cost of social work staffing (£240k); foster care allowances (£130k); clinical psychology (£90k); care leavers support (£25k) and LAC placement costs (£315k).
 - External Home Closures **£964k** – Growth is required to cover the additional on-going costs of securing new provision for council funded customers in a number of private older persons' homes that closed during 2018.
 - Mental Health Champions Programme **£50k** – to continue funding this programme in schools which is currently co-ordinated by the School Well Being Service and was previously funded by Public Health

- Library services **£300k** – To enable the Council to award a 15 year library and archives operator contract which delivers on the vision agreed by the Executive in 2018. The vision sets out how the Council meets its statutory duties whilst delivering on the commitment by Full Council in October 2017 that there will be no reduction in the total number of staffed libraries across the city.
54. There is no growth this year in respect of the impact of the capital programme. The overall growth in the capital programme proposed, combined with low interest rates, repayment of loans and the updated capital programme position, means that no growth is required and a reduction of £835k is proposed as a corporate saving due to some loans dropping out. It should be noted, as set out later, that from 20/21 there will be significant impacts on the revenue budget from the capital programme however, and future financial strategies will need to make provision for this cost increase.
55. As set out earlier, there remain potential pressures and risks within adult social care. The budget provides for a significant investment within Adult Care, however it is recognised there remain a number of risks in this areas. There is also a need to consider investment in working with partners in the health sector further in the future, and therefore later in the report additional funding for a Service Risk reserve to invest in cost mitigation strategies.

One off Investment

56. In addition to the ongoing expenditure pressures set out above one off growth totalling £1,030k is included.
- Cyber Security Enhancements **£75k** – whilst the Council fully complies with Government standards, and has significantly invested in security measures, and latest technologies, the scale of the challenge cannot be underestimated given the extensive information, and web based applications the Council operates. This additional one off funding would allow for further work to be done complimenting existing measures, focused on our digital platforms.
 - Waste Services Resilience/ Transformation **£185k**- additional funding to allow the services to deal with some critical pressures in next 12 months, ensure service resilience, and create some capacity to invest in transformation.

- Local Plan **£420k** - Work on the Local Plan will be ongoing in 2019/20 and therefore additional budget of £70k is required to support delivery. It was agreed in a previous year's budget to defer a £200k saving until completion of the Local Plan and a £70k saving due in 2019/20 has also been deferred.
- Children's Services **£150k** – for two additional interim social workers for a 6 month period. Like many other local authority areas, the service is seeing a sustained increase in work load demand and complexity that shows little sign of relenting. The team are managing a number of complex cases before the court. Additionally further one off investment is required to address some of the recommendations from the recent Ofsted report.
- MyCityCentre Community Consultation **£100k** –to invest in a 'My City Centre' consultation be held with key stakeholders (including residents, businesses, cycle/pedestrian groups and groups that represent people who have special access requirements) on the wider issues of accessibility, safety and traffic management in the city centre as recommended by Executive in September 2018 as part of the report on City Centre Access report
- Substance Misuse **£100k** – targeted at provision for alcohol treatment, to enable the new NHS 10 year plan to come into effect. This will be funded from the Public Health Grant reserve.

57. The one off growth items above are funded from £930k New Homes Bonus grant provided by central government and £100k from the Public Health Grant reserve.

Expenditure Pressures Summary

58. The expenditure pressures described above are set out in the following table;

| Expenditure Pressures | 2019/20 £'000 |
|--|--------------------------|
| Recurring Investment | |
| - Pay and Pension Costs | 1,800 |
| - Adult Social Care Prices Contingency | 1,941 |
| - Prices Contingency | 602 |

| | |
|--|--------------|
| - Adult Social Care Demographic Growth | 600 |
| - Waste and Street Cleansing | 340 |
| - Children's Services | 800 |
| - External Home Closure | 964 |
| - Mental Health Champions | 50 |
| - Library Services | 300 |
| One off Investment | |
| - Cyber Security Enhancements | 75 |
| - Waste Resilience/ Transformation | 185 |
| - Local Plan | 420 |
| - Children's Services | 150 |
| - MyCityCentre Consultation | 100 |
| - Substance Misuse | 100 |
| Total Expenditure Increases | 8,427 |

Table 1 – Summary of expenditure pressures

Grant Funding Changes

59. The total RSG grant due to the Council was forgone in 2018/19 due to the inclusion of the council in the 100% business rates pilot. The 2018/19 RSG funding was equivalent to £4,576k. The RSG due to the Council in 19/20 is £529k. However, since the Council are once again included in a new business rates pilot in 2019/20, the RSG due in 2019/20 is also forgone. The £4,576k reduction is shown below in the first line of Table 2.
60. The second line of Table 2 shows the net change in specific grants. Public Health Grant will reduce by £211k and the Housing Benefit Admin Grant will reduce by £225k.
61. The council will receive a grant of £1,982k in 2019/20 to fund Adult Social Care pressures. This will be used to fund growth in adult social care and is covered in further detail later in the report. There is a possibility that the adult social care grant may not continue in 2020/21.
62. The council received a transitional grant of £407k and Adult Social Care grant of £457k in 2018/19 which was non ring fenced one off grant. These will cease in 2019/20 but since these grants were not used to fund recurring budgets they are not taken account of in these figures.

63. In total, specific grants are estimated to increase by £1,546k in 2019/20.

| Funding Changes | 2019/20 £'000 |
|--|--------------------------|
| - Reduction in RSG (excluding effect of business rates pilot) | 4,576 |
| - Net change in specific grants | -1,546 |
| Net Funding Changes | 3,030 |

Table 2 – Grant Funding changes

Council Tax Funding Changes

64. Table 3 shows the net changes to council tax funding.
65. The first line in Table 3 shows the 3.25% increase in council tax which will generate additional income of £2.791m on the existing taxbase.
66. A further £1.377m council tax is generated due to an increase in taxbase as shown in the second line of Table 3. The taxbase is calculated by the Deputy Chief Executive/ Director of Customer and Corporate Services each year and represents the total number of Band D equivalent properties in the city. In 2019/20, this has grown by approximately 912 properties due to a number of factors including new homes and changing patterns in the number and types of discounts taxpayers are able to receive or apply for.
67. The third line is the collection fund surplus of £1.626m from 2017/18 which was used in the 2018/19 budget and falls out this year.
68. The fourth line is the collection fund surplus from 2018/19 of £500k. The council tax collection fund surplus for the full year 2018/19 is estimated on 15 January 2019, based on current year actual figures. The surplus is a result of an increase in taxbase, compared to estimates made last year. The collection fund surplus is only available as one off funding.
69. In summary the Table 3 shows an estimated £3.042m additional income from council tax in 2019/20.

| Council tax | 2019/20 £'000 |
|-----------------------------------|--------------------------|
| - Increase in charge | -2,791 |
| - Increase in taxbase | -1,377 |
| - Collection Fund Surplus 2017/18 | 1,626 |
| - Collection Fund Surplus 2018/19 | -500 |
| Net council tax changes | -3,042 |

Table 3 – Council Tax Funding changes

Business Rates Income

70. Table 4 shows a total of £3.029m additional income from business rates.
71. This consists of business rates growth, additional business rates funding from central government in replacement of 2019/20 RSG and central government's redistribution of the surplus on the 2017/18 levy account.
72. There may be further one off benefits from the 75% pilot which have not been assumed within the budget figures, and will be the subject of further consideration during 2019/20 as the amounts become more certain. This is covered in further detail later in the report.

| Business rates income | 2019/20 £'000 |
|------------------------------|--------------------------|
| - Business Rates growth | -3,029 |
| Change in income | -3,029 |

Table 4 –Change in Business Rates Income

Savings Proposals

73. Directorates have identified £2.745m to contribute towards the 2019/20 savings target in addition to corporate savings of £725k by maximising the use of council assets and £835k in treasury management. These proposals, outlined in annex 2, include increases in income, reductions in administration costs and removal of vacant posts.
74. The savings proposals included in annex 2 provide the details of the 2019/20 impact totalling £4.305m. The first column includes savings totalling £1.1m which were agreed by Council in February 2018 and new proposals totalling £3.2m are included in the second column.

75. Table 5 summarises the 2019/20 savings to be delivered by each directorate and corporate services.

| Savings | 2019/20 £'000 |
|--------------------------------------|--------------------------|
| - Health, Housing, Adult Social Care | -1,568 |
| - Economy and Place | -187 |
| - Customer and Corporate Services | -990 |
| - Corporate | -1,560 |
| Total Savings Changes | -4,305 |

Table 5 –2019/20 Savings Proposals

Use Of Reserves

76. As at 31st March 2019 a balance of £178k is forecast to be held in the Public Health Grant reserve.
77. It is proposed that £100k of the balance is used to fund one off investment in substance misuse.

| Use of Reserves | 2018/19 £'000 |
|-------------------------------|--------------------------|
| - Public Health Grant Reserve | -100 |
| Change in income | -100 |

Table 6 –Use of Reserves

78. As agreed in the 2018/19 budget, it should be noted that the use of the transport reserve to fund ongoing expenditure in 2019/20 will continue at £450k.

New Homes Bonus (NHB) Grant

79. The New Homes Bonus was introduced to provide an incentive for local authorities to encourage housing growth in their areas.
80. In the settlement announced in February 2017 a number of changes were announced to NHB from 2017/18, which include;
- A top slice of the overall funding pot to fund adult social care

- A reduction of legacy payments to 4 years from 2018/19
- A change to the funding criteria whereby authorities will only receive funding for growth above the national baseline set at 0.4%. When an authority has overall growth in excess of the baseline, it only gets rewarded for the above-baseline growth, not its entire growth. The government were considering increasing this national baseline but it has remained at the same level in 2019/20.
- Future payment may also be linked to delivery of a Local Plan. This represents a risk to the council, if the Local Plan is not finalised payment of the grant may be deferred or reduced.

81. As a result future New Homes Bonus will begin to decline. Taking account of estimated levels of grant in future years, and approved commitments, we will consider phasing out any ongoing revenue funding from New Homes Bonus. This currently totals around £2.2m and therefore over the coming years this may need to be gradually phased out. In 2018/19 an initial allocation of £400k was made and future allocations will be considered further in future budgets.
82. The total funding available in 2019/20 is £3.6m. As mentioned above, £2.2m of NHB funding is already allocated to fund recurring expenditure as determined by previous Council decisions. These are set out in Table 7 below.
83. The budget proposals include one off investment of £930k and recurring expenditure of £51k which will be funded from NHB.
84. The remaining balance of £522k NHB funding will be transferred to a Service risk reserve primarily for Adults Services, for future use. As mentioned elsewhere in the report, a further £300k will be transferred to the service risk reserve from the business rates pool, taking this sum to £822k. This is covered in further detail later in the report.

| New Homes Bonus | £'000 |
|----------------------------------|---------------|
| - Available 2019/20 | -3,689 |
| - Remaining balance from 2018/19 | -22 |
| - Total available 2019/20 | -3,711 |
| - Previous Council Decisions | |

| | |
|---|-------------|
| February 2016 Budget - recurring | 1,349 |
| July 2015 Budget Amendments - recurring | 1,259 |
| - 18/19 Allocation to phase out NHB funding | -400 |
| - Allocated in this budget (recurring) | 51 |
| - Allocated in this budget (one off) | 930 |
| NHB remaining – Transfer to risk reserve | -522 |

Table 7 – New Homes Bonus Funding

Net Budget Composition

85. Taking into account funding changes summarised in Tables 2, 3 and 4, Table 8 below summarises the funding available from council tax and business rates for 2019/20.

| | 2019/20 £'000 |
|-------------------------|--------------------------|
| Council Tax | 90,066 |
| Collection Fund Surplus | 500 |
| Business Rates | 32,806 |
| Total Net Budget | 123,372 |

Table 8 – Net budget composition for 2019/20

Summary of Budget Changes

86. The following table shows the budget position after taking account of the expenditure and funding changes outlined.

| Summary | 2019/20 £'000 |
|--|--------------------------|
| Total expenditure pressures (Table 1) | 8,427 |
| Total net funding changes (Table 2) | 3,030 |
| Total changes in council tax (Table 3) | -3,042 |
| Total changes in Business Rates income (Table 4) | -3,029 |

| | |
|---|----------|
| Total savings and income generation (Table 5) | -4,305 |
| Use of Reserves (Table 6) | -100 |
| New Homes Bonus funding (Table 7) | -981 |
| Budget gap | 0 |

Table 9 – Budget position summary

Fees and charges

87. Detailed proposals for any changes to fees and charges are attached at annex 3. The proposals have taken account of such factors as current consumer price indices, possible impact on customer numbers, knowledge of business and current market conditions and benchmarking exercises. Any increased income from this review of charges is included within the overall list of savings attached at annex. The majority of increases are approximately in line with inflation with the exception of fees which are set by central government.
88. One of the major areas of income generated is from car parking fees and charges. There will be no increase on car parking charges and it is proposed that the price of the first car Respark permits will be frozen.
89. Licensing fees have increased to cover restructuring the team to increase capacity and enforcement. This is to ensure that the costs of licensing activity is funded by the user of the service. The Taxi Licensing account is forecast to break even in the year with income and expenditure of c£310k. Animal Health fees have increased to reflect the changes to the licensing regime which require changes to the issuing of licences, inspections and ratings. Fees are based on an assessment of time take taken to allow full cost recovery.
90. The cost of bulky waste collection is proposed to reduce by 50% from £44 to £22 to encourage additional use of the service by residents. The additional cost to the council and lost income from the proposal has been included as growth within the budget.

Council Tax and the Collection Fund

91. The council tax referendum limit remains at 3% (excluding social care precept) for 2019/20. The threshold is not guaranteed to continue

beyond 2019/20. If a Council wishes to set a higher council tax it must hold a referendum. It must also provide 'substitute calculations' which need to be presented to setting out what the alternative budget would be. This means that that if any proposal is made for a council tax above the referendum limit it must be accompanied by 'substitute calculations' within the referendum limit, to be used in the event that the referendum would reject the increase. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

92. The costs of a referendum are not easy to estimate, and depend to an extent on whether it can be done as part of another election. If there is no other election, provision should be made for £210k. If the referendum could be combined with another election this would reduce the cost by approximately 50%. Local elections are taking place in York in May 2019. In addition there are the costs of rebilling which is estimated at £50k.
93. Local authorities with responsibilities for adult social care have been given the flexibility to charge a further social care precept in addition to the 3% referendum threshold. The Council can charge up to a maximum of 1.5% on social care precept.
94. As referred to earlier in this report, the recommendation made in these papers is that from April 2019 the CYC element of the council tax will increase by 3.25%, 1.5% of the increase relating to the social care precept.
95. A 1.5% social care precept increase generates additional income of approximately £1.395m for the council which will be used to fund adult social care increased costs, pay, pension and other pressures. A range of investments are being made that contribute to improvement in social care as detailed in Table 10 below. The overall net increase in social care budget, including savings, actually equates to 3.1% Council tax increase.

| | |
|--|----------------|
| | 2019/20 |
| | £'000 |
| Social Care Grant | 1,982 |
| Social Care Precept | 1,395 |
| Total Additional Social Care Income | 3,377 |
| Invested in: | |
| Pay And Pension | 361 |
| Price Inflation | 1,941 |
| Demographic Pressures | 600 |
| Older Person's Homes Closure | 964 |
| Total Invested | 3,866 |

Table 10 – Adult Social Care investment

96. The existing components of the current (2018/19) band D council tax for a CYC resident are shown in Table 11 below. It should be noted that these figures exclude parish precepts which are an additional charge in some areas.

| | |
|----------------------------------|-----------------|
| | £ |
| City of York Council | 1,288.38 |
| North Yorkshire Police Authority | 232.82 |
| North Yorkshire Fire Authority | 69.20 |
| TOTAL | 1,590.40 |

Table 11 - Make Up of 2018/19 Council Tax

97. The collection fund is the ring-fenced account where all council tax is credited. This account can either be in surplus or deficit at the year end, depending on whether the authority has managed to collect more or less than it originally anticipated and the growth in property numbers. This year, the CYC element of the council tax surplus is estimated to be £500k and this is included in the budget assumptions.

Precepts

98. In addition to the council tax to be charged by the City of York, the overall charge must include the precepts from the North Yorkshire Police, Fire Authority and parish councils. Due to the timing of this report these precepts are not yet available but will be included in the report which is considered by full Council on 28 February.

99. Table 12 demonstrates both the cash and percentage increase in 2018/19 for these which resulted in a total band D council tax for a York property of £1,590.40.

| | 2017/18 | 2018/19 | | |
|--------------|-----------------|--------------|--------------|-----------------|
| | Charge (£) | Increase (£) | Increase (%) | Council Tax (£) |
| CYC | 1,244.93 | 43.45 | 3.49% | 1,288.38 |
| Police | 221.32 | 11.50 | 5.20% | 232.82 |
| Fire | 67.19 | 2.01 | 2.99% | 69.20 |
| Total | 1,533.44 | 56.96 | 3.37% | 1,590.40 |

Table 12 – 2018/19 Council Tax Figures for City of York Area

100. There are 31 parish councils within the City of York Council area. It should be noted that the council will provide each parish with a support grant to ensure that they do not experience any loss on their equivalent funding as a result of changes due to the localisation of council tax support.

Business Rates (National Non Domestic rates - NNDR)

101. The council is projecting retained business rates income in 2019/20 of £32.806m.
102. The small business non-domestic multiplier will increase from 48.0p to 49.3p (a 2.29% increase, in line with the September 2018 CPI). The provisional non-domestic multiplier will increase from 49.3p to 50.4p (this is the multiplier used to calculate bills for large businesses with Rateable Value greater than £15,000).

Business Rates Pooling

103. Receipts of business rates in each individual local authority area may or may not match the amount the government believes the authority needs to spend, so, at the outset of the scheme in April 2013, amounts were equalised through a system of 'tariffs' and 'top-ups', according to need. Authorities that collect more than the government believes they need to spend pay over a 'tariff' to government and those that collect less receive a 'top-up' to make up the difference.

104. Tariff authorities that are successful in growing their rates are also liable for 'levies' which scale back the rewards of growth – by as much as 50% in some cases. The current scheme allows groups of authorities to join together to form business rates pools. Pooling allows groups of 'tariff' and 'top-up' authorities to gain financial advantage by enabling levy payments to be paid to the pool rather than central government. City of York Council is a member of the Leeds City Region (LCR) Business Rates Pool, effective during 2018/19.

LCR 100% retention pilot for 2018/19

105. In 2018/19 the Leeds City Region (LCR) business rates pool, made a successful application for inclusion in the expansion of the pilot programme for 100% business rates retention for 2018/19.

106. The council benefited from one off gains from the pilot. As the Pilot was only for 1 year, these gains were not assumed as ongoing. The value of these gains is anticipated to be in the region of £2m direct to CYC.

107. Members agreed to allocate £1m of this one off funding to the Venture fund in 2019/20 to finance early years deficits on the revenue costs of borrowing in relation to York Central.

108. It is proposed that the remaining £1m one off funding from the LCR pool is allocated to the Venture Fund and this is covered in more detail later in the report.

North and West Yorkshire (NWY) 75% retention pilot for 2019/20

109. Further devolution of Business rates income is still expected to be introduced nationally in 2020/21, although at 75% retention. This is covered in further detail later in the report.

110. In September 2018 the Government announced a decision to proceed with the expansion of the pilot programme, offering 75% business rates retention for 2019/20. As before, these pilots will run for one year only.

111. An application together with the current members of the Leeds City Region (LCR) business rates pool and North Yorkshire authorities was submitted and has been successful. The new pool is known as the North and West Yorkshire (NWY) pool.

112. This opportunity builds on many years of successful regional collaboration, providing members and partners with the opportunity to further develop existing relationships and processes to help in the move towards powers, resources and decision-making being undertaken at the optimum level to deliver a growing, inclusive economy.
113. The inclusion in the 75% business rates pilot in 2019/20 means that the council will again forego Revenue Support Grant (RSG) in 2019/20. The council will retain 74% of business rates but the 'tariff' and baselines are recalculated so that after taking into account the loss of RSG the effect on each individual authority is cost neutral as a starting point (excluding retained growth).
114. The benefit for the council is that between the council and the pool we may retain 74% of growth and no levies on growth are payable.
115. In addition, the pool would also receive growth. The pool would allocate 50% of the monies back to the individual authorities based on population and amounts paid in. The other 50% will remain in the pool, which would be distributed on the same principles which are currently in place for the LCR pool.
116. The governance agreement for the pool sets out how the pool proposes to share and use additional business rates income, how member authorities will work together to manage risk and the provisions for dealing with residual benefits or liabilities.
117. The benefits of the 75% retention, along with national changes to business rates in future years, will see two main impacts as set out below.
118. Firstly, an increase in the amount of growth in business rates retained by the Council, which is expected to continue for future years. This is included in the £3.029m business rates growth for 2019/20.
119. Secondly, the council will benefit from one off gains from the pilot in relation to the 75% retention of business rate growth. As the Pilot is only for 1 year, these gains cannot be assumed as ongoing. The value of these gains is anticipated to be in the region of £800k direct to CYC. It is proposed that the £500k from the NWY pool is allocated to the Venture Fund and £300k is allocated to the Service Risk reserve , as covered elsewhere in this report.
120. Additional business rates growth resulting from the pilot scheme could be utilised to further support risks and potential future investment needs

relating to York Central and social care. A further report will be brought to Members during 2019/20 once more detailed figures are available for this funding.

Reserves and Contingency

General Reserves and Contingency

121. Table 13 shows the position on the general fund reserve which, it is anticipated, will be £7.442m by the end of 2018/19. The projected reserves at the end of 2018/19 are based on the assumption that Members agree no usage of reserves in 2019/20 as part of the final recommendations to Council. It should be noted that the figures below also assume that there will be no requirement to fund an overspend against the 2018/19 budget.

| | 2018/19 Projected Out-turn £'000 | 2019/20 Budget £'000 |
|---|---|-------------------------------------|
| General Reserve at start of year | 7,442 | 7,442 |
| In Year use of reserves | 0 | 0 |
| General Reserve at end of year | 7,442 | 7,442 |
| Prudent minimum reserves | 6,400 | 6,400 |
| Headroom (+)/Shortfall (-) in Reserves | 1,042 | 1,042 |

Table 13 – Projected General Reserves

122. In line with best practice, the council has undertaken a review of risks and known commitments in order to determine its minimum general reserve level. In considering this, it has been determined by the Deputy Chief Executive/ Director of Customer and Corporate Services that a level of £6.4m remains an appropriate figure. However in light of the risks facing the council, it is considered that headroom should remain above the minimum level. This is covered in further detail within the S151 statutory statement at the end of the report.

123. In addition to general fund reserves, the budget includes a £500k general contingency. In recent years this has always been required. In addition, it was agreed in last years budget to set up a further contingency of £800k to provide additional resource to fund pressures in adult social care.

124. As mentioned earlier in the report, due to significant risks associated with major capital projects, reduction in New Homes Bonus and health budgets it is appropriate to provide an adequate contingency on an ongoing basis. This is critical in terms of the setting of a prudent budget.

Service Risk Reserve

125. As mentioned earlier in the report, £522k funding will be provided from New Homes Bonus and £300k funding from business rates to set up a Service Risk Reserve. This will provide one off funding to facilitate the effective management of major budget pressures, or the management of critical performance concerns. For example it could provide one off investment for specific service activity that mitigates rising cost pressures (cost avoidance), or funding for partnership working.

126. The use of this funding for this purpose is critical in seeking to manage and mitigate future cost pressures and will be a key factor in the councils financial strategy, seeking to control future costs in particular within adults, including joint work with health partners. For 2019/20 it is anticipated that Adult Services will need to make calls on this funding. All allocations from the fund will be approved by Executive.

Venture Fund

127. The balance on the venture fund reserve is anticipated to be £5.2m at the end of 2018/19.

128. In March 2016 Members agreed that the Venture Fund be used to fund £1.0m of the Community Stadium capital expenditure which will be repaid from later year's leisure revenue budget savings and it is expected that this advance will be provided in 2019/20. In addition, up to £300k was allocated for dealing with any early year shortfall in the revenue budget, which may be required in 2022/23.

129. In relation to the York Central Enterprise Zone, in November 2018 Members agreed to allocate £1m to the Venture fund in 2019/20 from the 2018/19 LCR business rates pilot and for up to £3m of the Venture Fund to be used to finance early years deficits on the revenue costs of borrowing. This may not occur until 2023/24.

130. In July 2018 Members agreed to allocate up to £200k to manage early year deficits on the Burnholme operations. This may not occur until 2023/24.
131. As noted above there is £1m 2017/18 funding remaining in the LCR pool and an anticipated £500k funding available from NWY pool in 2019/20. It is recommended that we allocate the total £1.5m into the venture fund, to deal with future cashflow or revenue implications regarding major planned developments including Castle Gateway, and Castle Museum which are referred to in the Capital Strategy report.
132. After taking into account the above commitments, the forecast balance on the venture fund is included below in Table 14.

| | Forecast Year end Venture Fund Balance |
|---------|---|
| | £'000 |
| 2018/19 | 5,229 |
| 2019/20 | 4,414 |
| 2020/21 | 4,739 |
| 2021/22 | 4,921 |
| 2022/23 | 4,809 |
| 2023/24 | 1,846 |

Table 14 – Venture Fund Balance

133. The reduction in balance in 2023/24 relates to York Central, as described above.

Medium term planning

Medium Term Economic Outlook

134. The next spending review will take place in 2019, which is expected to set out spending plans for 4 years (although this is not certain) from 2020/21 to 2023/24. The Autumn budget did not set out any further details about how funding will be allocated in the 2019 Spending Review, although it did say that the NHS was a priority. Instead the budget provided an 'indicative path for public spending to 2023/24' which is 'open to revision next year'.

135. There is some optimism that in the future some parts of local government could receive better settlements than in recent years, with it being recognised that adult services and children's services are in a critical position nationally.
136. However, significant risks remain and it should be noted that any worsening in future Office of Budget Responsibility (OBR) forecasts may necessitate a decrease in funding or impact on the outcomes of the funding formula review, which is covered in further detail below.

Revenue Support Grant (RSG)

137. Since 2016/17 the government finance settlement has changed from an annual settlement to a multi-year settlement, including principles for maximum council tax increases over the same period. The current spending review period ends in 2019/20.
138. The council's inclusion in the 75% business rates pilot in 2019/20 means that the council will forego the remaining Revenue Support Grant (RSG) in 2019/20 of £529k.

Business Rates and Funding Reform

139. As highlighted in previous Financial Strategy reports, the government intended to phase out Revenue Support Grant (RSG) by 2020/21, to be replaced by a system which allows local government to retain a greater percentage of business rates.
140. The government has signalled its commitment to this principle through the extension of the 75% business rates pilots in 2019/20 and by increasing local authorities' retention of business rates from 50% to 75% from 2020/21.
141. The Government issued two consultation papers alongside the provisional settlement in December 2018.
142. The first consultation paper is on the Government's plans to reform the business rates system and to create a 'simplified' system. The second paper sets out the latest proposals on the Fair Funding Review (FFR).
143. Within the business rates consultation paper there are some indications as to how a future system might be designed. The Government have

indicated that they are minded to have a full business rates baseline reset in 2020/21. This could have significant implications for a high growth authority such as York, as any growth built up since 2013/14 is likely to be taken and redistributed to authorities with higher 'needs', according to the formula.

144. The new system is likely to reward growth more generously with 75% and a very limited levy, which would only become effective if there was 'extraordinary' growth. This approach would be a benefit to a high growth authority such as York.
145. The pooling incentive might be lessened as a result to the changes in the levy, but it is expected that the Government would still want to incentivise pooling. This may be achieved by increasing the retention rates above 75%.
146. In an attempt to simplify the system there is an alternative proposal for a system of rate retention which is not necessarily less complex but could create a more predictable and less volatile system. This option forms part of the consultation.
147. As previously announced, after the next revaluation (in 2022/23), revaluations will take place every 3 years. This should help to reduce volatility in the system. In the future it is expected that regular baseline resets will overlap with the revaluations.
148. Although there was some consideration given to nationalising appeals, there is not now expected to be any significant change in the way that appeals are handled. The risk of appeals will remain with local government.
149. The second consultation relates to the Fair Funding Review (FFR) which focuses on the cost drivers for individual authorities. The paper tends towards a flatter distribution of 'needs'. It is expected that this would be implemented as part of the 2020/21 local government finance settlement. As part of the funding reform, additional responsibilities will transfer to local government, potentially the administration of housing benefits for pensioners and funding of public health.

Social Care Funding

150. Social care funding received an extra £650m in 2019/20, to ensure that social care pressures do not create additional demand on the NHS. This

may be used to fund social care services for older people, people with disabilities and children.

151. The Social Care Green Paper was originally due to be published in Summer 2017, but is now expected to be published at the 'earliest opportunity in 2019'. This is expected to consider with the longer-term challenges in adult social care, and its purpose will be to build a sustainable, long-term, reliable system. As set out elsewhere in this report there are ongoing pressures within social care funding, linked to the financial challenges within the NHS.

Medium Term Strategy and Approach to Savings

152. Recognising some of the risks set out in preceding paragraphs, in particular the state of the UK economy, and the distribution of local government funding, the table below, Table 15, sets out the headline figures for the Council's medium term financial forecast.

| | 2020/21 | 2021/22 | 2022/23 | 2023/24 | 2024/25 |
|---------------------------------------|--------------|--------------|--------------|--------------|--------------|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| GROWTH | | | | | |
| Pay and Price inflation | 2,465 | 2,465 | 2,465 | 2,465 | 2,465 |
| Social Care inflation and demographic | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 |
| Capital Programme | 1,500 | 1,500 | 1,500 | 1,500 | 1,500 |
| Other | 1,100 | 1,100 | 1,100 | 900 | 500 |
| Total growth | 7,565 | 7,565 | 7,565 | 7,365 | 6,965 |
| RESOURCES | | | | | |
| Loss of RSG/one off | (979) | | | | |
| Council Tax at 3% | 3,080 | 3,080 | 3,080 | 3,080 | 3,080 |
| Business Rates Growth | 800 | 800 | 800 | 800 | 800 |
| Total resources | 2,901 | 3,880 | 3,880 | 3,880 | 3,880 |
| FUNDING GAP | 4,664 | 3,685 | 3,685 | 3,485 | 3,085 |

Table 15 – Medium Term Forecast to 2024/25

153. These figures are based on the current funding formula continuing in a similar manner as currently. Clearly there are a number of factors that

could change these figures, but they provide the broad basis on which the Council will need to consider decisions over coming years.

154. Whilst settlements for local government are expected to be better than in the past, there are two very major pressures facing the Council. These relate to adult social care, and the impact of the capital programme.
155. The impact of the capital programme will have an affect on the revenue budget in terms of cost of borrowing. The current capital programme has additional borrowing needs (excluding borrowing supported by savings/enterprise zone receipts) of approximately £60m, and increasing the programme by an additional £186m (as set out in the capital strategy report) would require circa £100m increase in borrowing over the next 5 years. Whilst this is spread over a number of years, the broad requirement in future years is for an increase in the treasury budget of around £1.5m every year.
156. The current pressures on the social care budget are expected to continue in the medium term and are reflected in the figures in Table 15.
157. To achieve the savings, and ensure budget pressures are contained, it is essential that the Council further develops the delivery of digital services, its use of assets, ensures efficient cost control, develops new sources of income, secures grant funding and reviews the method of delivery of a number of service areas.
158. Under the 75% business rate retention scheme the council becomes self funded from council tax and business rates and this will continue to be the case in the future. Therefore, it is critical that the council continues to support Economic growth, recognising the significant financial benefits in the form of retained business rates, and creation of jobs. An assumption of £800k business rates growth is included in the forecast.
159. Based on the current assumptions above, based on a 3% increase in future years Council tax, there remains a funding gap of between £3m and £4.7m each year, over the next 5 years. The Council will need to consider the relevant balance of savings, variation in council tax, and potential changes in funding and income from business rates. Every 1% of saving within Directorates (including increased charges) generates around £1.2m.
160. Specific details of future year's savings proposals will be covered in future budget reports. Looking beyond 2020 is difficult given a wide range of uncertainties, including central government funding, business

rates, and pressures within social care. The scale of savings is to a large extent dictated by the overall level of council tax increase that will be set.

Housing Revenue Account (HRA) Budget

161. Local Authorities are required, by legislation, to keep a HRA. The Local Government and Housing Act 1989 stated that items of income and expenditure only relating to council housing must be contained within the account. Authorities have a duty to ensure that the HRA balances, to keep the budget under review and to take all reasonable steps to avoid a deficit.
162. In January 2019 Executive approved an investment in new Housing on CYC owned sites totalling £153.9m. The plans will deliver more than 600 new homes including over 250 council and low cost home ownership homes across 8 sites around the city. With such a significant financial investment it is necessary to update the 30 year financial forecast for the HRA to show that it is affordable and sustainable.
163. The key financial impact of the housing delivery programme is the cost of the land transactions. In order to transfer land from the General Fund to the HRA it is necessary to appropriate the land at market value. This is done by increasing the level of HRA debt and reducing general fund debt by the corresponding value. The estimated land value of the appropriations in the programme is £31.7m which adds a maximum additional debt cost of c£1m per annum to the HRA. There will however be additional income from rents and shared ownership from the new housing provided.
164. The other key change to the business plan forecasts is removing the requirement to sell high value properties as that legislation has been withdrawn. This has added income into the plan over the period as council stock assumptions are higher.
165. Annex 6 updates the 30 year financial forecast for the HRA. The headlines are :
- Maximum debt will increase from £140m to £171m
 - The whole HRA debt can be repaid by the end of the plan
 - The minimum HRA year end balance can be maintained at over £20m

166. The plan is financially robust as it can fully repay the HRA debt whilst continuing to deliver in year surpluses (prior to debt repayment) in every year of the plan.

Rent Changes 2019/20

167. Since April 2002, the rent increase has been calculated with the key aim of converging rents across all social housing providers whether local authority landlord or other registered provider. This involved a phased change in rents, known as rent restructuring, based on a formula for rent setting created by central government. This government formula rent took account of various factors including the number of bedrooms a property has, property valuation, average earnings and the date at which all rents were expected to converge.

168. Central government policy has now changed and rent restructuring has been brought to an end. The subsequent policy of increasing rents by the Consumer Prices Index (CPI) + 1% that was applied for the 2015/16 increase was due to apply for ten years but in July 2015 further changes to social rents were announced in the Welfare Reform and Work Bill 2015. All social housing rents were required to be reduced by 1% for four years from 2016/17. Government made a further announcement in October 2017 confirming that social rents can be increased by CPI + 1% with effect from 2020/21. The modelling assumes future CPI at 2%.

169. The expected effect on rent levels over the next 3 years is shown in table 13 below.

| Year | Estimated Average Rent Per week | Estimated Average Decrease(-)/Increase per week |
|---------|---------------------------------|---|
| 2019/20 | £77.51 | (£0.77) |
| 2020/21 | £79.83 | £2.32 |
| 2021/22 | £82.23 | £2.40 |

Table 16 – HRA Rent changes

170. All rents that do not fall within the definition of “social housing rents” for the purposes of the Welfare Reform and Work Bill 2015 will have the previous policy applied of increasing by CPI + 1% which will be an increase of 3.4%. This will include garages and cookers, as well as any specialist supported housing that is exempt from the rent reduction legislation.

171. The Mobile Homes Act 1983 allows the council to increase rents by RPI. However, where the RPI is higher than CPI +1%, CPI +1% is used in line with the other rent increases which are exempt from the 1% reduction.
172. The current RPI is lower than CPI+1%, as such a rate of 2.7% (December 2018 rate) will be used to increase the Gypsy, Roma and Traveller Community site rents in 2019/20.

Dedicated Schools Grant (DSG) and the Schools Budget

173. The DSG is ring-fenced for funding the provision of education or childcare for 3 to 16 year olds in all settings. As such it covers funding delegated to individual LA maintained schools, academies and PVI providers through the LMS & Early Years funding formulae, plus funding for other pupil provision which is retained centrally by the LA to support such things as Special Educational Needs and some central education services.
174. 2018/19 saw some significant changes to DSG allocations for LAs. The DfE introduced new national funding formulae to allocate the DSG for schools, high needs and the central school services block from April 2018.
175. Previously the DSG was divided into three blocks; schools, high needs and early years. From 2018/19 the DfE introduced a fourth block, the central school services block, which funds LAs for the statutory duties they hold for all maintained schools and academies, which were previously funded through the schools block.
176. The funding LAs receive in each block is now determined by a specific national funding formula (NFF). As part of the 2018/19 funding announcement the DfE also published their proposals for the DSG for the 2019/20 financial year.
177. The total DSG allocation for 2019/20 is estimated at £132.094m, an increase of £4.233m (3.3%) from 2018/19 and broken down as follows:

| DSG Funding Block | 2018/19 £m | 2019/20 £m | Increase | |
|-------------------------------|----------------|----------------|--------------|-------------|
| | | | £m | % |
| Schools Block | 94.134 | 98.164 | 4.030 | 4.3% |
| Early Years Block | 10.992 | 10.991 | (0.001) | - |
| High Needs Block | 19.082 | 19.277 | 0.195 | 1.0% |
| Central School Services Block | 3.653 | 3.663 | 0.010 | 0.3% |
| Total DSG | 127.861 | 132.094 | 4.233 | 3.3% |

Table 17 – DSG Allocation

Schools Block

178. The vast majority of the Schools Block DSG (£97.507m) is used to fund the local funding formula for mainstream schools (maintained and academies). Following a detailed consultation with all schools and the Schools Forum prior to setting the 2018/19 budget, the LA agreed to introduce the DfE's new national funding formula (NFF) at school level from April 2018. As the DfE announced a two year funding settlement for the DSG, the consultation and LA agreement was for these new arrangements to continue for 2019/20.

179. The remaining £0.657m of the Schools Block DSG is allocated to the growth fund. The growth fund can only be used to support increases in pre-16 pupil numbers to meet basic need, additional classes needed to meet the infant class size legislation or meet the costs of pupils in new schools commissioned to meet basic need. The growth fund may not be used to support schools in financial difficulty or general growth due to popularity; which is managed through lagged funding.

Early Years Block

180. York's government funding rates for 2019/20 through the Early Years block remain unchanged from the 2017/18 rates at £4.30 per hour for 3 & 4 year olds and £5.20 per hour for 2 year olds. Members of the forum will recall that this followed an 18% increase in funding for York in 2017/18. In light of this, and for a second year, the LA is not proposing any changes to the Early Years Single Funding Formula hourly rates for York providers in 2019/20. However, under the formula the DfE

established in 2017 to support stand alone nursery schools, the amount received has now reduced to £89k (£107k in 2018/19).

EYSFF Funding Rates

| | Base Rate £/hour | Deprivation Rate £/hour | Nursery School Lump Sum £ |
|-----------------|-----------------------------|------------------------------------|--------------------------------------|
| 3 & 4 Year Olds | 4.00 | 0.40 | 89,272 |
| 2 Year Olds | 5.20 | Nil | Nil |

Table 18 – EYSFF Funding Rates

High Needs Block

181. The high needs block DSG increases by £0.195m (1.0%) in 2019/20. As has been previously reported, the high needs budget is already under significant pressure due to rising demand from increased numbers of SEND pupils. For 2018/19 there is a projected net outturn overspend on the high needs budget of £1.3m. Projections for 2019/20 show that, based on current numbers and expected inflationary pay and contract price increases and without any significant mitigating action, the in year overspend could increase to £1.8m.
182. Overspends at this level are clearly unsustainable and further work, as part of the inclusion review that is currently underway, is essential to ensure that high needs expenditure is maintained within the funding available through the high needs block of the DSG.
183. Under the new school funding arrangements for 2018/19 the DfE introduced ring fences around the transfer of resources between blocks. Under these rules the DfE does allow LAs to make a request to their Schools Forum for up to a 0.5% transfer of funding from the Schools Block to the High Needs block. As part of the LA's agreement to move schools onto the NFF for 2018/19 and 2019/20 it was also agreed that no transfer request would be sought in these two years. However, given these pressures it is now thought highly likely that the LA will need to consider such a request in 2020/21.

Central School Services Block

184. This funding block was created in 2018/19 from elements of the previous schools block and the former Education Services Grant (ESG). There is a small increase of £0.010m (0.3%) from 2018/19 which is not sufficient to fund pay and contract inflation increases, so the LA proposes to manage this by making further efficiency savings within the small number of LA central services that are funded by this block. Other than this, as previously agreed in setting the two year strategy last year, the LA proposes no other changes to the budgets funded by the central school services block DSG.

Scrutiny

185. In accordance with constitutional practice Corporate Scrutiny and Management Policy Scrutiny Committee have considered at its meeting on 14 January 2019 what level of budget is appropriate in the coming year to support scrutiny reviews. The Committee take into account existing levels of spend in 2018/19 and the councils overall financial position. In the light of those considerations the Committee has decided to maintain the current funding level of £5k and not request any increase.

One Planet/ Equalities

186. An assessment has been completed on the overall impact of the budget proposals using the Better Decision Making Tool and this is available at annex 7. The impact assessment considers risks associated with savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced.

187. The financial strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget set is prudent, protects vulnerable people and has capacity to invest. The strategy could have a negative impact on the following communities;

- Age
- Disability
- Gender
- Carers
- Lower income groups

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

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

189. By reviewing and reshaping services for young people, particularly those in relation to prevention and early intervention, the route into identifying support will be made simpler for customers and the services more tailored to the needs to each community. This will have a positive impact on young people and promote equality of opportunity for those growing up in the city.

190. Funding for carers will continue as the council aims to provide a more comprehensive set of support, reflecting the significant role of carers in allowing people to remain in their own homes and live independently as far as possible.

191. The changes within a new operating model for adult social care seek to reduce people's dependency on social care support through the provision of information and advice and earlier intervention to support, maintain or regain independence for those who are able. These changes are designed improve outcomes for customers, including those with one or more protected characteristic (particularly Age and Disability). For those who require ongoing support, the offer will be made more flexible and tailored to their needs.

Specialist Implications

192. This report has the following implications;

Financial

193. The financial implications are contained within the body of the report.

Human Resources (HR)

194. The council currently employs 2,588 (2091 FTE) non school staff. The budget proposals which are contained within this report highlight the likely reduction of approximately 11.5 FTE posts in 2019/20.

195. As implementation plans to achieve these post reductions are produced the specific staffing implications will be clear and staff consulted on the proposals. The type of change affecting staff in 2019/20 is likely to be a mixture of post reductions and working for redesigned services, some of which may no longer be delivered by the council.

196. The HR implications of change are managed in accordance with established council procedures. As part of this process consultation with trade unions and affected staff will continue to be undertaken and every opportunity will be explored to mitigate compulsory redundancies, such as vacancy controls, flexible working, voluntary redundancy / early retirement and extended redeployment. Where consideration is being given to the transfer of services to another provider TUPE will apply which will protect the terms and conditions of employment of transferring staff.

197. A programme of support for staff who are going through change is in place which will help staff adapt to changes to the way they will need to work or to prepare for a move into a new role.

Legal

198. The council is required to set a council tax for 2019/20 before 11 March 2019. It may not be set before all major precepts (i.e. precepts from the Police and Fire Authorities) have been issued or before 1st March 2019, whichever is the earlier. The decision to set the level of council tax is reserved to Council and cannot be taken by Executive or delegated to officers, although Executive has to recommend a budget to Council. These comments are intended to apply to both the Executive meeting and the subsequent Council meeting.

199. Before determining the level of the tax, the Council must estimate its proposed revenue expenditure, taking into account amounts required by way of contingency, any need to raise reserves and any other amounts which the Council is legally required to transfer between funds. It must also estimate its anticipated income, any relevant transfer between funds and any proposed use of reserves. It must then calculate the difference between the two which is the council tax requirement.
200. The Council's Chief Financial Officer (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer has a statutory duty under section 114 of the Local Government Finance Act 1988 to issue a written report if he considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.
201. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage. Members must also act prudently. Members must also bear in mind their other statutory duties to have regard to certain matters when making decisions. In particular the "equalities duty" to have 'due regard' to the need to eliminate discrimination and to promote equality when making decisions and the need to consider any crime and disorder implications of the decision. A failure to follow these principles could open the Council to judicial review.
202. Members have a fiduciary duty to the council tax payers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.
203. Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-

domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.

204. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the Deputy Chief Executive/Director of Customer and Corporate Services as Chief Financial Officer. Members are obliged under the Code of Conduct to have regard to the advice of the Chief Finance Officer and Monitoring Officer. The Council may take decisions which are at variance with his advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities. In addition, if Members wish to re-instate savings recommended by the Deputy Chief Executive/ Director of Customer and Corporate Services in order to balance the budget, they must find equivalent savings elsewhere.
205. The Deputy Chief Executive/Director of Customer and Corporate Services is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit (England) Regulations 2011 (as amended) to ensure that the council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. He is in addition subject to the requirements set out above.
206. Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure and the requirement to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable.
207. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

208. If a referendum is held after the beginning of the relevant financial year, the higher rate of council tax will be payable unless and until it is overturned by a 'no' vote in the referendum. It must also provide "substitute calculations" which need to be presented to Council setting out what the alternative budget would be. This means that if a party proposes a council tax above the referendum limit they must also produce "substitute calculations" within the referendum limit, to be used in the event that the referendum would reject the increase. In the event that a referendum rejects the increase, the billing authority would be able to issue new bills, offer refunds at the end of the year or allow credits against liability the following year, although individual council taxpayers would be entitled to a refund on demand.

Council Priorities

209. This report, alongside the Capital Strategy, sets out a range of investments and savings which reflect the Council's priorities. These are covered in detail in the main body of the report.

Statutory Advice from the Deputy Chief Executive/ Director of Customer and Corporate Services

Introduction

210. The Local Government Act 2003 places responsibilities upon the council's Chief Finance Officer to advise the council on the adequacy of its **reserves** and **the robustness of the budget proposals** including the estimates contained in this document. This section also addresses the **key risks** facing the council in relation to current and future budget provision. The following paragraphs give my views on the budget (both 2019/20 and beyond), reserves and general robustness of the process.

Overall Assessment

211. The proposals in this budget give a balanced budget for 2019/20 and an overview of future years. The council has well established effective financial management, effective monitoring, and has received very favourable external audit reports in respect of its financial management. The council has managed expenditure within its overall budget in recent years, and the overall financial planning process remains sound.

212. Full scrutiny of the budget proposals for 2019/20 has taken place, in terms of their deliverability, and a proper risk assessment of a range of issues has been conducted.
213. There are significant savings contained within the budget proposals, reflecting the scale of the challenge facing the council. There should be no understatement of the scale of this challenge that continues to face the Council, , given the general upward cost profile of adult care and children's services.
214. Specific attention is drawn to the national picture regarding these services, which are recognised as being under increased pressure. Whilst this Council has invested in these services in recent years, the risks remain, and it is essential the Council continues to make adequate budgetary growth provision to deal with the significant cost pressures these services are experiencing, along with transformation/savings programmes to mitigate pressures. The budget proposals properly recognise these pressures, with both ongoing additional investment, ongoing contingency, and establishing a Service Risk reserve to assist in managing major cost pressures.
215. A key risk facing the Council relates to the large number of major complex capital schemes it is currently undertaking, and which are at the early stages of development. Should schemes not progress to full completion there remains a risk that costs currently assumed to be capable of being capitalised must be written off to revenue. There are also within the capital programme, significant increased borrowing levels, which will result in increased revenue costs of debt in coming years. This is highlighted in the medium term plan figures.
216. A further key risk in relation to the Capital programme is that some major capital projects may have short/medium term cash flow impacts. For example York Central, and Castle Gateway will be major schemes, which will result in additional business rates, income or capital receipts, but the profiling of this income may require short term borrowing prior to income being received to cover the costs. This was covered in detail in a recent report to Executive on York Central, and this budget makes further provision to transfer business rates income into the venture fund for these critical major projects. The Venture Fund will be used to support early years cash flow deficits on major strategic capital projects.
217. Another significant risk is the financial position of the Health system within York, which brings with it a number of significant challenges for adult care services in particular.

218. The risks associated with Brexit cannot be quantified with any accuracy at this stage. However, there are clearly potential implications, such as increased inflation, or difficulties securing goods. The budget proposed makes proper provision for contingencies and reserves, and additional funding from the Government of £56.5m is anticipated specifically for Brexit, which provide some assurance that the Council is as well prepared as it can be at this stage.
219. There are also changes in New Homes Bonus Funding as described in the report, which will reduce the amount of NHB the Council receives in future years. Previous budget decisions have funded ongoing expenditure of £2.2m from New Homes Bonus, and moving forward the Council will need to plan for funding this expenditure from its council tax/retained business rates.
220. Clearly, there are risks in the achievement of some of the proposed savings and, in assessing the risk of the savings proposed, I cannot guarantee that every single proposal will be achieved. I do however consider the overall package to be prudent, and I am assured of the robustness of the projected savings, and the extent of rigour in their calculation. A risk assessment related to the individual savings proposals has been conducted, and discussed with senior management. Where savings are not delivered, services are fully aware of the need to find compensating savings.
221. I consider that the overall estimates in the budget are sound and that the proposals to achieve a balanced budget are achievable, albeit demanding. The council has made provision for a number of corporate financial pressures. In addition provision is still included for a contingency sum of £500k and there is specific funding for a Service Risk reserve. The Council also has strong financial health in terms of its overall level of unallocated reserves, anticipated additional one off business rates income for 2019/20, and unallocated Venture Fund provision. These sums, combined with a track record of delivery to budget, provide assurance on the robustness of the Council's overall financial position. This overall package is a realistic approach in dealing with the financial pressures facing the council next year. There is provision made for the estimated 2.0% pay award.

Looking Ahead

222. Looking ahead there remains a range of very significant pressures for the future. The major challenge facing the council in coming years will be to secure further savings and for cost pressures to be managed

effectively. In doing so, the council will also need to provide capacity for additional investment in unavoidable costs and priorities. There are potentially significant changes in the system of local government finance in the future, and there remains uncertainty in relation to the impact of Brexit upon local government finances in the longer term.

223. The proposals in this report set out details for 2019/20, but also highlight the issues facing the Council for future years, and the need to continue with a programme of delivering efficiencies and further organisation changes. There has been significant consideration of the medium term planning issues, and I am entirely satisfied with the extent to which the Council is aware of the challenges it faces, and the actions it will need to consider over coming years.

224. The Capital programme contains significant increases in the overall borrowing needs for the Council. Clearly this will impact on future revenue budgets in the form of increased treasury management costs. It is however also important that Members recognise the longer term financial benefits of economic development, and the need to ensure a strong economy that generates business rates, and provides jobs, and in turn deliver financial benefit to the Council.

Reserves

225. In terms of reserves, the proposals seek to keep reserves to an amount of £1,042k above their minimum levels. This recognises that in difficult financial times, and alongside general uncertainty regarding the economy, it is advisable to ensure sufficient reserves are in place.

226. I believe that the council will outturn within budget for 2018/19 and this is reflected in the budget monitoring report presented to Executive at this same Executive meeting.

227. The recommended minimum reserves for 2019/20 are £6.4m. This is considered within the report. I have identified in earlier paragraphs the risks facing the Council. I do not consider that reserves require any increase, but I would caution any reduction at this stage, as there remain risks within the Capital Programme and within Social Care in particular.

228. Whilst there is a degree of mitigation in that the Venture Fund has a significant balance (covered in the financial strategy report), and some other earmarked reserves could be permanently/temporarily used should there be any significant costs to be charged to revenue funds, it is

essential the Council makes proper prudent provision for the risks it faces and has adequate provision in its stated "Unallocated" reserves.

229. The decision on the adequacy of the level of reserves is also linked to the general robustness of the budget process and the council's systems of budgetary control and risk management. These need to ensure that the Council will not be exposed to any unforeseen major financial problem requiring the use of reserves to resolve. In considering the overall budget position, I have taken assurance over the recent track record of the Council to manage expenditure within budget, and the fact that in very recent times financial pressures have been identified early in the financial year and through concerted action across the council the position has been brought in line with budget.

Other Issues

230. The council tax referendum limit is 3% and local authorities with responsibilities for adult social care have been given an additional 3% flexibility on the current council tax referendum threshold to be used entirely for adult social care. York has a maximum of 1.5% remaining.

231. It is for members to determine the level of council tax increase, and to decide whether to set a council tax increase up to the 3% referendum limit or to take advantage of the government offer to set a tax at a higher level to be used for adult social care. Members naturally need to consider the implications of the different options very carefully. In particular they need to note the implications of any proposal to set a council tax above the referendum limit, which is covered within this report.

232. There is the potential for significant changes to the system of local government finance in coming years. Changes have occurred to New Homes Bonus and in the future will occur to Business Rates. The operational details of the devolution of the business rates system still need to be determined by government, and there remain a number of areas that will need to be addressed before the full implications will be known.

233. I am aware that as with all budgets there is the potential for amendments to be proposed/agreed which could change the overall package of proposals. In that respect, I would highlight that I would amend/add to my statement if a decision was proposed that lead to the council's reserves falling below the minimum level (assuming the current budget comes in line with budget). In addition, any other amendments I would consider

against the scale of the overall budget and depending upon the extent of the amendment I may revise my statement.

Risk Management

234. A summary of risks attached to the budget is contained in annex 8. They will be monitored regularly throughout the year.

Contact Details

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Report
Approved

Date 31/1/19

Specialist Implications Officer(s)

Legal – Alison Hartley
HR – Trudy Forster

Wards Affected: List wards or tick box to indicate all

All

For further information please contact the authors of the report

Background Papers:

Budget Consultation available at www.yorkopendata.org

Annexes:

- 1 – 2019/20 Budget Summary
- 2 – 2019/20 Savings Proposals
- 3 – Fees & Charges
- 4 – HRA Budget 2019/20
- 5 – HRA 2019/20 Savings Proposals
- 6 – HRA Business Plan
- 7 – Better Decision Making Tool
- 8 – Risk Analysis
- 9 - Background Information

Abbreviations used in this report:

ASC – Adult Social Care

BCF – Better Care Fund

CCG- Clinical Commissioning Group

DSG – Dedicated Schools Grant

EYSFF – Early years single funding formula

FTE – Full time equivalent

HRA - Housing Revenue Account

LCR – Leeds City Region

NHB – New Homes Bonus

NWY – North and West Yorkshire

RSG – Revenue Support Grant

SFA – Settlement Funding Assessment

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Annex 1 Summary of 2019/20 Budget**2019/20
£000's****Expenditure****Net Expenditure Brought Forward****121,877****Expenditure Pressures**

Unavoidable Cost Increases, Priority Areas and Creating Capacity:

| | |
|--|--------------|
| - Pay and Pension Costs | 1,800 |
| - Adult Social Care Prices Inflation | 1,941 |
| - Prices Contingency | 602 |
| - Adult Social Care Demographic Growth | 600 |
| - Waste Pressures | 340 |
| - Children's Services Pressures | 800 |
| - External Home Closures | 964 |
| - Mental Health Champions Programme | 50 |
| - Library Services | 300 |
| | <hr/> |
| | 7,397 |

One off Investment (funded by £930k New Homes Bonus)

| | |
|---|------------|
| - Cyber Security Enhancements | 75 |
| - Waste Resilience/ Transformation | 185 |
| - Local Plan - deferral of prior year and 19/20 savings | 270 |
| - Local Plan - Consultancy and Inspection | 150 |
| - Children's Services | 150 |
| - MyCityCentre community consultation | 100 |
| | <hr/> |
| | 930 |

One off Investment (funded by £100k public health grant reserve)

| | |
|--------------------|------------|
| - Substance Misuse | 100 |
| | <hr/> |
| | 100 |

Total Expenditure Pressures**8,427**

Expenditure Reductions:

| | |
|---|----------------|
| - Health, Housing and Adult Social Care | (1,568) |
| - Economy and Place | (187) |
| - Customer and Corporate Services | (990) |
| - Corporate Savings | (1,560) |
| | <hr/> |
| | (4,305) |

Total Expenditure Reductions**(4,305)****Changes in Income**

| | |
|-----------------------------|------------|
| - Losses in Specific Grants | 436 |
| | <hr/> |
| | 436 |

Total Changes in Income**436****One off Income**

| | |
|---|----------------|
| - Adult Social Care grant (funding recurring budget) | (1,982) |
| - Use of Public Health grant reserve (funding one off investment) | (100) |
| - New Homes Bonus (funding £930k one off investment and £51k recurring expenditure) | (981) |
| | <hr/> |
| | (3,063) |

Revised Projected Budget Requirement**123,372****Funding****Funding Streams:**

| | |
|------------------|----------|
| - Council Tax | (90,066) |
| - Business Rates | (32,806) |
| | <hr/> |

| | |
|--|------------------|
| Projected Funding | (122,872) |
| One off Funding Streams: | |
| - Collection Fund Surplus (funding ongoing budget) | <u>(500)</u> |
| | (500) |
| Total Funding | (123,372) |
| Overall Funding Gap | 0 |

Annex 2 2019/2020 Savings Proposals

| Ref | Proposal Description | 2019/20 Impact £'000 | | Total Saving Impact £'000 |
|-----|----------------------|----------------------|-------------|---------------------------|
| | | Agreed last year | New Savings | |

HEALTH, HOUSING AND ADULT SOCIAL CARE

| | | | | |
|--------|--|-----|------|-----|
| HHASC1 | Substance Misuse - Drugs and Alcohol The 19/20 impact of a previously agreed saving; Targeted savings within substance misuse services from revised procurement. Profile of savings agreed by Executive August 2016. | 213 | | 213 |
| HHASC2 | Housing Options Reduction in Staff Reduction of 1 fte | | 24 | 24 |
| HHASC3 | Housing Commercial Properties Transfer HRA commercial properties into the General Fund. This will provide a net income to the General Fund. | | 16 | 16 |
| HHASC4 | Transport of Customers to Services Reducing the use of taxis and the fleet by working with individuals to support them to use public, voluntary and other forms of transport. Over the four years from 2016/17, travel costs will have reduced by £312k. | 85 | 40 | 125 |
| HHASC5 | Older Persons Accommodation Savings generated from the current approved Older Persons' Accommodation Programme (OPAP). | | 463 | 463 |
| HHASC7 | Small Day Services The 19/20 impact of a previously agreed saving, although the 19/20 impact has reduced from an anticipated £100k to £50k. Review range of services currently provided to users of in house small day services and find more innovative, community based ways of meeting their needs. | 100 | (50) | 50 |

| Ref | Proposal Description | 2019/20 Impact £'000 | | Total Saving Impact £'000 |
|---------|--|----------------------|-------------|---------------------------|
| | | Agreed last year | New Savings | |
| HHASC8 | Supported Employment Savings that have already been generated due to the reduced number of clients accessing this provision as more suitable community based based alternatives are being offered. | | 160 | 160 |
| HHASC9 | Future Focus - Homecare Review The 19/20 impact of a previously agreed saving. Review existing Home Care packages to ensure the level of support given is appropriate | 30 | | 30 |
| HHASC10 | Future Focus - Administration Charge The 19/20 impact of a previously agreed saving. Increase the administration charge for full fee payers from £283 to £500 to fully recover the cost of delivering that support. The increase will be phased in over 2 years. | 14 | | 14 |
| HHASC11 | Sheltered Housing with Extra Care The 19/20 impact of a previously agreed saving. Review and improve model of care within council run extra care schemes to generate savings. | 23 | | 23 |
| HHASC12 | Learning Disability Contract A small efficiency saving is available based on the new Burnholme contracts. | | 10 | 10 |
| HHASC13 | Asset Based Reviews This would be a further stretch in the work already underway as part of the Future Focus project. This would be a combination of savings generated within Learning Disabilities and Older People/Physical Disabilities. | | 100 | 100 |

| Ref | Proposal Description | 2019/20 Impact £'000 | | Total Saving Impact £'000 |
|---------|---|----------------------|-------------|---------------------------|
| | | Agreed last year | New Savings | |
| HHASC14 | <p>Continuing Health Care</p> <p>This would set a realistic target for increased contributions from the CCG from 2019/20. Work is on-going with CCG colleagues on a revised approach to agreeing CHC contributions which is expected to result in an increase in the number of customers receiving support from the CCG.</p> | | 200 | 200 |
| HHASC15 | <p>Grant Income</p> <p>Short term opportunity to direct additional funding towards existing ASC spend supporting the wider health and social care system.</p> | | 140 | 140 |

| | | |
|-----|-------|-------|
| 465 | 1,103 | 1,568 |
|-----|-------|-------|

| Ref | Proposal Description | 2019/20 Impact £'000 | | Total Saving Impact £'000 |
|-----|----------------------|----------------------|-------------|---------------------------|
| | | Agreed last year | New Savings | |

ECONOMY AND PLACE

| | | | | |
|-----|--|---|----|----|
| EP1 | Tourism The 2019/20 impact of a previously agreed saving relating to staff redundancy. | 4 | | 4 |
| EP2 | Parking Income Increase in parking charges including: * Contract Parking charges increase * Additional Respark income from new zones Refer to the Fees & Charges report for full details | | 46 | 46 |
| EP3 | Land Charges Additional income arising from increase in fees and charges | | 7 | 7 |
| EP4 | General Fess and Charges Additional income arising from increase in fees and charges across Directorate | | 10 | 10 |
| EP5 | Forward Planning Reduction of Staffing ;- Once the Local Plan Examination is complete this will result in the Forward Planning function being reduced to a statutory minimum service. The saving is deferred in 2019/20 funded from one off growth. | | 70 | 70 |
| EP6 | Economy & Place - Policy & Performance staff restructure Savings arising from staff reductions and review of corporate subscriptions | | 50 | 50 |

| | | |
|---|-----|-----|
| 4 | 183 | 187 |
|---|-----|-----|

CUSTOMER AND CORPORATE SERVICES

| | | | | |
|------|--|----|--|----|
| CCS1 | Internal Audit Reduction in fee The 19/20 impact of a previously agreed saving; Recharge of the Internal Audit time to the HRA and negotiate a reduction in audit fee and work | 30 | | 30 |
|------|--|----|--|----|

| Ref | Proposal Description | 2019/20 Impact £'000 | | Total Saving Impact £'000 |
|------|--|----------------------|-------------|---------------------------|
| | | Agreed last year | New Savings | |
| CCS2 | Finance staff restructure General restructure of service and review of processes - these savings have already been achieved in the main through deletion of vacant posts, turnover and review of processes | 100 | | 100 |
| CCS3 | Review of services across the Legal service area The 19/20 effect of a previously agreed saving; Increased income from charges to capital schemes/external work, reductions in staff (including likely reduction in solicitor posts), restructuring within the service, and general review of operational efficiencies | 50 | | 50 |
| CCS4 | ICT General Efficiencies General Efficiencies including: development and further expansion of a commissioning model, shared service opportunities, renewal of microsoft estate, application consolidation, reduction in support and maintenance contract levels and hours, reduction of service level agreement support hours and a review of print and mfd provision, additional income from external trading | 220 | | 220 |
| CCS5 | ICT staff Restructure : - A minimum reduction of 5/6 FTE's | | 250 | 250 |
| CCS6 | Customer Service Staff Restructure - The 19/20 impact of a previously agreed saving:Reduction of 2 x fte's subject to completion of the channel shift and digitalisation project | 40 | | 40 |
| CCS7 | Business Support Services Staff Restructure The 19/20 effect of a previously agreed saving; As more services are placed online and processes become more automated there will be a less of a need for admin support | 50 | | 50 |
| CCS8 | CCS Policy and Performance Staff Restructure The 19/20 effect of a previously agreed saving; Restructure of Policy and Strategy staff | 150 | | 150 |

| Ref | Proposal Description | 2019/20 Impact £'000 | | Total Saving Impact £'000 |
|-------|--|----------------------|-------------|---------------------------|
| | | Agreed last year | New Savings | |
| CCS9 | Communications Reduction of communications and marketing roles across the council or subscriptions | | 50 | 50 |
| CCS10 | Crematorium Additional income anticipated from 2.5% fee increase | | 40 | 40 |
| CCS11 | Registrars Office Additional income anticipated from 2.5% fee increase | | 10 | 10 |

| | | |
|-----|-----|-----|
| 640 | 350 | 990 |
|-----|-----|-----|

Corporate Services

| | | | | |
|-------|--|--|-----|-----|
| CORP1 | Making Best Use of Council Assets: Review of the commercial portfolio to dispose of less profitable assets, invest in higher yield assets and maximise income from West Offices. | | 725 | 725 |
| CORP2 | Treasury Management Saving on the cost of borrowing from changing debt repayment calculation as outlined in the Treasury Management report | | 835 | 835 |

| | | |
|---|-------|-------|
| 0 | 1,560 | 1,560 |
|---|-------|-------|

| | | | |
|----------------------|--------------|--------------|--------------|
| Total Savings | 1,109 | 3,196 | 4,305 |
|----------------------|--------------|--------------|--------------|

STANDARD CHARGES FOR RESIDENTIAL CARE HOMES

| Type of Service | Current Charge 2018/19 £ | | Charge 2019/20 £ | | Percentage Increase % | |
|---|--------------------------------|-------------------|---------------------|-------------------|-----------------------------|-------------------|
| | Day Care | Overnight Care | Day Care | Overnight Care | Day Care | Overnight Care |
| Residential Homes | | | | | | |
| Residential Homes for Children (The Glen) | 200.00 | 400.00 | 200.00 | 400.00 | 0.0% | 0.0% |

Specific rates can be agreed for longer term
contracts/placements

FOSTER CARE ALLOWANCES
PAYABLE FROM 1st APRIL 2019

| Age | Current Weekly Allowance 2018/19 £ | Assumed Weekly Allowance 2019/20 £ | Percentage Increase % |
|-------|---------------------------------------|---------------------------------------|--------------------------|
| 0-4 | £130.06 | £131.39 | 1.0% |
| 5-10 | £143.01 | £144.48 | 1.0% |
| 11-15 | £164.01 | £165.69 | 1.0% |
| 16-17 | £191.03 | £192.99 | 1.0% |

CYC will always pay at least the national minimum allowance which are advised by government, The rates for 2019/20 have not been released as yet.

Assumed 1% increase on this schedule for the 2019/20 rates

Foster Carer Fees and Capacity Payments

| Grade | Skill Fee £ | Capacity - Total payments | |
|-------------|----------------|---------------------------|---------|
| | | 2 £ | 3+ £ |
| Accredited | 63.80 | 31.90 | 63.80 |
| | | 50% | 100% |
| Experienced | 170.15 | 42.54 | 85.08 |
| | | 25% | 50% |
| Specialist | 496.61 | 99.32 | 198.64 |
| | | 20% | 40% |

ADDITIONAL FOSTER CARERS ALLOWANCES
PAYABLE FROM 1st APRIL 2019

Foster carer allowances and fees

The weekly allowance

The foster carer weekly allowance is intended to cover the average costs of looking after a child as part of the foster carer's family. No specified amounts for particular items are given since expenditure will vary from one foster household to another. The fostering allowance is designed to

- Food and accommodation (including a contribution towards heating and lighting costs)
- Clothing
- Pocket money
- Transport usually associated with any child living in a family including to and from a local
- Leisure activities
- Keeping a record of events and memories about the child
- School meals

Birthday, Festival, Holiday allowances

It is accepted that there are important events which incur additional costs for foster carers. Accordingly, a payment equivalent to one week's fostering allowance is automatically paid prior to the child's birthday and also prior to the festival period. A further amount equivalent to 3 weeks fostering allowance can be made to cover the cost of holidays through the year. This should be

Costs not covered by the foster carer weekly allowance

Section reviewed, details will be discussed at Council Executive meeting in March 2019

Child related costs

Section reviewed, details will be discussed at Council Executive meeting in March 2019

Household related costs

Section reviewed, details will be discussed at Council Executive meeting in March 2019

Transport

Section reviewed, details will be discussed at Council Executive meeting in March 2019

Foster Carer Fees

Section reviewed, details will be discussed at Council Executive meeting in March 2019

Adoption, SGO & CAO
Allowances
PAYABLE FROM 1st APRIL 2019

| Age | Current Weekly Allowance 2018/19 £ | Weekly Allowance 2019/20 £ | Percentage Increase % |
|-------|--|-------------------------------------|-----------------------------|
| 0-4 | £130.06 | £131.39 | 1.0% |
| 5-10 | £143.01 | £144.48 | 1.0% |
| 11-15 | £164.01 | £165.69 | 1.0% |
| 16-17 | £191.03 | £192.99 | 1.0% |

Note: An amount equivalent to the Child Benefit entitlement will be deducted from this allowance.

SHORT BREAKS ALLOWANCES**PAYABLE FROM 1st APRIL 2019**

| Time Band | Standard Sharing Care Current Weekly Allowance 2018/19 £ | Standard Sharing Care Updated Weekly Allowance 2019/20 £ | Allowance paid to carer of child with additional health needs (i.e.std allow. + 70% enhancement) Proposed Weekly Allowance 2019/20 £ | Allowance paid to carer of child with more complex care needs (i.e.std allow. + 60% enhancement) Proposed Weekly Allowance 2019/20 £ |
|-------------|--|--|--|--|
| 0-4 hours | 18.13 | 18.13 | 30.81 (i.e. 18.13 + 12.68) | 29.00 (i.e. 18.13 + 10.87) |
| 4-8 hours | 27.13 | 27.13 | 46.12 (i.e. 27.13 + 18.99) | 43.41 (i.e. 27.13 + 16.28) |
| 8-12 hours | 36.19 | 36.19 | 61.52 (i.e. 36.19 + 25.33) | 57.90 (i.e. 36.19 + 21.71) |
| 12-24 hours | 54.24 | 54.24 | 92.21 (i.e. 54.24 + 37.97) | 86.79 (i.e. 54.24 + 32.55) |

Contract Care Scheme

| | Weekly Allowance 2018/19 £ | Weekly Allowance 2019/20 £ |
|-----------------|----------------------------|----------------------------|
| Contract Carers | 368.28 | 368.28 |

| ENVIRONMENTAL HEALTH | 2018/19 | 2019/20 | |
|--|-----------------------------|-----------------------------|-----------------------------|
| | Charge (Before VAT) £ | Charge (Before VAT) £ | Percentage Increase £ |
| <u>HEALTH & SAFETY</u> | | | |
| <u>SKIN PIERCERS</u> | | | |
| a) Tattoosists | 184.00 | 191.00 | 3.8% |
| b) Skin Piercers | 184.00 | 191.00 | 3.8% |
| c) Premises | 184.00 | 191.00 | 3.8% |
| ¼ly payment available by Standing Order | | | |
| <u>FOOD & SAFETY UNIT</u> | | | |
| Export Certificates | 67.30 | 70.69 | 5.0% |
| <u>ANIMAL HEALTH</u> | | | |
| Pet Shop: | | | |
| - grant (yearly) | 317.53 | 330.00 | 3.9% |
| - renewal (3 year licence) | 545.94 | 567.00 | 3.9% |
| - request for re-inspection for re-rating purposes | 96.70 | 100.00 | 3.4% |
| Animal Boarding: | | | |
| - grant (yearly) | 317.53 | 330.00 | 3.9% |
| - renewal (3 year licence) | 545.94 | 567.00 | 3.9% |
| - request for re-inspection for re-rating purposes | 96.70 | 100.00 | 3.4% |
| Home Boarding Licence: | | | |
| - grant (yearly) | 207.01 | 216.00 | 4.3% |
| - renewal (3 yr licence) | 380.16 | 395.00 | 3.9% |
| - request for re-inspection for re-rating purposes | 69.07 | 71.00 | 2.8% |
| Day Creche: | | | |
| - grant (yearly) | 207.01 | 216.00 | 4.3% |
| - renewal (3 year licence) | 377.16 | 395.00 | 4.7% |
| - request for re-inspection for re-rating purposes | 69.07 | 74.00 | 7.1% |
| Dog Breeding Establishment: | | | |
| - grant (yearly) | 317.53 | 330.00 | 3.9% |
| - renewal (3 year licence) | 545.94 | 567.00 | 3.9% |
| - request for re-inspection for re-rating purposes | 96.70 | 100.00 | 3.4% |
| Dangerous Wild Animals - valid for 2 years (excluding vet fees) | 251.00 | 265.00 | 5.6% |
| Riding Establishments ~ 1-10 horses (excluding vet fees): | | | |
| - grant (yearly) - with inspection | 317.53 | 330.00 | 3.9% |
| - renewal (3 year licence) - with inspection | 545.94 | 567.00 | 3.9% |
| - grant (yearly) - without inspection | 179.38 | 187.00 | 4.2% |
| - renewal (3 year licence) - without inspection | 407.79 | 424.00 | 4.0% |
| - request for re-inspection for re-rating purposes | 96.70 | 100.00 | 3.4% |
| Riding Establishments ~ 11-20 horses (excluding vet fees): | | | |
| - grant (yearly) - with inspection | 400.42 | 416.00 | 3.9% |
| - renewal (3 year licence) - with inspection | 684.09 | 709.00 | 3.6% |
| - grant (yearly) - without inspection | 207.01 | 216.00 | % |
| - renewal (3 year licence) - without inspection | 490.68 | 509.00 | 3.7% |
| - request for re-inspection for re-rating purposes | 124.33 | 129.00 | 3.8% |

| | | | |
|--|--------|--------|------|
| Riding Establishments ~ 21 or more horses (excluding vet fees): | | | |
| - grant (yearly) - with inspection | 483.31 | 502.00 | 3.9% |
| - renewal (3 year licence) - with inspection | 822.24 | 852.00 | 3.6% |
| - grant (yearly) - without inspection | 234.64 | 245.00 | 4.4% |
| - renewal (3 year licence) - without inspection | 573.57 | 595.00 | 3.7% |
| - request for re-inspection for re-rating purposes | 151.96 | 157.00 | 3.3% |
| Performing /Exhibition of Animals: | | | |
| - Grant and renewal (3 yr licence) | 338.71 | 355.36 | 4.9% |
| - Request for re-inspection for re-rating purposes | 69.07 | 71.00 | 2.8% |
| Zoos Licence Grant (4 year licence) | 276.00 | 282.00 | 2.2% |
| Zoos Licence Renewal (6 year licence) | 369.00 | 378.00 | 2.4% |

| TRADING STANDARDS | 2018/19 | 2019/20 | |
|---|------------------------|------------------------|------------------------|
| | Charge (Before VAT) | Charge (Before VAT) | Percentage Increase |
| FEEES FOR THE TESTING AND VERIFICATION OF WEIGHING AND MEASURING INSTRUMENTS | | | |
| Standard Hourly Charge | 67.30 | 70.69 | 5.0% |
| <u>Consultancy and Court Cases (per hour)</u> | | | |
| Officer (Grade 8) | 55.26 | 58.40 | 5.7% |
| Officer (Grade 9) | 60.78 | 64.04 | 5.4% |
| Officer (Grade 10) | 67.30 | 70.69 | 5.0% |
| Officer (Grade 11) | 75.67 | 79.24 | 4.7% |
| Officer (Grade 12) | 83.79 | 87.54 | 4.5% |

| REGULATORY SERVICES | 2018/19 | 2019/20 | |
|---|-----------------------------|-----------------------------|-----------------------------|
| | Charge (Before VAT) £ | Charge (Before VAT) £ | Percentage Increase % |
| <u>STREET TRADING CONSENTS</u> | | | |
| INSIDE CITY WALLS | | | |
| Ice Cream | | | |
| Food | | | |
| Non Food | | | |
| Artists | 2,100.00 | 2,150.00 | 2.4% |
| Buskers 1 day | 20.00 | 20.50 | 2.5% |
| Buskers 5 days | 60.00 | 61.00 | 1.7% |
| Buskers 10 days | 100.00 | 102.00 | 2.0% |
| Buskers 1 month | 198.00 | 202.00 | 2.0% |
| OUTSIDE CITY WALLS | | | |
| Ice Cream | 1,680.00 | 1,720.00 | 2.4% |
| Food | 1,575.00 | 1,615.00 | 2.5% |
| Non Food | 750.00 | 770.00 | 2.7% |
| OCCASIONAL | | | |
| Food | 55.00 | 56.00 | 1.8% |
| Non Food | 40.00 | 41.00 | 2.5% |
| Charities | 15.00 | 15.00 | 0.0% |
| | | | |
| <u>CAR BOOT SALES (commercial)</u> | | | |
| Less than 15 traders | 75.00 | 75.00 | 0.0% |
| 15 - 50 traders | 148.00 | 148.00 | 0.0% |
| 50 - 100 traders | 300.00 | 300.00 | 0.0% |
| More than 100 traders | 410.00 | 410.00 | 0.0% |
| *if the operator is paying rent for using private land the fees are reduced by half | | | |
| Charities | 15.00 | 15.00 | 0.0% |
| | | | |
| <u>SEX ESTABLISHMENTS</u> | | | |
| Grant sex shop/cinema - application fee | 820.00 | 846.00 | 3.2% |
| Grant sex shop/cinema licence fee - grant | 453.00 | 468.00 | 3.3% |
| Grant sexual entertainment venue - application fee | 1,197.00 | 1,234.00 | 3.1% |
| Grant sex entertainment venue licence fee - grant | 586.00 | 588.00 | 0.3% |
| Renewal sex shop/cinema | 725.00 | 746.00 | 2.9% |
| Renewal sexual entertainment venue | 1,142.00 | 1,177.00 | 3.1% |
| Trans/Vary sex shop/cinema | 820.00 | 846.00 | 3.2% |
| Trans/Vary sexual entertainment venue | 1,197.00 | 1,234.00 | 3.1% |
| | | | |
| <u>Scrap Metal Dealers - renewable 3 yearly</u> | | | |
| Grant / renewal site licence | 468.00 | 480.00 | 2.6% |
| Grant / renewal site licence (2 sites) | 645.00 | 662.00 | 2.6% |
| Grant / renewal site licence (3 sites) | 788.00 | 799.00 | 1.4% |
| Grant / renewal collectors licence | 316.00 | 326.00 | 3.2% |
| Variation | 142.00 | 149.00 | 4.9% |
| Variation change of name / address | 81.00 | 86.00 | 6.2% |
| | | | |
| <u>Miscellaneous</u> | | | |
| Hypnotism Licence | 70.00 | 72.00 | 2.9% |
| Film Classification | 85.00 | 87.00 | 2.4% |
| Replacement Charitable Collection Permit | 10.50 | 10.50 | 0.0% |
| | | | |
| <u>Consultancy and Court Cases (per hour)</u> | | | |
| Officer (Grade 5) | 45.25 | 47.21 | 4.3% |
| Officer (Grade 6) | 48.35 | 50.38 | 4.2% |
| Officer (Grade 7) | 51.16 | 53.25 | 4.1% |
| Officer (Grade 8) | 54.95 | 57.12 | 3.9% |
| Officer (Grade 9) | 60.48 | 62.76 | 3.8% |
| Officer (Grade 10) | 66.99 | 69.41 | 3.6% |

| TAXI LICENSING | 2018/19 | 2019/20 | |
|---|---------|---------|---------------------|
| | Charge | Charge | Percentage Increase |
| | £ | £ | % |
| PRIVATE HIRE LICENCE FEES | | | |
| Driver's licence - new application (3 Year Licence) application fee | 139.00 | 152.00 | 9.4% |
| Driver's licence - new application (3 Year Licence) grant fee | 140.00 | 153.00 | 9.3% |
| Knowledge test fee | 25.00 | 25.00 | 0.0% |
| Driver's licence - renewal (3 Year Licence) and (applications over 3 months late charged) | 199.00 | 227.00 | 14.1% |
| Vehicle licence - new application | 182.00 | 216.00 | 18.7% |
| Vehicle licence - renewal (applications over 3 months late charged at new app fee) | 158.00 | 183.00 | 15.8% |
| Vehicle licence - new plate renewal (change every 3 years) | | | |
| Vehicle inspection (including admin fee) | 52.00 | 52.00 | 0.0% |
| Vehicle re-test (including admin fee) | 35.00 | 35.00 | 0.0% |
| Change of vehicle fee | 36.00 | 36.00 | 0.0% |
| Drivers badge - replacement charge | 11.00 | 14.50 | 31.8% |
| Internal vehicle plate - replacement charge | 9.00 | 9.00 | 0.0% |
| Vehicle plates - cost to new apps (includes internal plate) | 46.00 | 46.00 | 0.0% |
| Vehicle plates - replacement charge (set of 2) | 37.00 | 37.00 | 0.0% |
| Operator's licence - 1 - 10 vehicles (5 Year Licence) | 163.00 | 178.00 | 9.2% |
| 11 - 50 vehicles (5 year licence) | 231.00 | 310.00 | 34.2% |
| 51 - 90 vehicles (5 year licence) | 367.00 | 443.00 | 20.7% |
| 90+ vehicles (5 Year Licence) | 435.00 | 509.00 | 17.0% |
| change of company name | 27.00 | 25.00 | -7.4% |
| transfer of licence | 27.00 | 25.00 | -7.4% |
| Vehicle licence transfer fee | 27.00 | 25.00 | -7.4% |
| Duplicate licence fee | 15.00 | 15.00 | 0.0% |
| Change of name or address | 15.00 | 15.00 | 0.0% |
| Administration charge for various activities including bounced cheques | 31.00 | 31.00 | 0.0% |
| HACKNEY CARRIAGE LICENCE FEES | | | |
| Driver's licence - new application (3 Year Licence) - application fee | 139.00 | 152.00 | 9.4% |
| Driver's licence - new application (3 Year Licence) - grant fee | 140.00 | 153.00 | 9.3% |
| Knowledge test (new charge) | 25.00 | 25.00 | 0.0% |
| Driver's licence - renewal (3 Year Licence) | 199.00 | 227.00 | 14.1% |
| Vehicle licence - new application | 187.00 | 187.00 | 0.0% |
| Vehicle licence - renewal (applications over 3 months late charged at new app fee) | 168.00 | 193.00 | 14.9% |
| Horse drawn hackney carriage vehicle licence | 153.00 | 167.00 | 9.2% |
| Vehicle inspection (including admin fee) | 52.00 | 52.00 | 0.0% |
| Vehicle re-test (including admin fee) | 35.00 | 35.00 | 0.0% |
| Change of vehicle fee | 36.00 | 36.00 | 0.0% |
| Driver's badge - replacement charge | 11.00 | 14.50 | 31.8% |
| Internal vehicle plate - replacement charge | 9.00 | 9.00 | 0.0% |
| Vehicle plate - replacement charge | 30.00 | 30.00 | 0.0% |
| Vehicle licence transfer fee | 27.00 | 25.00 | -7.4% |
| Duplicate licence fee | 15.00 | 15.00 | 0.0% |
| Change of name or address | 15.00 | 15.00 | 0.0% |
| Administration charge for various activities including bounced cheques | 31.00 | 31.00 | 0.0% |

Housing & Community Safety Fees & Charges 2019-20 - April Increases

| HOUSING - HRA | | 2018/19 | 2019/20 | |
|--|----------------------------------|------------------------|--------------------------|------------|
| | | Current Charge | Charge | % Increase |
| | | £ | £ | |
| Garages | | | | |
| Normal | Council tenant | 7.43 | 7.68 | 3.4% |
| | Private ** | 8.92 | 9.22 | 3.4% |
| High Demand | Council tenant | 8.94 | 9.24 | 3.4% |
| | Private (local connection) ** | 20.88 | 21.59 | 3.4% |
| | Private (no local connection) ** | 26.26 | 27.15 | 3.4% |
| Low Demand | All tenures | 3.75 | 3.88 | 3.4% |
| Cookers | | | | |
| Charges are based on current prices plus a %. No new cookers are rented to tenants | | 2017/18 charge plus 4% | 2018/19 charge plus 3.4% | |
| ** Charges include VAT | | | | |

| HOUSING - GENERAL FUND | | 2018/19 | 2019/20 | |
|---|------------------------|----------------|---------|-----------|
| | | Current Charge | Charge | Increase |
| | | £ | £ | £ |
| Houses in Multiple Occupation Licences | | | | |
| New Licence Applications | | | | |
| | Band A | 995 | 995 | No Change |
| | Band B | 1,160 | 1,160 | No Change |
| | Band C | 1,325 | 1,325 | No Change |
| | Band D | 1,410 | 1,410 | No Change |
| Licence Renewals | | | | |
| | Band A | 690 | 690 | No Change |
| | Band B | 730 | 730 | No Change |
| | Band C | 770 | 770 | No Change |
| | Band D | 830 | 830 | No Change |
| Penalty fee* | | | | |
| | Letters of Advice | 200 | 200 | No Change |
| | Immigration Inspection | 100 | 100 | No Change |
| | | 150 | 150 | No Change |

| | | | | |
|-----------------------------|------------------|--------|--------|-----------|
| House in Multiple Occupancy | Copy of Register | 500.00 | 500.00 | No Change |
|-----------------------------|------------------|--------|--------|-----------|

| Mobile Homes Licensing (Mobile Homes Act 2013) | | £ | £ | £ |
|---|---------------------------------------|-----|-----|-----------|
| | New Licence Application | 750 | 750 | No Change |
| | Transfer of Licence (no variations) | 250 | 250 | No Change |
| | Variation to Licence | 550 | 550 | No Change |
| | Annual Inspection - 50 units or more | 550 | 550 | No Change |
| | Annual Inspection - 49 units or fewer | 430 | 430 | No Change |

| Landlord Accreditation Scheme | | £ | £ | £ |
|--------------------------------------|---|-----|-----|-----------|
| | Membership Fee** | 50 | 50 | No Change |
| | Plus Administration Fee based on No of Properties | | | |
| | 1-5 properties | 35 | 35 | No Change |
| | 6-10 properties | 75 | 75 | No Change |
| | 11-30 properties | 105 | 105 | No Change |
| | 31-100 properties | 210 | 210 | No Change |
| | 100+ | 310 | 310 | No Change |
| | Additional Fee Per 50 Properties over 100 | 300 | 300 | No Change |
| | 1 x 3 hour Landlord Training course per person | 75 | 75 | No Change |
| | 2 x 3 hour Landlord Training course per person | 100 | 100 | No Change |
| | New online training course | 75 | 75 | No Change |

| Charging for Notices | | £ | £ | % |
|------------------------------|---------------------------|----------|----------|------|
| Charging for Housing Notices | Hourly rate (no maximum) | | | |
| Works in default | Officer's Hourly rate | | | |
| | | Per Hour | Per Hour | |
| | Officer (Grade 8) | 55.26 | 55.26 | 5.7% |
| | Officer (Grade 9) | 60.78 | 60.78 | 5.4% |
| | Officer (Grade 10) | 67.3 | 67.3 | 5.0% |
| | Officer (Grade 11) | 75.67 | 75.67 | 4.7% |
| | Officer (Grade 12) | 83.79 | 83.79 | 4.5% |

Notes

*Penalty fee where the Council identifies that a HMO should be licensed

**For an individual landlord whose portfolio includes a current House in Multiple Occupation, the £50 membership will be waived for the first year of membership

| Administration of Private Sector grants/loans | | £ | £ | % |
|---|--|--|--|-----------|
| Home Safety Loan | | 200 (inclusive of VAT) | 200 (inclusive of VAT) | No change |
| DFG | | 15% of eligible works (inclusive of VAT) | 15% of eligible works (inclusive of VAT) | No change |
| Home Appreciation Loan | | 12% of eligible works (inclusive of VAT) | 12% of eligible works (inclusive of VAT) | No change |
| Energy Repayment Loan | | 12% of eligible works (inclusive of VAT) | 12% of eligible works (inclusive of VAT) | No change |
| Empty Property Loans | | 12% of eligible works (inclusive of VAT) | 12% of eligible works (inclusive of VAT) | No change |
| Yorkshire Handyperson Service | | £ | £ | % |
| Hourly rate | | £22.50 per hour inc VAT | £22.50 per hour inc VAT | No change |

| COMMUNITY SAFETY | | 2018/19 | 2019/20 | |
|------------------|---|----------------|---------|-----------|
| | | Current Charge | Charge | Increase |
| | | £ | £ | £ |
| Littering | Littering Fine | 100.00 | 100.00 | No Change |
| | Littering Fine early repayment | 75.00 | 75.00 | No Change |
| Stray Dogs | Reclaim Fee (Statutory fee) | 60.00 | 60.00 | No Change |
| | Kennels Fees - Statute only allows the local authority to recover the costs of kennelling the stray | 9.75 | 9.75 | No Change |

| TRANSPORT | 2018/19 | 1st April 2019 | |
|--|------------------------------------|--------------------------------------|-----------------------------|
| | Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Percentage Increase % |
| Bus Stop | | | |
| Installation & removal of temporary bus stop | 96.00 | 99.00 | 3.1% |
| Removal of permanent bus stop during work | 179.00 | 184.00 | 2.8% |
| Damage to bus stop or unauthorised removal | 179.00 | 184.00 | 2.8% |
| Road Safety | | | |
| Local Authority School Children: (cost per child) | | | |
| Pre Basic Cycle Training Level 1 | 4.00 | 4.20 | 5.0% |
| Basic Cycle Training Level 2 | 17.00 | 18.00 | 5.9% |
| Cycle Training Level 1 and 2 combined | 20.00 | 21.00 | 5.0% |
| Advanced Cycle Training Level 3 | 8.50 | 9.00 | 5.9% |
| Adults (cost per person): | | | |
| 1:1 adult training (first hour) | 32.00 | 33.50 | 4.7% |
| 1:1 adult training (90 minutes) | 48.00 | 50.00 | 4.2% |
| Pedestrian Training: | | | |
| School training by class (2 x 1.5hr class) | 100.00 | 100.00 | 0.0% |
| Replacement charge for YOzone card & ENCTS cards | 10.00 | 10.00 | 0.0% |
| | 5.00 | 10.00 | 100.0% |
| Monks Cross parking charge | | | |
| Highways Adoption Fees | 8% of scheme costs | 8% of scheme costs* | n/a |
| Checking Developers Plans | £500 + 2% of estimated works | £500 + 2% of estimated works | n/a |
| White Bar Markings | | | |
| Application and Initial Placement | 125.00 | 128.00 | 2.4% |
| Refreshment (to new and existing) | 79.00 | 81.00 | 2.5% |
| Scaffold & Hoarding licences | | | |
| Initial consent and 1 month permission | 91.00 | 120.00 | 31.9% |
| Each additional month or part thereof | 59.00 | 60.00 | 1.7% |
| Late notification fee (less than 5 working days) | 36.00 | 37.00 | 2.8% |
| Retrospective Application/Failure to comply with terms of licence | 75.00 | 77.00 | 2.7% |
| Skip/ Container/ Building Materials licence for 14 days | 49.00 | 55.00 | 12.2% |
| Late notification fee (less than 3 working days) | 36.00 | 37.00 | 2.8% |
| Failure to comply with terms of licence | 25.00 | 26.00 | 4.0% |
| Additional fee for dealing with unlicensed skips/ scaffolding | 97.00 | 99.00 | 2.1% |
| Cherry picker licence - up to 1 day | 72.00 | 80.00 | 11.1% |
| Cherry picker licence - more than 1 day | 107.00 | 109.00 | 1.9% |
| Crane - up to 1 week | | 120.00 | |
| Crane - per additional week | | 150.00 | |
| *excludes costs associated with specialist areas e.g. highway structures, street lighting, traffic signals (full cost) | | | |
| Vehicle Crossing Fees (Assessment & Inspection Fee) | 140.00 | 143.00 | 2.1% |
| Road Closures, dependant on scale (exc VAT and advertising costs) (Non-Commercial/ Charitable Events may be exempt or | min 473 max 1,421 | min 483 max 1,452 | 2.1% |
| Temporary Waiting Restrictions (exc cost of work, coning & advertising) | 174.00 | 177.00 | 1.7% |
| Authority to contravene Moving Traffic Order | 24.00 | 25.00 | 4.2% |
| Annual Parking Waiver | 83.00 | 85.00 | 2.4% |
| Waiver to contravene a Parking Order | | | |
| 1 day | 24.00 | 25.00 | 4.2% |
| 2 - 7 days | 58.00 | 59.00 | 1.7% |
| 8 - 14 days | 115.00 | 118.00 | 2.6% |

| TRANSPORT | 2018/19 | 1st April 2019 | |
|---|---------------------------|--------------------------------------|-----------------------------|
| | Charge (exc VAT) £ | Proposed Charge (exc VAT) £ | Percentage Increase % |
| Brown Sign Applications | | | |
| 1 sign | 309.00 | 316.00 | 2.3% |
| 2 signs | 515.00 | 526.00 | 2.1% |
| Charge per sign for each additional sign over 2 signs | 103.00 | 105.00 | 1.9% |
| Additional charge for signs on the trunk road network | 772.00 | 789.00 | 2.2% |
| Any additional works costs per sign | per application | per application | n/a |
| Noticeboard/structure (in highway) | 257.00 | 263.00 | 2.3% |
| Licence to plant | 257.00 | 263.00 | 2.3% |
| Approval consent for House Builder signs | | | |
| 4 signs or less | 363.00 | 371.00 | 2.2% |
| 5 to 8 signs | 424.00 | 433.00 | 2.1% |
| 9 signs or more | 483.00 | 494.00 | 2.3% |
| Pavement Cafe Licences | 646.00 | 660.00 | 2.2% |
| General Solicitor Highway Enquiries | | | |
| Simple | 83.00 | 85.00 | 2.4% |
| Medium | 110.00 | 112.00 | 1.8% |
| Complex | 220.00 | 225.00 | 2.3% |
| NRSWA (Set Nationally) | | | |
| Section 50 Licence Administration | 300.00 | 307.00 | 2.3% |
| Special Permission Inspections | 300.00 | 307.00 | 2.3% |
| Utility sample fee | 50.00 | 51.00 | 2.0% |
| Investigatory/ Third Party | 68.00 | 70.00 | 2.9% |
| Defect Inspections fee | 47.50 | 48.50 | 2.1% |
| Special Permissions | £800 or 6% | £800 or 6% | n/a |
| Charges for Casualty Accident Data | | | |
| Statistic Only Requests - Upto 10 years Statistics | | | |
| Single Junction and/or upto 200m | 42.00 | 43.00 | 2.4% |
| Single Junction and/or upto 600m | 73.00 | 75.00 | 2.7% |
| Roundabouts upto 6 arms and 200m | 103.00 | 105.00 | 1.9% |
| Roundabouts upto 6 arms and 1.6km | 133.00 | 136.00 | 2.3% |
| Upto 16km e.g. A1237 | 206.00 | 211.00 | 2.4% |
| Upto 32km e.g. A64 | 266.00 | 272.00 | 2.3% |
| Whole of York | 339.00 | 346.00 | 2.1% |
| Extra Plan by vehicle type pr pedestrian | 42.00 | 43.00 | 2.4% |
| Standard Collision Requests | | | |
| Accident Request - upto 5 years | | | |
| Single Junction and/or upto 200m | 85.00 | 87.00 | 2.4% |
| Single Junction and/or upto 600m | 115.00 | 118.00 | 2.6% |
| Roundabouts upto 6 arms and 200m | 157.00 | 160.00 | 1.9% |
| Roundabouts upto 6 arms and 1.6km | 206.00 | 211.00 | 2.4% |
| Upto 16km e.g. A1237 | 266.00 | 272.00 | 2.3% |
| Upto 32km e.g. A64 | 339.00 | 346.00 | 2.1% |
| Whole of York | 399.00 | 408.00 | 2.3% |
| Extra Plan by vehicle type or pedestrian | 73.00 | 75.00 | 2.7% |
| Accident Request - upto 10 years | | | |
| Single Junction and/or upto 200m | 133.00 | 136.00 | 2.3% |
| Single Junction and/or upto 600m | 206.00 | 211.00 | 2.4% |
| Roundabouts upto 6 arms and 200m | 266.00 | 272.00 | 2.3% |
| Roundabouts upto 6 arms and 1.6km | 339.00 | 346.00 | 2.1% |
| Upto 16km e.g. A1237 | 399.00 | 408.00 | 2.3% |
| Upto 32km e.g. A64 | 472.00 | 482.00 | 2.1% |
| Whole of York | 532.00 | 544.00 | 2.3% |
| Extra Plan by vehicle type pr pedestrian | 133.00 | 136.00 | 2.3% |
| Traffic Survey Data | | | |
| Automatic traffic count data (ATC): per site for 1 years | 110.00 | 112.00 | 1.8% |
| Classified count data | 50% of the survey cost | 50% of the survey cost | 0.0% |

| WASTE SERVICES | 2018/19 | 2019/20 | |
|--|---|---|----------|
| | Charge (inc VAT if applicable) | Proposed Charge (inc VAT if applicable) | Increase |
| | £ | £ | £ |
| Charges for Replacement Bins/Containers | | | |
| 180L | 43.00 | 44.00 | 1.00 |
| 240L | 48.00 | 49.00 | 1.00 |
| 360L | 54.00 | 55.00 | 1.00 |
| Recycling box | 6.00 | 6.00 | - |
| Garden Waste (additional bin collection charge) | 38.00 | 39.00 | 1.00 |
| Bulky Household Collections | | | |
| 10 items | 44.00 | 22.00 | - 22.00 |
| White Goods - Fridges/Freezers only (domestic collections) | 26.00 | 13.00 | - 13.00 |
| Bonded Asbestos Collections for quantities up to 200 kg, including assessment visit (incs VAT) | 103.00 | 105.00 | 2.00 |
| Bonded Asbestos Collections greater than 200 kg, price quoted on application (excluding VAT) | n/a | n/a | n/a |
| Hazel Court - Household Waste Recycling Centre | | | |
| Material Charges: | | | |
| Brick/rubble per bag | 2.00 | 2.00 | - |
| Bonded Asbestos per sheet (less than 1.8m by 0.6m) | 6.00 | 6.00 | - |
| Bonded Asbestos per sheet (more than 1.8m by 0.6m) | 13.00 | 14.00 | 1.00 |
| Bonded Asbestos per bag (able to be lifted by one person) | 6.00 | 6.00 | - |
| Plasterboard per bag | 6.00 | 6.00 | - |
| Gas bottles up to 10Kg | 8.00 | 8.00 | - |
| Gas bottles up to 20Kg | 13.00 | 14.00 | 1.00 |
| Gas bottles large (over 20kg) or specialised | 40.00 | 41.00 | 1.00 |
| Trade Waste Charges | | | |
| Waste to be charged per tonne or part thereof :- | | | |
| Residual Waste to Landfill per tonne | 158.00 | 161.00 | 3.00 |
| Minimum Charge | 81.00 | 83.00 | 2.00 |
| Recycling or Waste for Composting per tonne | 81.00 | 83.00 | 2.00 |
| Minimum Charge | 41.00 | 42.00 | 1.00 |
| Minimum percentage of waste be recycable to qualify for charge for recycling or waste for | | | |
| Commercial Waste | | | |
| | Subject to service required/customer requirements | Subject to service required/customer requirements | |
| Commercial Collection | | | - |

DEVELOPMENT MANAGEMENT**Section A - Advice as to whether permission / consent is required**

| Category | Current Fee (excluding VAT) 2018/19 £ | Proposed (excluding VAT) 2019/20 £ | Percentage Increase % |
|--|---|--|-----------------------------|
| Householder Enquiry (ie house extensions, garages/sheds, etc) | 68.00 | 69.70 | 2.5% |
| Other Commercial Development (to establish if "development" or whether "permitted development" or not) | 68.00 | 69.70 | 2.5% |

Note 1 - All fees above are subject to VAT

Section B - Advice in relation to the prospects of permission / consent being granted**Category - Minor Development**

| Proposed Development Type | Current Fee (excluding VAT) 2018/19 £ | Proposed (excluding VAT) 2019/20 £ | Percentage Increase % |
|---|---|--|-----------------------------|
| Householder (see note 4) | 68.00 | 69.70 | 2.5% |
| Advertisements (see note 4) | 68.00 | 69.70 | 2.5% |
| Commercial - where no new floorspace (see note 4) | 100.00 | 102.50 | 2.5% |
| Change of Use - with no building works (see note 4) | 100.00 | 102.50 | 2.5% |
| Telecommunications (see note 4) | 138.00 | 141.45 | 2.5% |
| Other (See note 3 & 4) | 138.00 | 141.45 | 2.5% |
| Small Scale Commercial Development (Incl shops offices, other commercial uses) | | | |
| * Upto 500m2 | 350.00 | 358.75 | 2.5% |
| * 500-999m2 | 700.00 | 717.50 | 2.5% |
| Small Scale Residential | | | |
| * less than 4 Dwellings - fee per dwelling | 138.00 | 141.45 | 2.5% |
| * 4-9 Dwellings | 700.00 | 717.50 | 2.5% |

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

Note 3 - Includes all other minor development proposals not falling within any of the categories such as variation or

Note 4 - Additional £100 fee + vat when the site is a listed building or in the curtilage of a listed building, and building construction works or engineering operations are proposed

Category - Major Developments

| Proposed Development Type | Current Fee (excluding VAT) 2018/19 £ | Proposed (excluding VAT) 2019/20 £ | Percentage Increase % |
|---|---|--|-----------------------------|
| Major new residential | | | |
| Student accommodation developments (10 or more students) | | | |
| * 10-25 Dwellings | 1,220.00 | 1,250.50 | 2.5% |
| * 26-199 Dwellings - additional fee per dwelling | 48.00 | 49.20 | 2.5% |
| Small Scale Commercial Development (inc shops, offices, other commercial uses) | | | |
| * 1,000 m2 to 3,000m2 | 2,110.00 | 2,162.75 | 2.5% |

Note 1 - All fees above are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

DEVELOPMENT MANAGEMENT**Category - Very Large Scale Developments**

| Proposed Development Type | Current Fee (excluding VAT) 2018/19 £ | Proposed (excluding VAT) 2019/20 £ | Percentage Increase % |
|--|--|---|--------------------------------------|
| * Development of over 200 dwellings (A further bespoke charge may be required depending on complexity of the development & the range of issues that need | Minimum fee of £48 per dwelling | Minimum fee of £49.20 per dwelling | 2.5% |
| * Single use or mixed use developments involving sites of 1.5 ha or above * Development of over 3,000m2 of commercial floorspace * Planning briefs / Masterplans | Fee to be negotiated with a minimum fee of £3,800 | Fee to be negotiated with a minimum fee of £3,895 | 2.5% |

Note 1 - All fees above are subject to VAT

Note 2 - With multiple meetings including a lead officer together with Development Management case officer and

Note 3 - The fee for pre-application advise expected to be not less than 20% of anticipated planning fee for a full

Exemptions

Advice sought in the following categories is free

- * Where the enquiry is made by a Parish Council or Town Council
- * Where the development is for a specific accommodation/facilities for a registered disabled
- * Advice on how to submit a planning application
- * Enquiries relating to Planning Enforcement

Section C - Section 106

| Category | Current Fee (Inclusive of VAT) 2018/19 £ | Proposed (Inclusive of VAT) 2019/20 £ | Percentage Increase % |
|---|---|--|--------------------------------------|
| Section 106 Confirmation Letter (Simple) (ie does not require site visit or document retrieval) | 31.00 | 31.78 | 2.5% |
| Section 106 Confirmation Letter (Complex) (ie requires site visit and/or document retrieval) | 105.00 | 107.63 | 2.5% |
| Copies of S106 Agreements | 54.00 | 55.35 | 2.5% |

Note 1 - All fees above are subject to and include VAT

Section D - Building Control

| Category | Current Fee (Inclusive of VAT) 2018/19 £ | Proposed (Inclusive of VAT) 2019/20 £ | Percentage Increase % |
|--|---|--|--------------------------------------|
| Letter of confirmation } Completion Certificates } Approvals } | 48.00 | 49.00 | 2.1% |

Note 1 - All fees above are subject to and include VAT

DEVELOPMENT MANAGEMENT**Section E - Land Charges**

| Category | Current Fee (excluding VAT) 2018/19 £ | Proposed (excluding VAT) 2019/20 £ | Percentage Increase % |
|---------------------------------|--|---|--------------------------------------|
| Basic search - over the counter | 110.00 | 115.00 | 4.5% |
| Basic search - electronic | 110.00 | 115.00 | 4.5% |
| Business search | 220.00 | 215.00 | -2.3% |
| Optional enquiries | 52.00 | 55.00 | 5.8% |
| Additional enquiries | 26.00 | 30.00 | 15.4% |

Section F - Naming & Numbering

| Category | Current Fee 2018/19 £ | Proposed 2019/20 £ | Percentage Increase % |
|--|--------------------------------------|-----------------------------------|--------------------------------------|
| Renaming of property | 36.00 | 40.00 | 11.1% |
| Naming of new property | 83.00 | 85.00 | 2.4% |
| New developments up to 10 units | 212.00 | 225.00 | 6.1% |
| New developments over 10 units (per additional unit) | 36.00 | 40.00 | 11.1% |
| Confirmation of address | 36.00 | 40.00 | 11.1% |

Section G - Commons Registration

| Category | Current Fee 2018/19 £ | Proposed 2019/20 £ | Percentage Increase % |
|--|--------------------------------------|-----------------------------------|--------------------------------------|
| Processing & Registration under section 15A(1) of the Commons Act 2006 | 350.00 | 360.00 | 2.9% |
| Processing & Registration of the Highway Statement & Highway Declaration under section 31(6) of the Highways Act 1980 (Other fees are available on request) | 310.00 | 320.00 | 3.2% |
| Tree Preservation Orders | 45.00 | 46.00 | 2.2% |

| PARKING SERVICES | | 2018/19 | 2018/19 | 2018/19 | 2019/20 | | 2019/20 | | 2019/20 | |
|--|--------------------|-----------------|------------------|----------------|-------------------------|-----------------|-------------------------|-----------------|-------------------------|-----------------|
| | | Standard Charge | Discounted Rate* | Premium Rate** | Standard Charge | | Discounted Rate* | | Premium Rate** | |
| | | Charge £ | Charge £ | Charge £ | Proposed Charge £ | % Increase % | Proposed Charge £ | % Increase % | Proposed Charge £ | % Increase % |
| Note : VAT is chargeable at the appropriate rate | | | | | | | | | | |
| Household Permit | -Standard * | 99.95 | 49.98 | 136.00 | 99.95 | 0.0% | 49.98 | 0.0% | 139.00 | 2.2% |
| | Quarterly charge * | 30.50 | 15.25 | 41.00 | 30.50 | 0.0% | 15.25 | 0.0% | 42.00 | 2.4% |
| | -Second | 182.50 | | | 187.50 | 2.7% | | | | |
| | Quarterly charge | 57.25 | | | 57.50 | 0.4% | | | | |
| | -Third | 370.00 | | | 380.00 | 2.7% | | | | |
| | Quarterly charge | 100.00 | | | 100.00 | 0.0% | | | | |
| | -Fourth | 750.00 | | | 775.00 | 3.3% | | | | |
| | Quarterly charge | 200.00 | | | 200.00 | 0.0% | | | | |
| Visitor | -Standard | 1.25 | | | 1.25 | 0.0% | | | | |
| | -Concessionary | 0.30 | | | 0.30 | 0.0% | | | | |
| Special Control Permit | -Standard * | 112.00 | 56.00 | 140.00 | 112.00 | 0.0% | 56.00 | 0.0% | 143.00 | 2.1% |
| | Quarterly charge * | 33.00 | 16.50 | 42.50 | 33.00 | 0.0% | 16.50 | 0.0% | 43.00 | 1.2% |
| Special Additional Permit | -Standard * | 112.00 | 56.00 | 140.00 | 112.00 | 0.0% | 56.00 | 0.0% | 143.00 | 2.1% |
| | Quarterly charge | 33.00 | 16.50 | 43.00 | 33.00 | 0.0% | 16.50 | 0.0% | 44.00 | 2.3% |
| Business Permit * | | 420.00 | 210.00 | | 430.00 | 2.4% | 215.00 | 2.4% | | |
| Guest House Authorisation Card | | 420.00 | | | 430.00 | 2.4% | | | | |
| Multiple Occupancy Permit * | -Standard * | 165.00 | 82.50 | | 170.00 | 3.0% | 85.00 | 3.0% | | |
| | Quarterly charge * | 46.50 | 21.75 | | 47.00 | 1.1% | 22.50 | 3.4% | | |
| Landlord's Permit * | | 165.00 | 82.50 | | 170.00 | 3.0% | 85.00 | 3.0% | | |
| Community Permit * | | 55.50 | 27.75 | | 55.50 | 0.0% | 27.75 | 0.0% | | |
| Day use Community Permit | - Standard | 1.35 | | | 1.35 | 0.0% | | | | |
| | - Charities | 0.00 | | | 0.00 | | | | | |
| Authorisation Card without Permit | | 3.10 | | | 3.20 | 3.2% | | | | |
| Property Renovation Permit | - Quarterly * | 120.00 | 60.00 | | 122.50 | 2.1% | 61.25 | 2.1% | | |
| | - Daily * | 3.20 | 1.60 | | 3.30 | 3.1% | 1.65 | 3.1% | | |
| Commercial Permit * | | 600.00 | 300.00 | | 610.00 | 1.7% | 305.00 | 1.7% | | |
| | - Quarterly | 152.50 | 76.25 | | 155.00 | 1.6% | 77.50 | 1.6% | | |
| Commercial Permit (Specific Zone) * | | 155.00 | 77.50 | | 157.50 | 1.6% | 78.75 | 1.6% | | |
| | - Quarterly | 40.00 | 20.00 | | 41.00 | 2.5% | 20.50 | 2.5% | | |
| Penalty Charge Notice (PCN) Full (Higher/ Lower) | | 70.00 / 50.00 | | | 70.00 / 50.00 | 0.0% | | | | |
| PCN Discounted (Higher/ Lower) | | 35.00 / 25.00 | | | 35.00 / 25.00 | 0.0% | | | | |
| PCN Enforced (Higher/ Lower) | | 105.00 / 75.00 | | | 105.00 / 75.00 | 0.0% | | | | |
| Vehicle Removal Charge | | 110.00 | | | 112.50 | 2.3% | | | | |
| Vehicle Storage Charge | Daily | 12.50 | | | 12.80 | 2.4% | | | | |
| Vehicle Disposal Charge | | 26.00 | | | 26.50 | 1.9% | | | | |
| Admin Fee | | 50.00 | | | 50.00 | 0.0% | | | | |
| Replacement Permit Respark | First Replacement | | | | | | | | | |
| | Second Replacement | 182.50 | | | 187.50 | 2.7% | | | | |
| Regular User Discount Permit (2 Year) | | 20.00 | | | 20.00 | | | | | |

* discount available for vehicles 2.7m or less in length or a low emission vehicle within Ultra Low Emission Definition

** additional charge for high emission vehicles within DVLA band J,K,L or M.

PARKING SERVICES - SCHEDULE OF SEASON TICKET CHARGES

| | | 2018/19 Current Charge £ | 2019/20 | |
|--|-----------------------|-----------------------------------|-------------------------|---------------|
| | | | Proposed Charge £ | Increase % |
| Annual Season Ticket* | Standard Car Parks | 1,160.00 | 1,200.00 | 3.45% |
| | Discount vehicle rate | 580.00 | 600.00 | 3.45% |
| Monthly Season Tickets | | | | |
| Standard Stay car parks | Standard rate | 155.00 | 160.00 | 3.23% |
| | Discount vehicle rate | 77.50 | 80.00 | 3.23% |
| Weekly Season Tickets | | | | |
| Preferential phone rate only | | | | |
| Standard Stay car parks | Standard rate | 63.50 | 65.50 | 3.15% |
| | Discount vehicle rate | 31.75 | 32.75 | 3.15% |
| Contract Parking (Bulk) * | | | | |
| Foss Bank - Annual | | 570.00 | 585.00 | 2.63% |
| Hotel Scratchards | | | | |
| Standard Stay Car Parks | Per Book of 30 | 255.00 | 260.00 | 1.96% |
| Contract Parking (City Centre Resident 24 hour) | | | | |
| Foss Bank - Monthly | Standard rate | 81.50 | 83.00 | 1.84% |
| | Discount vehicle rate | 37.00 | 37.50 | 1.35% |
| Foss Bank - Annual | Standard rate | 845.00 | 860.00 | 1.78% |
| | Discount vehicle rate | 390.00 | 395.00 | 1.28% |
| Surface - Monthly | Standard rate | 75.00 | 77.00 | 2.67% |
| | Discount vehicle rate | 32.00 | 32.75 | 2.34% |
| Surface - Annual | Standard rate | 835.00 | 845.00 | 1.20% |
| | Discount vehicle rate | 347.50 | 352.00 | 1.29% |

Note

Standard Car Parks exclude use of Castle, Bootham Row, Piccadilly and Esplanade

* discount available for vehicles 2.7m or less in length or a low emission vehicle within

Ultra Low Emission Definition

* ie 10 or more purchased at the same time

Proposed Parking Tariffs from April 2019

a) Off-Street Car Parks

| Note | | | Daytime Charges (0800 - 18:00) | | | | | | | Evening Note 4 | 24 hour | |
|-----------------|-----|------------|--------------------------------|----------------------|-----------|-----------|-----------|---|--------------|-------------------------|------------------------------|--------|
| | | | < 30 Mins | Upto 1 hr | 1-2 Hours | 2-3 Hours | 3-4 Hours | 4-5 Hours | Over 5 hours | 6.00pm to 08.00am | Charge using mobile phone | |
| Short Stay | 1 | Discounted | Mob Phone | N/A | £2.30 | £4.60 | £6.90 | £9.20 | £11.50 | £2.30 per addnl hour | free | |
| | | Standard | | N/A | £2.60 | £5.20 | £7.80 | £10.40 | £13.00 | £2.60 per addnl hour | £2.00 | |
| | | Standard | | N/A | £2.50 | £5.00 | £7.50 | £10.00 | £12.50 | £2.50 per addnl hour | £2.00 | |
| Standard Stay | 2/4 | Discounted | Mob Phone | N/A | £1.70 | £3.40 | £5.10 | £6.80 | £8.50 | £13.00 | free | £13.00 |
| | | Standard | | N/A | £2.30 | £4.60 | £6.90 | £9.20 | £11.50 | £13.00 | £2.00 | £13.00 |
| | | Standard | | N/A | £2.20 | £4.40 | £6.60 | £8.80 | £11.00 | £13.00 | £2.00 | £13.00 |
| Foss Bank | 3 | | | £1.40 per hour | | | | | | | | |
| | | | Mob Phone | £1.30 per hour | | | | | | | | |
| Bishopthorpe Rd | 3 | | | N/A | £0.40 | £0.80 | £1.50 | Maximum stay of 3 hours | | | free | |
| East Parade | 3 | | | £0.30 | £0.70 | £4.60 | £6.90 | Parking for over 2 hours is only allowed after 3pm. | | | free | |
| Moor Lane | 5 | Discounted | | £3.50 all day charge | | | | | | | n/a | |
| | | Standard | | £4.00 all day charge | | | | | | | n/a | |

Note 1 - Bootham Row, Castle, Esplanade and Piccadilly (Piccadilly closes at 6:30pm and so there is no evening charge)

Note 2 - Marygate, Monk Bar, Nunnery Lane, St. Georges, Union Terrace. The £13.00 (over 5 hours fee) allows parking until 8am the next day.

Note 3 - There are no discounts or evening charges at Foss Bank, Bishopthorpe Road or East Parade. The charges only apply until 18:00 except at Foss Bank where they apply until 20:00.

Note 4 - Evening parking charges for Regular Discount User Permit Holders on Fridays and Saturdays in Standard Stay Car Parks to commence at 5pm

Note 5 - Flat charge to cover full day

b) Coach Parking

| | Summer (1/4/19 - 31/10/19) | | | Winter (1/11/19 - 31/3/20) | |
|---|----------------------------|----------|------------|----------------------------|-----------|
| | <1 Hour | <3 Hours | Over 3 hrs | <1 Hour | Over 1 Hr |
| Union Terrace and St George's Field Coach Parks | £6.70 | £11.30 | £13.50 | £6.70 | £9.70 |

c) On Street Parking

| | | | | Daytime Charges | | | | Evening | Streets Included |
|--------------------------|-------|--------------------|--|-----------------|---------|-----------|-----------|-------------------------|---|
| | | | | < 30mins | <1 Hour | 1-2 Hours | 2-3 Hours | 6.00pm to 08.00am | |
| Standard Rate | 6 | Discounted | | N/A | £2.30 | £4.60 | £6.90 | free | Carmelite St, Lawrence Street, Lord Mayor's Walk, North Street, Palmer Lane, Piccadilly, Skeldergate, Tanner's Moat, Toft Green, Walmgate. |
| | | Standard | | N/A | £2.30 | £4.60 | £6.90 | £2.00 | |
| Micklegate | 6 & 7 | Discounted | | £0.40 | £0.80 | £4.60 | £6.90 | free | |
| | 6 & 7 | Standard | | £0.40 | £0.80 | £4.60 | £6.90 | £2.00 | |
| Priory Street | 6 & 7 | Discounted | | N/A | £2.30 | £4.60 | £6.90 | free | |
| | 6 & 7 | Standard | | N/A | £2.30 | £4.60 | £6.90 | £2.00 | |
| City Centre Footstreets | | Discounted | | | | | | free | Fossgate, Piccadilly, St Deny's Road, The Stonebow, Walmgate. |
| | | Standard | | | | | | £2.00 | |
| Respark Shared Use Areas | | Non-Permit Holders | | N/A | £1.00 | | | Charges Apply 8am - 8pm | Bishophill Senior, Clifton, Cromwell Rd, Cumberland St, Garden St, George St, Huntington Rd, Lawrence St, Lead Mill Lane, Lower Friargate, Lower Priory St, Lowther St, Margaret St, Marygate, Park Grove, Penleys Grove St, Queen Anne's Rd, The Crescent, The Mount, Townend St, Union Terrace, Walmgate. |

Note 6 - There is no discount available on-street except that parking after 6pm is free at discounted rate. Parking for over 2 Hours is only allowed after 3pm

Note 7 - No charges on Sundays between 8am and 1pm in Micklegate and Priory Street

d) On-Street Parking for large vehicles

| | < 2 Hours | 2- 5 Hours | 5-12 Hrs | Market Traders with Permit |
|-------------------|-----------|------------|----------|----------------------------|
| Foss Islands Road | £4.20 | £6.30 | £10.50 | £2.20 |

Adult Social Care fees and charges

| | 2018/19 | 2019/20 | | Explanation |
|---|-------------|-------------------------|---------------------------|--|
| | Charge £ | Proposed Charge £ | Percentage Change % | |
| Residential Care | | | | |
| Older Person's Homes (per week) | 681.52 | 713.55 | 4.7% | Customers are financially assessed and only pay what they can afford. The proposed increase would increase the charge to approx 9 self funders in our homes. |
| 22 The Avenue (Mental Health residential care) - emergency respite (per week) | 662.07 | 853.48 | 28.9% | Customers attending 22 The Avenue on an emergency basis are financially assessed under fairer charging and only pay as much as they can afford. |
| 22 The Avenue (Mental Health residential care) - planned placement (per week) | 192.50 | 200.97 | 4.4% | Customers residing at 22 The Avenue on a planned basis are able to claim Housing Benefit. The major element of the weekly charge is rent. |
| Community Support | | | | |
| Home care support in CYC Extra care schemes (per hr) | 17.31 | 18.12 | 4.7% | Inflated in line with likely external home care fee increases. |
| Home care support provided by the overnight team (per hr) | 25.97 | 27.18 | 4.7% | Inflated in line with likely external home care fee increases. The principle is that overnight care is charged at one and a half times the day rate. |
| Day Support provided in CYC small day services (per hr) | 14.78 | 15.47 | 4.7% | Inflated in line with likely external home care fee increases in order to keep the charge in line with the budget we offer to customers organising their own care. The increase would only affect full fee payers. |

Adult Social Care fees and charges

| | 2018/19 | 2019/20 | | Explanation |
|---|---------|-----------------|-------------------|---|
| | Charge | Proposed Charge | Percentage Change | |
| Income Services Team charges | | | | |
| Full fee payers administration charge (per annum) | 500.00 | 501.00 | 0.2% | Customers who can afford to pay the full cost of their care but choose to have it organised by the Local Authority can now be charged for this service under the Care Act 2014. The charge comprises a £450.30 annual set up charge and an ongoing £50.70 administration charge. The annual set up charge has not been increased at this stage but it is the intention to carry out a review of this charge as part of the ongoing Future Focus programme in 2019. |
| Additional reconciliation charge for full fee payers (per reconciliation) | 6.25 | 6.40 | 2.4% | Income Services can charge full fee payers for any reconciliations of their account they request above the annual reconciliation. |
| Deferred Payment Agreements additional costs: | | | | |
| Deferred Payment set up charge (one off) - made up of the following as a minimum: | 700.50 | 753.50 | 7.6% | The Care Act permits customers to defer payment for the cost of their care. The local authority can recover their costs for setting up this arrangement. The majority of the cost is staffing and for Income Services has been increased in line with the proposed local authority pay increase for 2019/20. Additional legal disbursements will be charged in line with charges levied by the Land Registry for registration of charge, which is dependent upon whether the property is already registered, and the valuation of the property. These costs will be passed to the customer at the rate charged. |
| Legal Costs | 400.00 | 450.00 | 12.5% | |
| Income Services Administration Charge - set-up | 150.50 | 153.50 | 2.0% | |
| Initial Professional Valuation | 150.00 | 150.00 | 0.0% | |
| Letter of Undertaking | 100.00 | 100.00 | 0.0% | A letter of undertaking may be accepted in place of a DPA if there is an imminent sale of the property. As a form of security the Solicitors promise on behalf of their client that the outstanding care fees and associated costs will be paid from the proceeds of sale. |

Adult Social Care fees and charges

| | 2018/19 | 2019/20 | | Explanation |
|--|-------------------------------------|-----------------------|-------------------|---|
| | Charge | Proposed Charge | Percentage Change | |
| Monthly invoice generation and distribution | 1.00 | 1.00 | 0.0% | The Care Act allows local authorities to recover the costs of activities associated with administering deferred payments. |
| Monthly management, monitoring and application of interest | 2.50 | 2.50 | 0.0% | |
| Half yearly statement of account | 2.50 | 2.50 | 0.0% | |
| Legal team costs de-registration and file closure | 30.00 | 30.00 | 0.0% | |
| Final account preparation and account closure | 8.00 | 8.00 | 0.0% | |
| Revaluation Costs | subject to actual cost of valuation | | | |
| | | | | |
| Court of Protection | | | | |
| Appointment of Deputy Fee | 745.00 | 745.00 | 0.0% | Cost of administering financial affairs for those who the authority has responsibility for under the Court of Protection. The rates are set by the Office of the Public Guardian and the authority cannot charge more than these rates. Updated rates for 2019/20 have not yet been received. |
| Year 1 Management Fee | 775.00 | 775.00 | 0.0% | |
| Year 2 Management Fee | 650.00 | 650.00 | 0.0% | |
| Year 3 Management Fee | 650.00 | 650.00 | 0.0% | |
| Property Sale Fee | 300.00 | 300.00 | 0.0% | |
| Estate Administration Fee | 353.50 | 360.60 | 2.0% | |
| Annual Report Fee | 216.00 | 216.00 | 0.0% | |
| Assets less than £16k | 3.5% | 3.5% | 0.0% | |
| Basic HMRC Return | 70.00 | 70.00 | 0.0% | |
| Complex HMRC Return | 140.00 | 140.00 | 0.0% | |
| Travel rates ph | 40.00 | 40.00 | 0.0% | |
| Corporate Appointee Charge | 3.5% or £5.5 per week | 3.5% or £5.5 per week | 0.0% | |

Adult Social Care fees and charges

| | 2018/19 | 2019/20 | | Explanation |
|---|---------|-----------------|-------------------|--|
| | Charge | Proposed Charge | Percentage Change | |
| Be Independent | | | | The charges shown here were inherited by the Council when Be Independent was brought back in house. The service is currently under review and the level and type of charge that should be made to customers will form part of this review. A report will be brought showing the proposed 2019/20 charges once this review has been completed |
| Monthly Charges excluding VAT where applicable: | | | | |
| Friends & Family Service | 18.00 | 18.00 | 0.0% | |
| Friends & Family Service Additional Person | 9.00 | 9.00 | 0.0% | |
| Premium Response Service | 35.00 | 35.00 | 0.0% | |
| Premium Plus Response Service | 48.00 | 48.00 | 0.0% | |
| Second Resident Charge | 17.00 | 17.00 | 0.0% | |
| 1 additional safety sensor | 2.50 | 2.50 | 0.0% | |
| Further additional sensors (50p per additional sensor up to 4 in total) | 0.50 | 0.50 | 0.0% | |
| Hardwire top -up | 12.50 | 12.50 | 0.0% | |
| SIM GSM Connection | 8.33 | 8.33 | 0.0% | |
| One Off Charges excluding VAT where applicable: | | | | |
| Installation Charge | 30.00 | 30.00 | 0.0% | |
| Key Safe Installation | 45.83 | 45.83 | 0.0% | |
| Key Safe Charge police approved | 66.67 | 66.67 | 0.0% | |
| Stand Alone: | | | | |
| Just Checking Monitoring Kit | 65.00 | 65.00 | 0.0% | |
| Canary - Charge | 38.40 | 38.40 | 0.0% | |
| Stand Alone (not monitored by Be Independent) | 18.00 | 18.00 | 0.0% | |
| Damaged/Lost Equipment Charges: | | | | |
| Replacement Pendant | 35.00 | 35.00 | 0.0% | |
| Smoke Detector | 50.00 | 50.00 | 0.0% | |
| Carbon Monoxide Detector | 99.00 | 99.00 | 0.0% | |

| Burnholme Sports Facilities | 2018/19 | 2019/20 | |
|--|---------------------------|---------------------------------------|-----------------|
| | Charge (excl VAT) £ | Proposed Charge (excl VAT) £ | % Increase £ |
| Sports hall - Full hall* | 28.50 | 28.50 | 0.0% |
| Sports hall - 1 /2 hall* | 14.50 | 14.50 | 0.0% |
| 3G 1/3* | 23.00 | 23.00 | 0.0% |
| 3G 2/3* | 39.00 | 39.00 | 0.0% |
| Full 3G* | 56.50 | 56.50 | 0.0% |
| Grass pitches @ Burnholme (90 minutes)* Knavesmire, Hempland Lane, Victoria Park and Chesney Field pitches | 9.00 | 9.00 | 0.0% |
| - seasonal pitch hire | 96.00 | 99.00 | 3.1% |
| - changing rooms per match | 17.00 | 17.50 | 2.9% |

*Building work will be carried out throughout 2019 so the fees and charges will not be increased

| REGISTRAR OF BIRTHS, DEATHS AND MARRIAGES | 1st Jan 2018 | 1st Apr 2019 | |
|---|--------------------------------|---|----------|
| | Charge (inc VAT if applicable) | Proposed Charge (inc VAT if applicable) | Increase |
| *New statutory charge from 16/02/2019) | £ | £ | £ |
| Copy certificate - issued within 10 days 2nd class (From 16/02/2019*) | 10.00 | 11.00 | 1.00 |
| Copy certificate - collect/post 1st class next working day (From 16/02/2019*) | 25.00 | 35.00 | 10.00 |
| Signed for postage | 2.00 | 2.00 | - |
| Certificates issued at time of registration (From 16/02/2019*) | 4.00 | 11.00 | 7.00 |
| Notice of marriage | 35.00 | 35.00 | - |
| Saturday room booking for Notice (Per Person) (New) | | 13.00 | 13.00 |
| Certification of a venue for marriage ceremonies (valid for three years) | | | |
| Large Venue (Capacity over 200) | 3,250.00 | 3,250.00 | - |
| Medium Venue (Capacity over 75)(New Fee) | 0.00 | 1,500.00 | 1,500.00 |
| Small Venue (Capacity 75 or less)(New Fee) | 0.00 | 1,000.00 | 1,000.00 |
| Civil Funeral (New) | 175.00 | 175.00 | - |
| Marriage and Civil Partnership Ceremonies | | | |
| Attendance of Registration Staff at Approved premises | | | |
| Large marriage room at Register Office Mon-Thurs | 250.00 | 256.00 | 6.00 |
| Large marriage room at Register Office Fri-Sat | 340.00 | 348.00 | 8.00 |
| Small room at Register Office Mon - Thurs | 145.00 | 149.00 | 4.00 |
| Small room at Register Office Fri - Sat | 200.00 | 205.00 | 5.00 |
| Approved Premises (venues) Mon-Thurs | 520.00 | 530.00 | 10.00 |
| Approved Premises (venues) Fri - Sat | 605.00 | 615.00 | 10.00 |
| Approved Premises (venues) Sun / Bank Holidays | 655.00 | 665.00 | 10.00 |
| Statutory Register Office Wedding (From 16/02/2019*) | 50.00 | 57.00 | 7.00 |
| <u>Citizenship Ceremonies (Private)</u> | 143.00 | 148.00 | 5.00 |
| <u>Passport Service (NEW)</u> | 45.00 | 45.00 | - |
| <u>GRO fees* (NEW)</u> | | | |
| Correction by Superintendent Registrar (SR) | 75.00 | 75.00 | - |
| Correction by Registrar General (GRO) | 90.00 | 90.00 | - |
| Consideration of divorce/dissolution docs outside British Isles by SR | 50.00 | 50.00 | - |
| Consideration of divorce/dissolution docs outside British Isles by GRO | 75.00 | 75.00 | - |
| Consideration of reducing the 28 day waiting period | 60.00 | 60.00 | - |
| Addition of forename within 12 months of registration | 40.00 | 40.00 | - |
| RG's Licence | 15.00 | 15.00 | - |
| <u>Baby Naming Ceremonies</u> | | | |
| At Register Office | 230.00 | 236.00 | 6.00 |
| Approved Premises (venues) | 255.00 | 261.00 | 6.00 |
| <u>Renewal of Vows</u> | | | |
| At Register Office | 230.00 | 236.00 | 6.00 |
| Approved Premises (venues) | 255.00 | 261.00 | 6.00 |
| Change of name deed (New) TBA | | | |
| Additional copy of deed (New) TBA | | | |
| <u>Sale of Goods and Miscellaneous Charges :-</u> | | | |
| - Baby Folders | 2.00 | 2.00 | - |
| - Business Card Advertising | 128.00 | 128.00 | - |
| Commemorative Script (New) | | | |
| Certificate box (New) | | | |

* Collected in part on behalf of the General Register Office (GRO)

| BEREAVEMENT SERVICES | 1st Jan 2018 | 1st Apr 2019 | |
|--|--------------------------------------|--|----------|
| | Charge (Inc VAT if applicable) | Proposed Charge (Inc VAT if applicable) | Increase |
| | £ | £ | £ |
| CREMATORIUM | | | |
| CREMATIONS (VAT EXEMPT) | | | |
| Adult (including medical referee fee) | 875.00 | 895.00 | 20.00 |
| Still Born | 0.00 | 0.00 | 0.00 |
| Up to Six Months | 0.00 | 0.00 | 0.00 |
| Six Months to Sixteen Years | 0.00 | 0.00 | 0.00 |
| INTERMENT (VAT EXEMPT) | | | |
| Interment of Ashes | 48.00 | 49.00 | 1.00 |
| SCATTERING OF ASHES (VAT EXEMPT) | | | |
| Ashes received from external sources | 80.00 | 82.00 | 2.00 |
| Ashes forward to other places | 0.00 | 0.00 | 0.00 |
| Additional Service Time | 100.00 | 110.00 | 10.00 |
| EXHUMATIONS | | | |
| Exhumation fee | 190.00 | 195.00 | 5.00 |
| BEARING SERVICE | 23.00 | 25.00 | 2.00 |
| FUNERAL SERVICE | 175.00 | 175.00 | 0.00 |
| RECORDINGS | | | |
| CD recording | 45.00 | 48.00 | 3.00 |
| DVD recording | 57.50 | 60.00 | 2.50 |
| Webcast | 57.50 | 60.00 | 2.50 |
| MEMORIALS AND PLAQUES | | | |
| PLAQUES | | | |
| 60 letter inscription 10 years | 389.00 | 390.00 | 1.00 |
| 60 letter inscription 20 years | 536.00 | 540.00 | 4.00 |
| Display for a further 5 years | 122.00 | 122.00 | 0.00 |
| MEMORIALS | | | |
| Memorial Plaque with Rose tree 10 yrs | 446.00 | 447.00 | 1.00 |
| Memorial Plaque with rose tree 20 yr | 590.00 | 592.00 | 1.99 |
| Memorial seat with plaque (10 yrs) | 1,260.00 | 1,262.00 | 2.00 |
| Memorial seat plaque renewal (5yrs) | 211.00 | 212.00 | 1.01 |
| Granite Seat (10 yrs) - new fee | 1,345.00 | 1,346.00 | 1.01 |
| Granite vase Block 10years | 644.00 | 645.00 | 1.00 |
| Granite vase Block 20years | 1,047.00 | 1,048.00 | 1.00 |
| Vase Block Plaque | 175.00 | 175.00 | 0.00 |
| Bronze rose memorial plaque on stake (10 yr) | 544.00 | 545.00 | 1.01 |
| Bronze rose memorial plaque on stake (20 yr) | 688.00 | 689.00 | 1.01 |
| Circular bench memorial plaque (10 yrs) | 463.00 | 464.00 | 1.01 |
| Circular bench memorial plaque (20 yrs) | 641.00 | 642.00 | 1.00 |
| Babies garden memorial plaque (10yrs) | 358.00 | 359.00 | 1.01 |
| Granite mushroom memorial plaque (10 yrs) | 390.00 | 390.00 | 0.00 |
| Granite mushroom memorial plaque (20 yrs) | 552.00 | 552.00 | 0.00 |
| Memorial Disc | 445.00 | 446.00 | 1.01 |
| Granite Shaped Planter | 528.00 | 529.00 | 1.00 |
| Summer House Memorial Plaque | 420.00 | 421.00 | 1.00 |
| URNS | | | |
| Cardboard Box | 15.00 | 15.50 | 0.50 |
| Polytainer | 17.50 | 18.00 | 0.50 |
| Baby Urn | 36.00 | 36.50 | 0.50 |
| Urn | 49.00 | 49.50 | 0.50 |
| Casket | 70.00 | 70.50 | 0.50 |

| BEREAVEMENT SERVICES | 1st Jan 2018 | 1st Apr 2019 | |
|---|--------------------------------------|--|----------|
| | Charge (Inc VAT if applicable) | Proposed Charge (Inc VAT if applicable) | Increase |
| NICHES | | | |
| Niche 10 years | 799.00 | 800.00 | 1.00 |
| Niche 20 years | 1,333.00 | 1,350.00 | 17.00 |
| Sanctum 2000 (Average Charge) | 1,080.00 | 1,085.00 | 5.00 |
| Second Plaque on Sanctum 2000 | 408.00 | 408.00 | 0.00 |
| Inscription (second Plaque/Renewals) | 349.00 | 351.00 | 2.00 |
| Additional inscription p/letter over 80 letters | 4.50 | 4.50 | 0.00 |
| BOOK OF REMEMBRANCE | | | |
| 2 line entry | 85.00 | 86.00 | 1.01 |
| 5 line entry | 132.00 | 133.00 | 1.00 |
| 5 line entry with floral emblem | 184.00 | 185.00 | 1.01 |
| 5 line entry with badge, bird, crest & shield | 211.00 | 212.00 | 1.01 |
| 8 line entry | 163.00 | 164.00 | 1.01 |
| 8 line entry with floral emblem | 222.00 | 223.00 | 1.00 |
| 8 line entry with badge, bird, crest & shield | 252.00 | 253.00 | 1.00 |
| 8 line entry with coat of arms | 294.00 | 295.00 | 1.00 |
| FOLDED BOOK OF REMEMBRANCE CARDS | | | |
| 5 line entry with floral emblem | 142.00 | 143.00 | 1.01 |
| 5 line entry with badge, bird, crest & shield | 179.00 | 180.00 | 1.00 |
| 8 line entry with floral emblem | 197.00 | 198.00 | 1.00 |
| 8 line entry with badge, bird, crest & shield | 216.00 | 217.00 | 1.00 |
| 8 line entry with coat of arms | 262.00 | 263.00 | 1.01 |
| Regimental Badge Etc | included above | | |
| MEMORIAL CARDS | | | |
| 2 line card | 58.00 | 59.00 | 1.01 |
| 5 line card | 76.00 | 77.00 | 1.01 |
| 8 line card | 90.00 | 91.00 | 1.00 |
| Regimental Badge | included above | | |
| <u>DRINGHOUSES CEMETERY</u> | | | |
| INTERMENT (VAT EXEMPT) | | | |
| Adult (4ft 6" grave) | 820.00 | 825.00 | 5.00 |
| Child up to 12 years | 0.00 | 0.00 | 0.00 |
| Interment of Ashes | 235.00 | 238.00 | 3.00 |
| Exhumation (negotiated at cost) | at cost | at cost | |
| Exhumation of Cremated Remains | 189.00 | 195.00 | 6.00 |
| MEMORIALS | | | |
| Headstones | 160.00 | 163.00 | 3.00 |
| Add Inscription | 86.00 | 89.00 | 3.00 |
| Marking out grave | 22.00 | 22.00 | 0.00 |
| Removal of grave memorial by stonemason prior to interment | 95.00 | 98.00 | 3.00 |
| Cremation plot with exclusive Right of Burial for period of 50 yrs. | 440.00 | 442.00 | 2.00 |

| BUDGET 2018/19 £'000 | Expenditure: | BUDGET 2019/20 £'000 |
|----------------------------|---|----------------------------|
| | Repairs & Maintenance | |
| 5,071 | Jobs General | 5,221 |
| 998 | Projects | 1,290 |
| 30 | Estate Improvements | 30 |
| 51 | Decoration Allowance | 51 |
| 30 | Rechargeable Repairs | 30 |
| 6,180 | | 6,622 |
| | General Management | |
| 51 | Tenant Support and Information | 51 |
| 2,344 | Recharges | 2,416 |
| 152 | AD Housing and Public Protection | 154 |
| 2,317 | Landlord Services | 2,359 |
| 1,226 | Building Services | 1,148 |
| 30 | HRA Training | 31 |
| 6,120 | | 6,159 |
| | Special Services | |
| 910 | Sheltered Housing | 928 |
| 80 | Energy Costs | 80 |
| 524 | Temporary Accommodation | 534 |
| 379 | Grounds Maintenance | 386 |
| 252 | Caretaking Costs | 257 |
| 21 | Cleaning Costs | 24 |
| 31 | Lifts | 31 |
| 6 | Contribution to Energy Efficiency | 6 |
| 2,203 | | 2,246 |
| | Rents etc. | |
| 81 | Rent & Rates | 81 |
| 205 | Insurance | 211 |
| 1 | RTB Legal Fees | 1 |
| 287 | | 293 |
| | Provision for Bad and Doubtful Debts | |
| 440 | Council Housing | 456 |
| 440 | | 456 |
| | Capital Charges | |
| 8,099 | Depreciation | 8,170 |
| 50 | Debt Management | 55 |
| 8,149 | | 8,225 |
| 23,379 | TOTAL EXPENDITURE | 24,001 |

| BUDGET 2018/19 | | BUDGET 2019/20 |
|-------------------|---|-------------------|
| | Income: | |
| | Rents | |
| -30,748 | Council Housing | -29,925 |
| <u>-292</u> | Temporary Accommodation | <u>-291</u> |
| -31,040 | | -30,216 |
| | Non Dwellings Rents | |
| -332 | Council Garages | -325 |
| <u>-27</u> | General Rents | <u>-81</u> |
| -359 | | -406 |
| | Charges for Services and Facilities | |
| -81 | Fees & Charges - Council Housing | -79 |
| -84 | - Legal Fees | -84 |
| -1,046 | - Sheltered Housing | -1,013 |
| -2 | - Temporary Accommodation | -2 |
| -14 | Cookers | -12 |
| <u>-90</u> | Leaseholder Admin Charge | <u>-90</u> |
| -1,317 | | -1,280 |
| | Contribution Towards Expenditure | |
| -12 | - Sheltered Housing | -12 |
| -25 | - Rechargeable Repairs | -25 |
| <u>-62</u> | - Right To Buy Admin Fee | <u>-62</u> |
| -99 | | -99 |
| | Supporting People Income | |
| -313 | - Temporary Accommodation | -313 |
| <u>-313</u> | | <u>-313</u> |
| <u>-33,128</u> | TOTAL INCOME | <u>-32,314</u> |
| <u>-9,749</u> | NET COST OF SERVICE | <u>-8,313</u> |
| 4,575 | Loan Interest Paid | 4,721 |
| 0 | Mortgage Interest | 0 |
| -265 | Revenue Cash Interest Received | -155 |
| 1,913 | Capital Expenditure financed from Revenue | 1,030 |
| 0 | Contribution to/(from) MRR | 0 |
| 10,000 | Contribution to/(from) Earmarked Reserves | 0 |
| <u>6,474</u> | (SURPLUS) / DEFICIT IN YEAR | <u>-2,717</u> |
| -29,421 | (SURPLUS) / DEFICIT BROUGHT FORWARD | -22,947 |
| 6,474 | (SURPLUS) / DEFICIT IN YEAR | -2,717 |
| -22,947 | (SURPLUS) / DEFICIT CARRIED FORWARD | -25,664 |

Annex 5 2019/20 HRA Savings Proposals

| Ref | Proposal Description | 19/20 Impact £'000 |
|------------|---|-----------------------------------|
| HRA1 | General Management Cash limit of central establishment recharges (to reflect savings made in corporate services) and other non essential supplies and services. | 25 |
| | Total | 25 |

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HOUSING REVENUE ACCOUNT PROJECTIONS
City of York Council

| Year | 2018.19 | 2019.20 | 2020.21 | 2021.22 | 2022.23 | 2023.24 | 2024.25 | 2025.26 | 2026.27 | 2027.28 | 2028.29 | 2029.30 | 2030.31 | 2031.32 | 2032.33 | 2033.34 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| £'000 | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 |
| INCOME: | | | | | | | | | | | | | | | | |
| Rental Income | 31,365 | 30,490 | 31,485 | 32,345 | 33,182 | 34,053 | 34,947 | 35,692 | 36,452 | 37,253 | 38,097 | 38,960 | 39,650 | 40,352 | 41,063 | 41,784 |
| Void Losses | -316 | -274 | -281 | -288 | -296 | -304 | -312 | -318 | -325 | -332 | -340 | -348 | -354 | -360 | -367 | -373 |
| Service Charges | 1,318 | 1,281 | 1,306 | 1,332 | 1,359 | 1,386 | 1,414 | 1,442 | 1,471 | 1,501 | 1,531 | 1,561 | 1,592 | 1,624 | 1,657 | 1,690 |
| Non-Dwelling Income | 349 | 406 | 430 | 587 | 754 | 833 | 856 | 873 | 891 | 908 | 927 | 945 | 964 | 983 | 1,003 | 1,023 |
| Grants & Other Income | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 |
| Total Income | 33,128 | 32,314 | 33,353 | 34,388 | 35,411 | 36,381 | 37,317 | 38,101 | 38,900 | 39,741 | 40,626 | 41,531 | 42,264 | 43,011 | 43,768 | 44,535 |
| EXPENDITURE: | | | | | | | | | | | | | | | | |
| General Management | -6,120 | -6,117 | -6,224 | -6,372 | -6,539 | -6,716 | -6,898 | -7,036 | -7,177 | -7,321 | -7,467 | -7,616 | -7,769 | -7,924 | -8,083 | -8,244 |
| Special Management | -2,204 | -2,248 | -2,293 | -2,339 | -2,385 | -2,433 | -2,482 | -2,531 | -2,582 | -2,634 | -2,686 | -2,740 | -2,795 | -2,851 | -2,908 | -2,966 |
| Other Management | -287 | -293 | -299 | -305 | -311 | -317 | -324 | -330 | -337 | -343 | -350 | -357 | -364 | -372 | -379 | -387 |
| Bad Debt Provision | -440 | -456 | -468 | -481 | -493 | -506 | -520 | -531 | -542 | -554 | -567 | -580 | -590 | -600 | -611 | -622 |
| Responsive & Cyclical Repairs | -6,179 | -6,621 | -6,820 | -7,025 | -7,235 | -7,452 | -7,602 | -7,754 | -7,909 | -8,067 | -8,228 | -8,393 | -8,561 | -8,732 | -8,906 | -9,085 |
| Total Revenue Expenditure | -15,230 | -15,736 | -16,104 | -16,521 | -16,964 | -17,425 | -17,825 | -18,182 | -18,547 | -18,919 | -19,299 | -19,686 | -20,079 | -20,479 | -20,887 | -21,303 |
| DEBT CHARGES: | | | | | | | | | | | | | | | | |
| Interest Paid & Administration | -4,625 | -4,776 | -5,081 | -5,266 | -5,483 | -5,588 | -5,450 | -5,197 | -4,903 | -4,542 | -4,185 | -4,595 | -4,252 | -3,919 | -3,537 | -3,240 |
| Interest Received | 266 | 155 | 218 | 274 | 465 | 488 | 497 | 484 | 441 | 384 | 346 | 323 | 310 | 305 | 292 | 306 |
| Depreciation | -8,098 | -8,170 | -8,298 | -8,444 | -8,580 | -8,721 | -8,865 | -9,012 | -9,160 | -9,317 | -9,483 | -9,652 | -9,824 | -9,999 | -10,177 | -10,356 |
| Net Operating Income | 5,440 | 3,788 | 4,089 | 4,431 | 4,850 | 5,134 | 5,674 | 6,195 | 6,732 | 7,348 | 8,005 | 7,921 | 8,420 | 8,918 | 9,459 | 9,941 |
| APPROPRIATIONS: | | | | | | | | | | | | | | | | |
| FRS 17 /Other HRA Reserve Adj | -10,000 | -41 | -42 | -43 | -43 | -44 | -45 | -46 | -47 | -48 | -49 | -50 | -51 | -52 | -53 | -54 |
| HRA CFR Revenue Provision | 0 | 0 | 0 | 0 | 0 | -1,900 | -8,400 | -9,500 | -10,600 | -13,500 | -7,900 | -11,000 | -6,500 | -10,250 | -9,000 | -6,000 |
| Revenue Contribution to Capital | -1,913 | -1,030 | -1,076 | -195 | -195 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 |
| Total Appropriations | -11,913 | -1,071 | -1,118 | -238 | -238 | -2,114 | -8,615 | -9,716 | -10,817 | -13,718 | -8,119 | -11,220 | -6,721 | -10,472 | -9,223 | -6,224 |
| ANNUAL CASHFLOW | -6,473 | 2,717 | 2,971 | 4,194 | 4,611 | 3,020 | -2,941 | -3,522 | -4,085 | -6,370 | -114 | -3,299 | 1,699 | -1,554 | 236 | 3,717 |
| Opening Balance | 29,421 | 22,947 | 25,664 | 28,635 | 32,829 | 37,440 | 40,460 | 37,519 | 33,997 | 29,912 | 23,542 | 23,428 | 20,129 | 21,827 | 20,273 | 20,510 |
| Closing Balance | 22,947 | 25,664 | 28,635 | 32,829 | 37,440 | 40,460 | 37,519 | 33,997 | 29,912 | 23,542 | 23,428 | 20,129 | 21,827 | 20,273 | 20,510 | 24,227 |
| Other HRA Reserve Balance | 6,300 | 3,583 | 0 | 11,536 | 11,475 | 8,738 | 13,193 | 12,673 | 12,153 | 11,583 | 11,013 | 10,443 | 9,873 | 9,303 | 8,683 | 8,063 |

HOUSING REVENUE ACCOUNT PROJE
City of York Council

| Year | 2034.35 | 2035.36 | 2036.37 | 2037.38 | 2038.39 | 2039.40 | 2040.41 | 2041.42 | 2042.43 | 2043.44 | 2044.45 | 2045.46 | 2046.47 | 2047.48 |
|----------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| £'000 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 | 27 | 28 | 29 | 30 |
| INCOME: | | | | | | | | | | | | | | |
| Rental Income | 42,517 | 43,262 | 44,021 | 44,731 | 45,388 | 46,054 | 46,729 | 47,412 | 48,103 | 48,804 | 49,513 | 50,231 | 50,958 | 51,694 |
| Void Losses | -380 | -386 | -393 | -399 | -405 | -411 | -417 | -423 | -430 | -436 | -442 | -449 | -455 | -462 |
| Service Charges | 1,724 | 1,758 | 1,793 | 1,829 | 1,866 | 1,903 | 1,941 | 1,980 | 2,020 | 2,060 | 2,101 | 2,143 | 2,186 | 2,230 |
| Non-Dwelling Income | 1,043 | 1,064 | 1,086 | 1,107 | 1,129 | 1,152 | 1,175 | 1,199 | 1,223 | 1,247 | 1,272 | 1,297 | 1,323 | 1,350 |
| Grants & Other Income | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 412 | 414 | 414 | 414 | 414 | 414 | 414 |
| Total Income | 45,316 | 46,111 | 46,919 | 47,680 | 48,390 | 49,110 | 49,839 | 50,579 | 51,330 | 52,089 | 52,858 | 53,637 | 54,426 | 55,226 |
| EXPENDITURE: | | | | | | | | | | | | | | |
| General Management | -8,409 | -8,577 | -8,749 | -8,924 | -9,102 | -9,284 | -9,470 | -9,660 | -9,853 | -10,050 | -10,251 | -10,456 | -10,665 | -10,878 |
| Special Management | -3,025 | -3,086 | -3,147 | -3,210 | -3,275 | -3,340 | -3,407 | -3,475 | -3,545 | -3,615 | -3,688 | -3,762 | -3,837 | -3,914 |
| Other Management | -394 | -402 | -410 | -419 | -427 | -436 | -444 | -453 | -462 | -471 | -481 | -490 | -500 | -510 |
| Bad Debt Provision | -633 | -644 | -655 | -666 | -676 | -685 | -696 | -706 | -716 | -727 | -737 | -748 | -759 | -770 |
| Responsive & Cyclical Repairs | -9,266 | -9,452 | -9,641 | -9,833 | -10,030 | -10,231 | -10,435 | -10,644 | -10,857 | -11,074 | -11,295 | -11,521 | -11,752 | -11,987 |
| Total Revenue Expenditure | -21,728 | -22,161 | -22,603 | -23,052 | -23,510 | -23,976 | -24,452 | -24,937 | -25,432 | -25,937 | -26,452 | -26,977 | -27,512 | -28,058 |
| DEBT CHARGES: | | | | | | | | | | | | | | |
| Interest Paid & Administration | -2,925 | -2,630 | -2,432 | -2,234 | -2,037 | -1,839 | -1,642 | -814 | -87 | -89 | -91 | -92 | -94 | -96 |
| Interest Received | 320 | 344 | 396 | 455 | 518 | 584 | 654 | 573 | 523 | 659 | 799 | 940 | 1,084 | 1,204 |
| Depreciation | -10,539 | -10,725 | -10,915 | -11,092 | -11,257 | -11,423 | -11,592 | -11,764 | -11,937 | -12,113 | -12,290 | -12,471 | -12,653 | -12,838 |
| Net Operating Income | 10,444 | 10,938 | 11,366 | 11,756 | 12,105 | 12,455 | 12,808 | 13,636 | 14,396 | 14,609 | 14,823 | 15,037 | 15,251 | 15,437 |
| APPROPRIATIONS: | | | | | | | | | | | | | | |
| FRS 17 /Other HRA Reserve Adj | -55 | -56 | -57 | -59 | -60 | -61 | -62 | -63 | -65 | -66 | -67 | -278 | -835 | -802 |
| HRA CFR Revenue Provision | -9,900 | -5,000 | -5,000 | -5,000 | -5,000 | -5,000 | -5,000 | -36,609 | 0 | 0 | 0 | 0 | 0 | 0 |
| Revenue Contribution to Capital | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 | -170 |
| Total Appropriations | -10,125 | -5,226 | -5,227 | -5,229 | -5,230 | -5,231 | -5,232 | -36,843 | -235 | -236 | -237 | -448 | -1,005 | -972 |
| ANNUAL CASHFLOW | 319 | 5,712 | 6,139 | 6,528 | 6,875 | 7,224 | 7,575 | -23,207 | 14,162 | 14,374 | 14,586 | 14,589 | 14,246 | 14,466 |
| Opening Balance | 24,227 | 24,546 | 30,258 | 36,397 | 42,924 | 49,800 | 57,024 | 64,599 | 41,393 | 55,554 | 69,928 | 84,514 | 99,103 | 113,349 |
| Closing Balance | 24,546 | 30,258 | 36,397 | 42,924 | 49,800 | 57,024 | 64,599 | 41,393 | 55,554 | 69,928 | 84,514 | 99,103 | 113,349 | 127,815 |
| Other HRA Reserve Balance | 7,443 | 6,823 | 6,203 | 5,533 | 4,863 | 4,193 | 3,523 | 2,853 | 2,138 | 1,373 | 609 | 53 | 53 | 818 |

The 'Better Decision Making' tool has been designed to help you consider the impact of your proposal on the health and wellbeing of communities, the environment, and local economy. It draws upon the priorities set out in our Council Plan and will help us to provide inclusive and discrimination-free services by considering the equalities and human rights implications of the decisions we make. The purpose of this tool is to avoid decisions being made in isolation, and to encourage evidence-based decision making that carefully balances social, economic and environmental factors, helping us to become a more responsive and resilient organisation.

The Better Decision Making tool should be used when proposing new projects, services, policies or strategies, or significant amendments to them. The tool should be completed at the earliest opportunity, ideally when you are just beginning to develop a proposal. However, it can be completed at any stage of the decision-making process. If the tool is completed just prior to the Executive, it can still help to guide future courses of action as the proposal is implemented.

The Better Decision Making tool must be attached as an annex to Executive reports. A brief summary of your findings should be reported in the One Planet Council / Equalities section of the report itself.

Guidance to help you complete the assessment can be obtained by hovering over the relevant question.

Please complete all fields. If you wish to enter multiple paragraphs in any of the boxes, hold down 'Alt' before hitting 'Enter'.

Introduction

| | |
|---|---------------------------------|
| Service submitting the proposal: | Corporate Finance |
| Name of person completing the assessment: | Sarah Kirby |
| Job title: | Principal Accountant |
| Directorate: | Customer and Corporate Services |
| Date Completed: | 01/12/18 |
| Date Approved (form to be checked by head of service): | |


Section 1: What is the proposal?

| | |
|-----|---|
| 1.1 | Name of the service, project, programme, policy or strategy being assessed? Financial Strategy 2019/20 to 2023/24 |
| 1.2 | What are the main aims of the proposal? The Strategy sets out the revenue and capital expenditure plans for the period 2019/20 to 2023/24. The revenue budget includes proposals for 2019/20 and sets out savings/ efficiencies of £4.3m in order to set a legally balanced budget. |
| 1.3 | What are the key outcomes? 1. Confirm the council tax increase for 2019/20 2. Identify revenue savings for 2019/20 3. Ensure a financially prudent budget is set, addressing known pressures, including pay awards and inflationary pressures 4. confirm changes (increase/decrease) to fees and charges 5. Confirm the HRA budget and HRA rents 6. Confirm capital expenditure plans for 2019/20 to 2023/24 |

Section 2: Evidence

| | |
|-----|--|
| 2.1 | What data / evidence is available to support the proposal and understand its likely impact? (e.g. hate crime figures, obesity levels, recycling statistics) There were 366 respondents to the budget consultation referred to below in 2.2. Individual savings proposals are too numerous to comment on but are based on service specific customer data. Each individual saving proposal will undergo an assessment of the impact. |
| | What public / stakeholder consultation has been undertaken and what were the findings? |

| | |
|-----|--|
| 2.2 | The budget consultation was launched on 3 October and closed on 23 November 2018 for paper surveys and 30 November 2018 for online surveys. Further details are included in the main body of the budget report. All views and data gathered during the consultation will be published on the York open data platform www.yorkopendata.org |
| 2.3 | <p data-bbox="323 373 1803 448">Are there any other initiatives that may produce a combined impact with this proposal? (e.g. will the same individuals / communities of identity also be impacted by a different project or policy?)</p> <p data-bbox="323 463 1803 537">The Capital Strategy 2019/20 to 2023/24 report proposals will produce a combined impact with the Financial Strategy and therefore both are covered within this assessment.</p> |



RISK ASSESSMENT

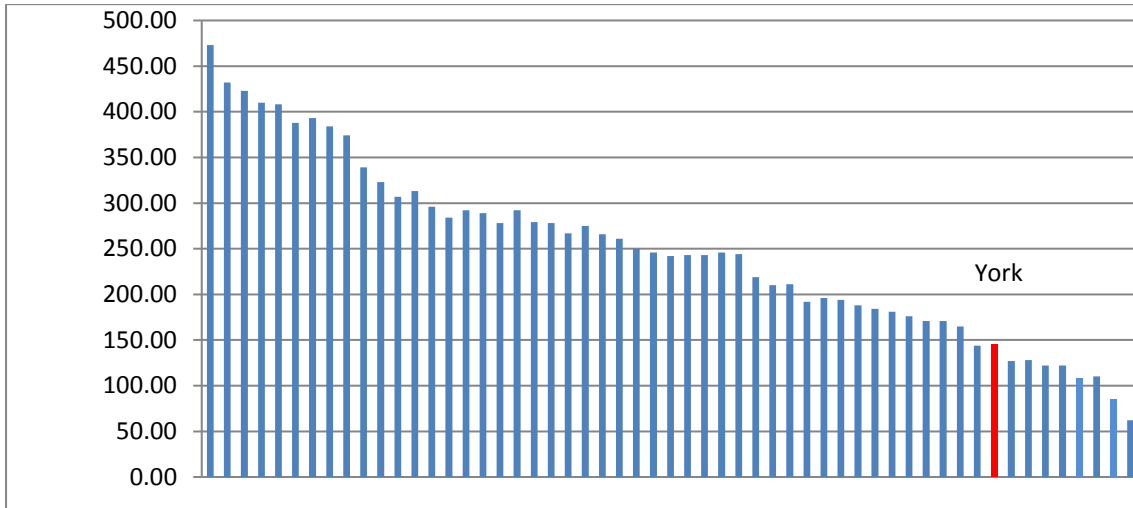
| Risk | Likelihood | Seriousness | How we will manage the risk |
|---|------------|-------------|--|
| Budgets across the Council are overspent due to external pressures eg increased clients in adult care | Medium | High | <ul style="list-style-type: none"> • regular monitoring with corrective action |
| Budgets across the Council are overspent due to mitigations not being delivered as outlined in monitoring reports | Medium | High | <ul style="list-style-type: none"> • regular monitoring with corrective action |
| All Savings are not achieved, or delayed, due to reduced management and support services capacity to deliver | High | High | <ul style="list-style-type: none"> • regular budget monitoring focused on high risk areas to identify issues at an early stage • where savings are not achieved ensure alternative savings identified • regular monitoring with corrective action at DMTs • effective project management |
| Delays in implementing new operating models mean that savings are not delivered in the timescales forecast | High | Medium | <ul style="list-style-type: none"> • regular monitoring with corrective action at relevant DMTs and CMT • effective project management |
| Underperformance of Better Care Fund schemes results in additional costs for Adult Social Care. | High | High | <ul style="list-style-type: none"> • regular monitoring with corrective action • effective project management |

| | | | |
|--|--------|--------|--|
| Continued pressure on income budgets | Medium | Medium | <ul style="list-style-type: none"> • regular budget monitoring to identify trends |
| Potential for reserves to go below minimum levels due to budgets being exceeded | Low | High | <ul style="list-style-type: none"> • ensure minimum levels are maintained • robust financial management/prudent budget setting |
| Costs of redundancy/retirement as a result of service changes exceed budget | Low | Medium | <ul style="list-style-type: none"> • provision made for costs of retirement/redundancy in budgets |
| Capital costs may have to be charged to revenue, should a scheme not progress to completion. | Medium | High | <ul style="list-style-type: none"> • ensure adequate levels of reserves maintained • effective project management |

Background Information

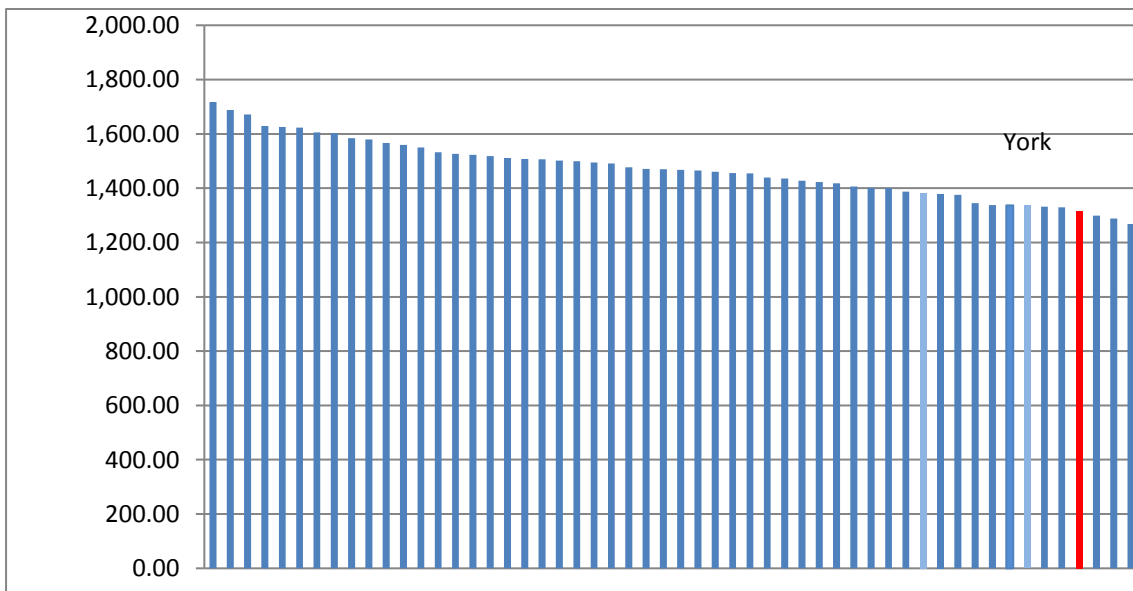
2018/19 Settlement Funding Assessment (SFA) Per Head

The following graph shows York as the 9th lowest SFA per head of population in comparison to other unitary authorities. This uses the allocations and population data relating to the 2018/19 announcement.



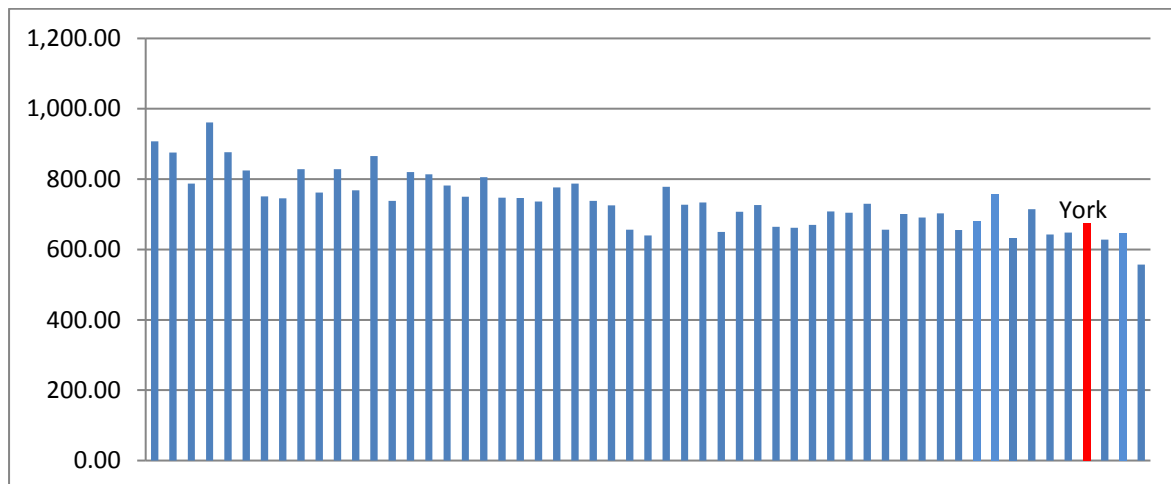
2018/19 Basic Band D Council Tax

The following graph shows York has the 4th lowest basic Band D Council Tax in comparison to other unitary authorities. This uses the approved 2018/19 levels.



2018/19 Net Budget Spend Per Head

The following graph shows York has the 4th lowest net budget spend per head in comparison to other unitary authorities. This uses the approved 2018/19 information.



Data Tables

The following pages provide the supporting detail for the graphs and provides the most up to date information where possible, i.e. population data.

2018/19 Settlement Funding Assessment (SFA) Per Head

| | <u>Population</u> | <u>2018/19 SFA</u> <u>(£k)</u> | <u>SFA/Hd</u> <u>(£)</u> |
|---------------------------|-------------------|-----------------------------------|-----------------------------|
| Blackpool | 139,870 | 66,100 | 473 |
| Middlesbrough | 140,639 | 60,744 | 432 |
| Kingston upon Hull | 260,673 | 110,200 | 423 |
| Hartlepool | 93,019 | 38,171 | 410 |
| Blackburn with Darwen | 148,772 | 60,652 | 408 |
| Nottingham | 329,209 | 127,766 | 388 |
| Stoke-on-Trent | 255,378 | 100,413 | 393 |
| Leicester | 353,540 | 135,703 | 384 |
| Halton | 127,595 | 47,767 | 374 |
| Redcar and Cleveland | 136,005 | 46,042 | 339 |
| North East Lincolnshire | 159,826 | 51,567 | 323 |
| Torbay | 135,247 | 41,572 | 307 |
| Durham | 523,662 | 164,160 | 313 |
| Portsmouth | 214,718 | 63,571 | 296 |
| Isle of Wight Council | 140,984 | 40,035 | 284 |
| Telford and the Wrekin | 175,768 | 51,366 | 292 |
| Derby | 257,034 | 74,350 | 289 |
| Bristol | 459,252 | 127,640 | 278 |
| Luton | 214,658 | 62,761 | 292 |
| Peterborough | 198,914 | 55,416 | 279 |
| Southampton | 252,359 | 70,238 | 278 |
| Northumberland | 319,030 | 85,197 | 267 |
| Plymouth | 263,070 | 72,366 | 275 |
| Darlington | 106,347 | 28,341 | 266 |
| Slough | 148,768 | 38,772 | 261 |
| Thurrock | 170,394 | 42,600 | 250 |
| Brighton & Hove | 288,155 | 70,956 | 246 |
| Bedford | 169,912 | 41,078 | 242 |
| Cornwall | 561,349 | 136,357 | 243 |
| Southend-on-Sea | 181,808 | 44,226 | 243 |
| North Lincolnshire | 171,294 | 42,083 | 246 |
| Stockton-on-Tees | 196,487 | 47,951 | 244 |
| Reading | 163,075 | 35,699 | 219 |
| Milton Keynes | 267,521 | 56,121 | 210 |
| Medway | 277,616 | 58,626 | 211 |
| Herefordshire | 191,041 | 36,731 | 192 |
| Shropshire | 317,459 | 62,374 | 196 |
| Bournemouth | 194,752 | 37,787 | 194 |
| East Riding of Yorkshire | 338,061 | 63,632 | 188 |
| Cheshire West and Chester | 337,986 | 62,143 | 184 |
| Swindon | 220,363 | 39,971 | 181 |
| North Somerset | 212,834 | 37,453 | 176 |
| Bracknell Forest | 120,377 | 20,615 | 171 |
| Warrington | 209,704 | 35,913 | 171 |
| South Gloucestershire | 279,027 | 46,085 | 165 |

| | | | |
|----------------------------|----------------|---------------|------------|
| Bath & North East Somerset | 188,678 | 27,142 | 144 |
| York | 208,163 | 30,087 | 145 |
| Central Bedfordshire | 280,030 | 35,593 | 127 |
| Wiltshire | 496,043 | 63,661 | 128 |
| Cheshire East | 378,846 | 46,281 | 122 |
| Poole | 151,270 | 18,394 | 122 |
| Rutland | 39,474 | 4,249 | 108 |
| West Berkshire | 158,473 | 17,510 | 110 |
| Windsor and Maidenhead | 150,140 | 12,779 | 85 |
| Wokingham | 164,980 | 10,216 | 62 |

Unitary Authority Band D council tax figures 2018/19

| | <u>Basic</u> <u>Band D</u> <u>2018/19</u> <u>(£)</u> |
|---------------------------|---|
| Northumberland | 1,717.06 |
| Nottingham | 1,688.45 |
| Rutland | 1,671.93 |
| Isle of Wight Council | 1,629.23 |
| Bristol | 1,625.94 |
| Hartlepool | 1,623.38 |
| Durham | 1,605.68 |
| Central Bedfordshire | 1,602.54 |
| Cornwall | 1,584.01 |
| Reading | 1,579.99 |
| Middlesbrough | 1,566.81 |
| Stockton-on-Tees | 1,558.93 |
| Brighton & Hove | 1,549.87 |
| Redcar & Cleveland | 1,531.97 |
| West Berkshire | 1,526.03 |
| Wiltshire | 1,522.97 |
| South Gloucestershire | 1,517.62 |
| Blackpool | 1,511.14 |
| Leicester | 1,506.98 |
| Herefordshire | 1,506.50 |
| North East Lincolnshire | 1,501.48 |
| Bedford | 1,499.12 |
| Wokingham | 1,494.39 |
| Southampton | 1,490.94 |
| Cheshire West and Chester | 1,477.30 |
| Blackburn with Darwen | 1,470.55 |
| Plymouth | 1,470.38 |
| Darlington | 1,466.93 |
| Torbay | 1,465.66 |
| North Lincolnshire | 1,460.21 |
| East Riding of Yorkshire | 1,455.23 |
| Cheshire East | 1,454.36 |
| Bournemouth | 1,438.92 |

| | |
|----------------------------|-----------------|
| Luton | 1,435.30 |
| Milton Keynes | 1,427.71 |
| Warrington | 1,422.96 |
| Swindon | 1,417.44 |
| Shropshire | 1,406.05 |
| North Somerset | 1,401.49 |
| Poole | 1,399.68 |
| Bath & North East Somerset | 1,386.90 |
| Halton | 1,381.08 |
| Medway | 1,379.73 |
| Derby | 1,375.93 |
| Telford & Wrekin | 1,345.32 |
| Bracknell Forest | 1,337.80 |
| Slough | 1,336.62 |
| Portsmouth | 1,336.61 |
| Kingston-upon-Hull | 1,331.45 |
| Southend-on-Sea | 1,329.97 |
| Peterborough | 1,315.75 |
| York | 1,299.26 |
| Thurrock | 1,287.81 |
| Stoke-on-Trent | 1,267.72 |
| Windsor & Maidenhead | 1,028.41 |

Unitary Authority 2018/19 spend per head

| | <u>Population</u> | <u>2018/19 Net Budget (£k)</u> | <u>Spend/ Hd (£)</u> |
|-----------------------------|-------------------|--|--------------------------|
| Blackpool | 139,870 | 126,953 | 908 |
| Hartlepool | 93,019 | 81,456 | 876 |
| Stoke-on-Trent | 255,378 | 201,075 | 787 |
| Isle of Wight | 140,984 | 135,488 | 961 |
| Northumberland | 319,030 | 279,529 | 876 |
| Middlesbrough | 140,639 | 115,951 | 824 |
| Kingston upon Hull, City of | 260,673 | 195,847 | 751 |
| Leicester | 353,540 | 263,645 | 746 |
| Torbay | 135,247 | 111,971 | 828 |
| North East Lincolnshire | 159,826 | 121,732 | 762 |
| Redcar and Cleveland | 136,005 | 112,630 | 828 |
| Blackburn with Darwen | 148,772 | 114,316 | 768 |
| Halton | 127,595 | 110,474 | 866 |
| Darlington | 106,347 | 78,511 | 738 |
| Bedford | 169,912 | 139,397 | 820 |
| Cornwall | 561,349 | 456,574 | 813 |
| County Durham | 523,662 | 409,350 | 782 |
| Brighton and Hove | 288,155 | 216,124 | 750 |
| Rutland | 39,474 | 31,790 | 805 |
| Stockton-on-Tees | 196,487 | 146,888 | 748 |
| Nottingham | 329,209 | 245,669 | 746 |
| Bristol, City of | 459,252 | 338,313 | 737 |
| Reading | 163,075 | 126,591 | 776 |
| East Riding of Yorkshire | 338,061 | 266,255 | 788 |
| Bracknell Forest | 120,377 | 88,812 | 738 |
| Cheshire West and Chester | 337,986 | 245,094 | 725 |
| Herefordshire, County of | 191,041 | 125,403 | 656 |
| Portsmouth | 214,718 | 137,330 | 640 |
| West Berkshire | 158,473 | 123,301 | 778 |
| North Lincolnshire | 171,294 | 124,596 | 727 |
| Telford and Wrekin | 175,768 | 128,866 | 733 |
| Southend-on-Sea | 181,808 | 118,088 | 650 |
| Plymouth | 263,070 | 186,088 | 707 |
| North Somerset | 212,834 | 154,499 | 726 |
| Derby | 257,034 | 170,757 | 664 |
| Bournemouth | 194,752 | 128,894 | 662 |
| Poole | 151,270 | 101,331 | 670 |
| Peterborough | 198,914 | 140,792 | 708 |
| Central Bedfordshire | 280,030 | 197,183 | 704 |

| | | | |
|------------------------|----------------|----------------|------------|
| Shropshire | 317,459 | 231,802 | 730 |
| Slough | 148,768 | 97,648 | 656 |
| Wiltshire | 496,043 | 347,550 | 701 |
| Wokingham | 164,980 | 114,037 | 691 |
| Cheshire East | 378,846 | 266,220 | 703 |
| Thurrock | 170,394 | 111,639 | 655 |
| Southampton | 252,359 | 172,037 | 682 |
| South Gloucestershire | 279,027 | 211,601 | 758 |
| Medway | 277,616 | 175,784 | 633 |
| Swindon | 220,363 | 157,463 | 715 |
| Bath and North East | | | |
| Somerset | 188,678 | 121,309 | 643 |
| Milton Keynes | 267,521 | 173,262 | 648 |
| York | 208,163 | 140,522 | 675 |
| Luton | 214,658 | 134,845 | 628 |
| Warrington | 209,704 | 135,433 | 646 |
| Windsor and Maidenhead | 150,140 | 83,605 | 557 |



Executive**14 February 2019**

Report of the Deputy Chief Executive / Director of Customer and Corporate Services

Portfolio of the Executive Leader (incorporating Finance & Performance)

Capital Financing & Investment Strategy**Summary**

1. This is a new statutory report for 2019/20 which is required following a Government review of the Prudential Code. It is intended to give a high level overview of how capital expenditure and capital financing contribute to the provision of services, along with an overview of how associated risk is managed.

Recommendation

2. Executive are asked to recommend to Full Council approval of the capital and investment strategy at Annex A.

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

Background and analysis

3. The revised Prudential Code 2017 has introduced a new requirement for all councils to approve an annual strategy, partly in response to the increasing commercialisation within local government. The guidance requires that annual capital and investment strategies are approved by Full Council.
4. The strategy provides an overarching policy framework for the councils capital programme and will be part of the suite of budget reports considered each year by Executive and Full Council. This report should therefore be considered alongside the Treasury Management Strategy Statement and the revenue and capital budget reports elsewhere on this agenda. The strategy will be developed and expanded as appropriate in future years, to meet the changing requirements of the council.
5. The strategy sets out the councils approach to business case development and risk appetite. Much of this is already well established and has featured in previous financial strategy reports, reports on property investment and asset related reports. Members should note that it includes specific sections on:

- The need to seek to attract external funding wherever possible and to adopt partnership approaches
- The importance of schemes that deliver long term economic growth, with the impact on business rates being a relevant factor in the assessment of schemes
- Arrangements for asset management and property investments
- The need to incorporate One Planet Council principles and consider energy efficiency implications in the assessment of schemes
- The Housing Revenue Account

Consultation

6. The capital financing and investment strategy is influenced by the capital and revenue spending decisions made by the Council. Both the revenue and capital budgets have been through a process of consultation, details of which are outlined in the budget reports elsewhere on this agenda.

Options

7. It is a statutory requirement that the council has regard to the Prudential Code and therefore that this strategy is approved by Executive and Full Council.

Council Plan

8. The strategy provides a framework by which major investment decisions will be made and sets a framework for all aspects of the council's capital and investment expenditure including prioritisation, planning, funding and monitoring. This will ensure resources are appropriately invested in the council's priorities, values and imperatives as set out in the Council Plan.

Implications

Financial

9. The revenue implications of the capital strategy are set out in the capital and revenue budget reports to be considered by Executive on 14th February 2019.

Legal Implications

10. The Local Government Act 2003 and statutory guidance issued under that Act, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), specifies that the Council is required to have regard to the Prudential Code.

Other Implications

11. There are no HR, Equalities, crime and disorder, information technology or other implications as a result of this report

Risk Management

12. Capital expenditure and financing is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003, supporting regulations and the Prudential Code 2017 are all adhered to as required.

| Contact Details | |
|--|--|
| Author | Chief Officer responsible for the report |
| Debbie Mitchell Corporate Finance & Commercial Procurement Manager Ext 4161 | Ian Floyd Deputy Chief Executive / Director of Customer and Corporate Services |
| | Report approved 1 February 2019 |
| Wards affected | All |

Annexes

Annex A – Capital Financing & Investment Strategy

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City of York Council Capital Financing and Investment Strategy 2019/20

Introduction

The capital financing and investment strategy forms a key part of the council's overall financial planning framework and provides a mechanism by which capital expenditure and investment decisions are aligned over the term of the medium term financial strategy. It also provides a framework by which major investment decisions will be made and sets a framework for all aspects of the council's capital and investment expenditure including prioritisation, planning, funding and monitoring. It is linked to, and should be read in conjunction with, the medium term financial strategy (MTFS), annual revenue and capital budget reports and treasury management strategy statement (TMSS).

Objectives

This strategy will:

- Provide a framework for investment decisions
- Outline how we prioritise investment and capital decisions
- Identify how we will use our resources effectively and efficiently to deliver the council plan
- Set out how the council identifies and prioritises funding requirements
- Set out the council appetite for risk
- Consider how resources can be maximised to generate investment
- Ensure there is an overall balance of risk and rate of return
- Stress the importance of carrying out robust sensitivity analysis and due diligence
- Ensure effective arrangements for the management of expenditure including the requirement to carry out an assessment of outcomes and deliverability whilst ensuring value for money is achieved
- Reinforce the overriding requirement for security, liquidity and yield on all council investments

Risk appetite

With regard to investments and commercial activity the council acknowledges that risk will always exist and will take some measure of risk in order to realise investment gain. The council will balance risk and return in order to achieve our objectives and priorities, as set out in the Council Plan. Through robust due diligence any decision made will consider risks and mitigation to ensure full understanding of the risk associated with each investment. The council will seek to minimise exposure to risks that are not rewarded with additional income. Capital is managed corporately on an ongoing basis to ensure that there is sufficient liquidity in the short and medium term to meet expenditure incurred. The council is exposed to numerous risks including:

- Financial related to investment, cash flow, market volatility, etc.
- macroeconomic related to growth or decline of the national economy
- Counter party related to investments with institutions
- Operational
- Strategic
- Reputational
- Governance

Our risk appetite is supported by:

- Risk management strategy and framework
- Code of corporate governance
- Regular reporting of risk

Key areas where risk is considered further include:

- Capital programme
- Medium term financial strategy
- Performance management
- Treasury management
- Council owned subsidiaries
- Internal and external audit

Governance

All new programmes will be appraised using all about projects framework. A strategic business case will be prepared and will include any investment required, sources of funding, outcomes to be delivered, risk assessments, due diligence, repayment mechanisms, revenue impact and full lifetime costings. The proposal must also include details of any impact on revenue and in particular the delivery of previously agreed budget savings. If the strategic business case is approved, these estimates will be further refined and verified in an outline business case and ultimately a full business case.

All schemes being considered should, wherever possible, look for external funding and have explored if there is a suitable partnership approach to draw in other sources of funding to maximise the benefit to the tax payer and work with partners to secure the best possible outcomes for residents.

The council priorities are set out in the Council Plan. All expenditure proposals should identify how they will help to achieve these objectives.

A robust, formal due diligence process must be followed and details included in the full business case. This should include, as a minimum, consideration of the following:

- An assessment of the risks in the short and long term and how these risks can be mitigated
- Sensitivity analysis over the short and long term
- An impact assessment of the expenditure or investment being considered
- An overview of the evidence on which the proposal is based (eg evidence of demand, etc.)

The council will undertake regular monitoring of all investments and any issues will be included in the finance and performance monitoring reports to Executive. If an investment is underperforming, appropriate action will be taken to ensure the investment is not held longer than necessary.

The annual strategy will be approved by Executive and Full Council as part of the annual budget setting process. Any changes or updates will be reported in a mid year review.

Quarterly capital monitoring reports will continue to be considered by Executive and will reflect any changes in resource allocation, rescheduling of delivery (slippage) and any new programmes of work agreed. These reports will also monitor delivery of capital receipts and overall funding of the programme.

Capital and Investment Priorities

Capital expenditure must be affordable, prudent and sustainable. New expenditure proposals must be balanced against the need to maintain the potential and economic benefit of existing assets. Asset management plans need to reflect the costs of maintaining the existing asset base and not simply focus on acquiring new assets for investment purposes. The annual capital budget report identifies the 5 year planned programme of expenditure and how this is funded. Regular reports are presented to Executive to monitor progress, agree slippage and any other reprofiling of spend and approve any transfer of resources between service areas.

The council will continue to seek and deliver projects that generate longer term economic growth alongside the financial benefits. In order to maximise the financial benefits of the 100% business rate retention scheme, the impact of business rates should be considered as a key factor in the assessment and prioritisation of capital investment.

Capital Funding

The capital programme is funded from a range of different sources including:

- Prudential borrowing – the introduction of the Prudential Code in 2004 allowed the council to take on unsupported borrowing. This borrowing is subject to the requirements of the Prudential Code which means the council must ensure this borrowing is affordable and prudent.
- External Grants – this includes disabled facilities grants and various government grants for highways repair
- Section 106 and external contributions – some schemes in the capital programme are funded by contributions from private sector developers and partners.
- Revenue funding – revenue resources can be used to fund capital schemes
- Capital receipts – receipts arise from the sale of surplus assets.

Further details are included in the annual capital budget report.

Debt, borrowing and treasury management

The council produces a separate treasury management strategy statement, which is approved by Full Council as part of the annual budget setting process.

Pension fund guarantees

The council has entered in to a number of long term contracts for services that have involved the transfer of council staff to a new service provider. Employee's rights are protected under the provision in the Transfer of Undertakings (Protection of Employment) Regulations 2006, commonly referred to as TUPE. As a result, the council has given subsumption pension guarantees to a number of organisations.

Knowledge and Skills

The capital financing and investment strategy and the treasury management strategy are managed by a team of professionally qualified staff, with extensive local government experience. They all attend courses on a regular basis to keep abreast of new developments.

Internal training is offered to members of the Audit & Governance committee on an annual basis to ensure they have the necessary knowledge and understanding.

Where the council does have the knowledge and / or skills required use is made of external advisers that are specialists in their field. The council currently employs Link Asset Services as treasury management advisers.

Asset Management Strategy

The council has a range of property assets held for the following reasons:

- Operational – supporting core business and service delivery
- Investment – to provide a financial return to the council
- Regeneration / Commercial – enabling strategic place shaping and economic growth

In September 2017 the council agreed a refreshed and updated asset management strategy. This sets out how we will use our assets to deliver policy goals, operate our estate efficiently and generate maximum income to support delivery of council services.

Property Investment

The way the council funds the purchase of property will be determined on a case by case basis, depending on the overall economic conditions and depending on other capital expenditure being incurred. If the purchase is funded by borrowing, then the rental income generated must exceed the cost of repaying the borrowing each year. Any surplus will be used to support the council's overall budget position, enabling the council to continue to provide essential services for residents. Our investments in commercial property to date have been relatively modest in the context of percentage of total budget but any future proposals to invest in property will need to be mindful of the extent to which they increase the percentage of our total income invested in this area.

The reasons for buying and owning property are (in order of importance):

1. Economic development and regeneration in York
2. To generate income in order to provide services for local people
3. Opportunity

Property price and return on investment will depend on the type, location and current condition of the asset as well as the strength of the lease / covenant arrangements of the current tenant. The council will only purchase property within its boundary. The council should seek the best returns available, whilst carrying an acceptable level of risk. The rate of return must be better than the returns available from alternative, more secure investments (eg money market funds). The annual return must also exceed the cost of PWLB borrowing.

The council will take a balanced approach in order to minimise risk. This will include ensuring not all investment income is derived from one asset category or only one type of investment, such as commercial property. In future the council will consider whether a limit should be set on the amount invested in any one area to ensure it is not vulnerable to sudden changes in market conditions. When considering rate of return, a review will be carried out so that the value of investments is also considered over the life of the asset rather than focussing on short term returns only. Future reviews of this strategy will also include issues such as when to exit under performing investments.

The asset management strategy:

- sets out what the council seeks to achieve when purchasing any property
- identifies any possible risks
- clarifies the legal powers used to acquire any property
- identifies the criteria for acquiring and owning assets
- outlines the process for acquiring assets

Property disposal and capital receipts

The asset management strategy will continue to identify surplus or under used property. Surplus properties will be used to generate revenue where possible or will be disposed of to generate a capital receipt. Capital receipts are corporate resources and will be used to support the councils key aims and priorities rather than being allocated to specific schemes. This could include repayment of existing debt, mitigating future requirements to borrow and financing transitional costs of change. Any decisions will be taken by Executive in line with the constitution.

One Planet Council

The council is committed to achieving the aims set out in the One Planet Council framework to support our ambition to be a more sustainable, resilient and collaborative organisation. With a challenging financial climate and increasing demand for our services, One Planet Council is an essential part of making the most of the resources we have and helping us to prepare for the future. One Planet Council is an integral part of working towards our Council Plan, which commits us to putting sustainability at the heart of everything we do and working towards 'One Planet Living'. During the budget consultation for 2019/20 energy efficiency was identified as a high priority by residents.

Capital investment will therefore need to demonstrate that, where possible, it meets the aims of the One Planet Council framework and energy efficiency implications should be considered in the assessment of proposed schemes, along with potential savings being identified. The council will also consider suitable cost saving opportunities in relation to energy efficiency and sustainability.

Housing Revenue Account (HRA)

The (HRA) is a ring-fenced account which ensures that council housing does not subsidise, or is itself subsidised, by other local services. HRA capital expenditure is therefore recorded separately within the accounts. The abolition of the HRA Debt Cap on 29th October 2018 represents a significant change in the council's ability to resource new council housing, major repairs and improvements to the existing housing stock and regeneration. A report on proposals for New Council Building in January 2019 recommended investment of £153.9m in building over 600 new houses of which 250 would be classed as affordable. This investment will be funded through a combination of additional borrowing to fund the appropriation of land from the general fund, proceeds from market sales and equity sales of shared ownership units alongside HRA resources such as Right to Buy Receipts and investment reserve.

In addition the HRA continues to significantly invest in the structural maintenance of existing stock within its capital programme. Investment over the period 2019/20 to 2024/25 in this area totals c £45m.

The 30 year HRA Business Plan financial forecast sets out the financial implications of delivering the overall plan and providing assurance that the HRA will remain financially viable. The forecast shows that debt will increase to £171m following the appropriation of general fund sites for development however this can be fully repaid over the plan period. This demonstrates the financial strength of the HRA business plan. The HRA business plan is a key part of the council's

long term financial planning, and sets out how we will deliver and finance services to tenants, and investment in their homes, over a 30-year period.



Executive

14 February 2019

Report of the Deputy Chief Executive/ Director of Customer and Corporate Services
Portfolio of the Executive Leader (incorporating Finance & Performance)

Capital Budget 2019/20 to 2023/24

Summary

1. This report sets out the Capital Strategy for 2019/20 to 2023/24, and in particular sets out new capital schemes.
2. The Council Plan for 2015-19 was formally approved by Full Council on Thursday 8 October 2015 following consultation with residents, businesses and staff, based on our statutory responsibilities and the priorities of our administration. The plan is built around three key priorities:
 - **a prosperous city for all** - where local businesses can thrive and residents have good quality jobs, housing and opportunities
 - **a focus on frontline services** - to ensure all residents, particularly the least advantaged, can access reliable services and community facilities
 - **a council that listens to residents** - to ensure it delivers the services they want and works in partnership with local communities
3. As set out within this report and the Revenue Strategy report also on this agenda, the budget reflects significant investment in a number of critical areas, with a focus on frontline services such as highways, housing, schools, drainage and street lighting, alongside investment in developing the economy of York through major regeneration schemes. This report sets out **£185.898m of new investment over the 5 year period**, of which £33.491m is externally funded, £106.022m is met from the Housing

Revenue Account, with **£46.385m** to be funded by Council Borrowing. The Council Key priority areas of investment include:

- Housing - new investment of £106.022m over the next 5 years, £96.450m of which relates to the Local Authority Homes New Build Project
 - Transport schemes – Increased investment of £35.055m over the next 5 years including areas such as the Clean Air Zone, York Outer Ring Road Dualling (£28m) and the Local transport plan road safety scheme.
 - Highways - Increased investment of £13.777m over the next 5 years
 - Guildhall – Increased investment of £7.372m
 - Information Technology Development – Increased investment of £2.470m
 - Schools Building, Mechanical & Electrical work – Increased investment of £5.970m
 - Disabled Facilities Grants – Increased investment of £5.019m
 - Libraries – Increased investment of £4.3m
4. It should be noted that a number of other major schemes not considered in detail within this report will be brought forward as individual reports to Members, including the York Castle Museum Delivery Phase, York Castle Gateway, Guildhall, City Centre Access Measures and York Central, as set out at paragraphs 93 – 110.

Recommendations

5. The Executive is requested to recommend that Council:
- Agree to the revised capital programme of **£579.762m** that reflects a net overall increase of **£185.898m** (as set out in paragraph 89 table 13 and in Annex A). Key elements of this include:
 - New Schemes funded by Prudential borrowing totalling £28.960m as set out in tables 3 and summarised in table 13
 - New Schemes funded by a combination of both Prudential borrowing and external funds of £28.7m as set out in table 4 and summarised in table 13;
 - Extension to existing schemes of £7.372m funded by Prudential borrowing as set out in table 5 and summarised in table 13;

- Extension of prudential borrowing funded Rolling Programme schemes totalling £6.903m as set out in table 5 and summarised in table 13;
 - Extension of externally funded Rolling Programme schemes totalling £7.941m as set out in table 6 and summarised in table 13;
 - An increase in HRA funded schemes totalling £106.022m funded from a combination HRA balances/Right to Buy receipts as set out in table 7 and summarised in table 13
- Note the total increase in Council borrowing as a result of new schemes being recommended for approval is £46.385m the details of which are considered within this report and the financial strategy report
 - Approve the full restated programme as summarised in Annex B totalling **£579.762m** covering financial years 2019/20 to 2023/24 as set out in table 13 and Annex B

Background

6. The current 2018/19 – 2022/23 capital programme was approved by Council on 22 February 2018. Since then a number of amendments have taken place as reported to the Executive up to and including the 2018/19 Capital Monitor 3 report also on this agenda. The changes made as a result of the above reports have resulted in a current approved capital programme for 2018/19 – 2022/23 of £500.155m, financed by £264.260m of external funding and Council controlled resources of £235.895m. Table 1 illustrates the current approved capital programme profile from 2018/19 – 2022/23 as of capital monitor 3 2018/19.

| | 18/19 | 19/20 | 20/21 | 21/22 | 22/23 | Total |
|--------------------------------|----------------|----------------|----------------|---------------|---------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Gross Capital Programme | 106.291 | 189.134 | 120.351 | 63.407 | 20.972 | 500.155 |
| Funded by: | | | | | | |
| External Funding | 46.126 | 115.610 | 73.789 | 24.139 | 4.596 | 264.260 |
| Council Controlled | 60.165 | 73.524 | 46.562 | 39.268 | 16.376 | 235.895 |

| | | | | | | |
|----------------------|----------------|----------------|----------------|---------------|---------------|----------------|
| Resources | | | | | | |
| Total Funding | 106.291 | 189.134 | 120.351 | 63.407 | 20.972 | 500.155 |

**Table 1 – Capital Programme Funding and Receipts Position
Funding Position of approved 2018/19 – 2022/23 programme**

7. The majority of External funding is comprised of Government Grants, including those from the Department for Transport and Department for Education and Skills. Council Controlled resources comprise of HRA funds, Prudential Borrowing and Capital receipts. There are some specific earmarked receipts that are critical, in particular in relation to the older persons programme. Additionally Members decided to ultimately finance the purchase of property at Hospital Fields Road and Swinegate from capital receipts. Therefore all future capital receipts are assumed to be used for this purpose in the medium term. This strategy will deliver significant revenue savings, and reduce the need for service savings within the revenue budget.

Options

8. This report sets out the new capital investment proposals for the 5 year period covering 2019/20 to 2023/24. Members can choose to approve or reject the recommendations made to Council as a result of the amendments contained in this report. It should be noted that it is a statutory requirement for the Council to set a capital budget for the forthcoming year (2019/20) per Local Government Act 2003 (revised).

Summary of Proposed Capital Investment

9. The Capital Budget Process invited proposals from the departments asking to submit requests for the Councils main capital priorities. Of the 42 proposals going forward 32 are asking for direct Council funding, this is comprised of 14 proposals for extensions to existing schemes and 19 proposals for new schemes.

10. In total, proposals have been made that would increase the existing 19/20 – 23/24 Capital Programme by **£185.898m**. The proposals are comprised as follows:

- General Fund schemes requiring financing by Council borrowing **£46.385m**
- General Fund Schemes financed by external funds **£33.491m**
- Housing Revenue Account schemes financed by HRA funds **£106.022m)**

Key scheme proposals

11. The table below summarises the key proposals that result in a new increase of **£185.898m** by type. Further details of the individual schemes can be found later in the report at the following references:

| Type | Total Value | Further Details |
|--|----------------|-----------------|
| | £000 | |
| New Schemes – Prudentially Borrowed | 28,960 | Table 3 |
| New Schemes – Match Funded (Element of both External & CYC funding) | 28,700 | Table 4 |
| Existing Schemes – Prudentially Borrowed | 7,372 | Table 5 |
| Rolling Programme – Prudentially Borrowed | 6,903 | Table 6 |
| Rolling Programme – Externally funded | 7,941 | Table 7 |
| Housing Revenue Account (HRA) Schemes – Funded by HRA resources | 106,022 | Table 8 |
| Total Increase in Capital Programme | 185,898 | |

Table 2 – Summary of New Proposals and Increase in Capital Programme

12. Overall this report proposes new capital schemes totalling **£185,898k** which result in a net increase to the Capital Programme of the same amount. Details of all schemes can be seen in the accompanying annex that sets out the purpose of each scheme and is summarised on table 12.

Detailed Consideration of Proposed Investment, and Financial Implications

New Schemes – Prudential Borrowing

13. As part of this year's capital budget process a number of proposals have been received that require discretionary prudential borrowing. These are set out in **table 3** below.

| Scheme Type / Description | Total Value | Financial Year |
|--|--------------------|-----------------------|
| | £000 | |
| Crematorium Waiting Room | 250 | 19/20 – 20/21 |
| Replacement of two Cremators | 500 | 19/20 |
| Libraries as Centres of learning and opportunity for all: Acomb & Clifton | 4,000 | 21/22 – 22/23 |
| Haxby Library | 300 | 19/20 |
| Schools Essential Building work | 3,000 | 19/20 – 20/21 |
| Schools Essential Mechanical & Electrical works | 2,970 | 19/20 – 20/21 |
| Highways Renewal Investment | 11,000 | 19/20 – 22/23 |

| | | |
|--|---------------|---------------|
| Car Park Improvements | 330 | 19/20 |
| Fleet & Workshop Compliance | 300 | 19/20 – 21/22 |
| A1079 Drainage Improvements (A64 to Kexby Roundabout) | 520 | 19/20 – 20/21 |
| Stonegate Natural Stone Renewal | 495 | 19/20 |
| Flood Scheme Contributions | 1,500 | 19/20 – 21/22 |
| Gully Repair Engineering works | 700 | 19/20 |
| Clean Air Zone | 1,640 | 19/20 |
| Shambles Modernisation – Food Court | 25 | 19/20 |
| Shambles Modernisation – Power | 180 | 19/20 |
| One Planet Council – Energy Efficiency | 1,250 | 19/20 – 23/24 |
| New Proposals Requiring Prudential Borrowing | 28,960 | |

Table 3 – Summary of New Proposals Requiring Prudential Borrowing Funding

14. An overview of each new scheme being proposed is set out in the following paragraphs:
15. **Crematorium Waiting Room (£225k 19/20, £25k 20/21, Total £250k) –** The Crematorium is a critical front line service provided for all residents of York. The facilities need to provide and be in keeping with the service they provide to family and friends of the bereaved.
16. The current facilities for visitors are limited with only a small and inadequate waiting area that is not in keeping with the purpose of the facilities. The effect of this is that it has little if any use; with guests preferring to gather under the front portico. This is not really appropriate and as parties try to leave and others come in can cause congestion issues at the entrance to the Crematorium that is not befitting the purpose of the location.
17. This bid is for a relatively inexpensive solution that will provide a waiting area more befitting the purpose of the service and will also provide a more tranquil setting for all visitors to the site.
18. **Replacement of 2 Cremators (£500k in 19/20) –** The Crematorium is a critical front line service provided for all residents of York. There have been ongoing issues with the existing cremators which were so serious that at the end of 2017 that the crematorium closed for 10 days causing serious issues for all residents and local Funeral Directors.
19. Many of the problems remain unresolved despite working with the provider to try and resolve them. There is a real risk that the facility may be lost for a longer period of time possibly in excess of three months which could have catastrophic consequences for the city. There are also ongoing health and safety risks for both staff and visitors.
20. This bid is to fund the procurement of two new cremators to replace the existing equipment currently in situ at the crematorium. The service, customers and funeral directors cannot continue to be affected by the ongoing issues, the risk to public health by losing the facility for the long term and the risk to health and safety of staff and visitors.
21. **Libraries as centres for learning and opportunities for all: Acomb & Clifton (£2,000k 21/22, £2,000k 22/23, Total £4,000k) –** The Council have agreed a vision for our future library service, which includes the

creation of transformed buildings in co-located premises with multiple partners (like Burnholme). The new library operator contract has been based on this vision with the necessary investment being the responsibility of the Council. The priority is for investment in Acomb, to build on the great success of that Explore Centre, and in Clifton to transform the quality of service in that area. Individual business cases will be brought forward during 19/20 demonstrating how the investment will contribute to delivering service transformation and driving the generation of additional income streams.

22. **Haxby Library (£300k 19/20)** – The purpose of these funds are to increase the amount already in the capital programme for Haxby library replacement. £500k had been previously approved, of which £50k was spent in 17/18 on the demolition of the old library building.
23. The original replacement plan, to invest in the development of Haxby Memorial Hall proved undeliverable due to the terms of the potential collaboration with the Trustees
24. A feasibility study has been carried out on the next most favoured location, Haxby and Wigginton's Scout Headquarters. The scheme would deliver an extension at the rear of the hall to house the new Gateway Library, with a new entrance into a reading cafe, and then into the main hall. There will be a new kitchen to support the cafe style library and an outdoor terrace area for library cafe users, linking to the adjacent park and play areas. In addition various other refurbishments will be carried out to the existing building as part of the development. A Memorandum of Understanding will be written and then formalised into a legal Agreement for Lease.
25. **Schools Essential Building Work (£1,800k 19/20, £1,200k 20/21, Total £3,000k)** – This purpose of this scheme is to carry out urgent maintenance and repair works to address CYC's dilapidating maintained school buildings estate that could otherwise close the remaining maintained primary, secondary and special schools across the City of York. Many of the school buildings are dilapidated and although schools carry out repairs and maintenance on their school buildings this has minimal effect on the fabric of the buildings.
26. **Schools Essential Mechanical & Electrical works (£1,540k 19/20, £1,430k 20/21, total £2,970k)** – This scheme will allow new boilers,

pipework and hot water distribution schemes to be installed where aged equipment has meant the volume and technical intensity of repairs are increasing. This leads to decreased energy efficiency, and an increased risk that more parts will become obsolete therefore rendering systems irreparable. Temporary measures have been put in place, but permanent solutions are essential which will be addressed as part of this scheme.

27. Other work will include rewires, upgrades to electricity supplies, fire alarms and emergency lighting at 11 schools where it has been identified existing systems are at the end of their useful life.
28. **Highways Renewal Investment (£3,500k 19/20, £2,500k 20/21, £2,500k 21/22, £2,500k 22/23, Total £11,000k)** – The purpose of this scheme is to deliver a range of additional highway schemes including carriageway, footway and traffic signal renewal targeted to deliver wholesale repair and renewal of areas of the network to prevent further deterioration in condition. The scheme will present an opportunity to address highway maintenance needs in a planned and proactive way and address the current bias towards reactive response and repair, this updates and addresses the network maintenance requirements evidenced by the TAMP lifecycle analysis. With this investment the total investment for Highways for the next 5 years equates to £28,857k
29. **Car Park Improvements (£330k 19/20)** – This scheme will ensure that all city centre car parks will be assessed and brought up to an acceptable standard. By investing in the surfacing and lining and making the infrastructure more robust, this will consequently reduce ongoing maintenance. This scheme will also review the condition of the lighting and will replace the current sodium lights with timer switches, to LED standards and solar switches which will improve lighting, enhance safety and reduce energy costs in the long term.
30. The car park ticket machines will also be updated through this process, including more card readers and improved car park ticket systems for the two key city centre car parks Marygate and Piccadilly. The York BID and the Retail Forum is keen to work with the Council to improve these car parks to encourage local people in particular to dwell in the city and spend money in retail, which is under pressure. This plan involves better signage, cleaning and security arrangements (including the protecting of the ticket machines from theft). A research study commissioned by CYC and the BID highlighted that directional signage is a issue for users, so

there is an evidence base to support this funding. The York BID supports this scheme and has committed to support it financially, as improving the city's car parking offer is a top priority for BID members.

31. The car parks that will benefit from this include Nunnery Lane, Piccadilly, Marygate, Castle, Bishopthorpe Road, Monk Bar and Union Terrace. A specific item will be ensuring the car parks are at their optimum design to take account of the increased car size since these were first installed.
32. **Fleet & Workshop Compliance (£330k 19/20)** – This scheme would help meet the challenges facing the authority in how to ensure we meet the standards and compliance of the Operator Licence. This will ensure the equipment and tools required to provide information and intelligence specifically for vehicle engineers to carry out component testing which is required to meet the standards required for the vehicle service and MOT test.
33. **A1079 Drainage Improvements (A64 to Kexby Roundabout) (£260k 19/20, £260k 20/21, Total £520k)** – The existing system was poorly designed, with little or no access for maintenance or records of the location of the buried infrastructure. Deep flooding is experienced across the full width of the road during heavy rainfall, posing a safety hazard on this fast, busy trunk road. The road is also a main tourist link into the City, and such flooding casts a poor light on the Council with regards to its maintenance regimes.
34. This scheme will resolve the extensive flooding problems that have been on-going for a number of years. The scheme will significantly improve the operational efficiency of the currently poor drainage infrastructure, be designed to meet modern standards, and address the customer complaints and safety issues regarding flooding of the highway
35. **Stonegate Natural Stone Renewal (£495k 19/20)** – This scheme will address the need to rebuild the highway infrastructure within the Stonegate area, which has deteriorated with severe damage occurring over the winter and requires renewal of the York Stone paving to improve the pedestrian movements of residents and visitors while considering long term maintenance demands. The team will build the infrastructure considering vehicles moving in and around this street. Improving the infrastructure will better enhance the city centre and the overall visiting experience.

36. The existing York Stone in Stonegate will be lifted and stored for maintenance elsewhere in the City. The road will be reconstructed, with the finished surface being of new York Stone paving, with a granite drainage channel linking to larger capacity road gullies
37. **Flood Scheme Contributions (£500k 19/20, £500k 20/21, £500k 21/22, Total £1,500k)** – Following the Boxing Day 2015 floods, CYC are working in partnership with the Environment Agency (EA) in the delivery of flood schemes across the city. Following feasibility work, it has been highlighted some improvement works will be difficult to deliver through the core flood defence funding mechanism and further contributions may be necessary.
38. Further feasibility works will be required to identify individual scheme contributions but the following are likely: Support for the delivery of flood risk improvements across key points of the arterial road network:-
 - Shipton Road/Blue Beck
 - Clifton Green/Burdyke
 - Tower Street/River Foss
 - Bishopthorpe Road (Middlethorpe)/River Ouse,
 - B1222 Naburn/River Ouse/Howden Dyke.
39. Investment in flood risk management interventions across the city will ensure we are resilient to the impacts of climate change. This funding will support the identified EA funding to consider wider benefits across the city.
40. **Gully Repair Engineering works (£700k 19/20)** - A rolling programme of capital funded drainage survey and investigation works has led to significant improvements of the city's highway gullies and has provided detailed information to identify the condition of the assets and their long term maintenance needs. 53% of all assets were found to be blocked and in the vast majority of cases (more than 20,000 assets) works left the asset in a free running state after attendance. However, approximately 5% of assets have been found to require more extensive engineering works to leave them in a free running state. In addition to this a number of assets were found to be of a poor design that cannot be easily cleansed.

41. By the end of the current programme it is estimated that of the 44,000 gully assets on the CYC highways network – 1,558 will require further engineering works, 1,250 require replacement ironwork to facilitate easier future cleansing.
42. **Clean Air Zone (£1,640k 19/20)** – A report was considered at Executive on 17th January 2019 which recommended the inclusion of a capital budget of £1.64m to establish a competitive grant fund for bus operators. This fund is to support the introduction of a Clean Air Zone in January 2020 which will require the upgrading or replacement of approximately 82 buses within the York fleet. This is in addition to buses which will be upgraded in any event due to prior commitments (e.g. the introduction of a new fleet on the York Park & Ride network). It is anticipated that the Council would hold a competitive process which all seven operators currently providing local bus services in the City of York area, as well as any others who are actively planning to operate here, would be eligible to bid for. The Council would not be buying any equipment itself.
43. **Shambles Modernisation – Food Court (£25k 19/20)** – This scheme would allow Make It York to engage an architect to carry out a feasibility study to install modern, attractive, adaptable weather resistant structures in a layout that safeguards the future of the market. This would enable flexible trading, introduce secure spaces for traders to keep their stock and encourage new start ups. Providing storage for stock would reduce the need for as many large delivery vehicles entering the city centre twice a day. This dovetails the wider environment/ counter terrorism initiatives in the city and improves existing connections with the centre and future developments such as York Central.
44. **Shambles Modernisation – Power (£180k 19/20)** - Shambles Market was refurbished in 2014 as an open air market with stalls open to the elements. As such only 110v power supply was deemed safe in such an open environment. This level of power only allows basic lighting tailored to utilise only 110v. Open markets across the UK are struggling to attract new traders with many markets closing down. Shambles Market has however seen growth but is still struggling to attract new quality traders, many of whom have power requirements above 110v to allow refrigeration and heating of foodstuffs. To allow future development of Shambles Market, this scheme would provide a 240v supply across the market with a view to introduce more electrically safe lock up units at some stage.

45. **One Planet Council – Energy Efficiency (£250k per year 19/20 – 23/24, Total £1,250k)** – The purpose of these funds is to seek to compliment existing/new capital schemes, to enable the schemes deliver higher environmental benefits than may otherwise be the case in other projects such as the building of homes, or within some of other projects such as the Guildhall or York Central. Specific allocations will be recommended for approval to the Executive as part of the ongoing monitoring processes

New Schemes – Match Funded

46. As part of this year’s capital budget process a number of proposals which would be funded both externally and with a CYC contribution. These are set out in **table 4** below.

| Scheme Type / Description | Total External element | Total CYC element | Financial Year |
|---|-------------------------------|--------------------------|-----------------------|
| | £000 | £000 | |
| Wayfinding | 350 | 350 | 19/20 |
| York Outer Ring Road (Dualling) | 25,200 | 2,800 | 19/20 |
| Total New Match funded proposals | 25,550 | 3,150 | |

Table 4 – Summary of new proposals funded by both external and CYC funding

47. **Wayfinding (£700k total, £350k externally funded, £350 CYC funded)** – This scheme will allow the Council and York BID to proceed with full implementation of a new Wayfinding scheme starting in Spring 2019, following a detailed consultation exercise. Works will include the removal of 60 current heritage fingerposts to reduce street clutter, and installation of 36 new totem signs, 14 fingerpost signs, and 13 wall signs. York BID

have committed £350k to the full implementation, which will be matched by the Council as part of this scheme.

48. **York Outer Ring Road (Dualling) (£28,000k total, £25,200 externally funded, £2,800k CYC funded)** - A report was considered at Executive on 20th December 2018 which recommended the inclusion of match funding in the 2019/20 Capital Programme for dualling of the first phase of the A1237 Outer Ring Road, from the A19 through to Little Hopgrove roundabout. This is following the announcement on 30 September 2018 by the Secretary of State for Transport that upgrading a section of York's Outer Ring Road was to be included in a list of five schemes in England which would be funded by the new Major Road Network fund. Local match funding of approx. 10% (£2.8m) is expected to be required, in accordance with current standard practice, to support the scheme. The match funding will further develop the dualling scheme in advance of confirmation of funding from the Department for Transport.

Existing Schemes – Prudentially Borrowed

49. As part of this year's capital budget process the existing budget for one scheme requires an increase in funding as part of the Capital Budget process. This is set out in **table 5** below.

| Scheme Type / Description | Total External element | Financial Year |
|---|-------------------------------|-----------------------|
| | £000 | |
| Guildhall | 7,372 | 20/21 |
| Total Existing Schemes – Prudential Borrowed | 7,372 | |

Table 5 – Summary of increase to existing budgets funded by CYC borrowing

50. **Guildhall** – Elsewhere on the Agenda is a report detailing the future redevelopment of the Guildhall. It recommends a comprehensive scheme to refurbish and re-develop the Guildhall complex. The scheme will secure its long-term future as a serviced office and business club venue complimenting ongoing council / civic and community use with a cafe, and new riverside restaurant / riverside courtyard. The proposals include complete renewal of services and the installation of a River Water Source Heat pump bringing significant environment benefits and reduced running costs, while supporting local businesses an increasing public access to a historic building. The financial impact of the scheme is incorporated within this report.

Rolling Programme Schemes – Prudential Borrowing

51. The 2018/19 – 2022/23 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2023/24 and also proposals have been received to increase the level of currently approved rolling programme schemes by adding additional years across a number of financial years, these schemes are set out in the table below:

| Scheme Type / Description | Total Value | Financial Year |
|--|--------------------|-----------------------|
| | £000 | |
| Contingency | 250 | 19/20 |
| Project Support Fund | 200 | 23/24 |
| Highways Drainage Works | 200 | 23/24 |
| York City Walls – Restoration programme | 300 | 23/24 |
| Highways Resurfacing & Reconstruction | 750 | 23/24 |

| | | |
|--|--------------|-----------------------|
| Concrete Street Lighting Column replacement | 1,278 | 19/20 – 20/21 & 23/24 |
| Non illuminated structural asset renewal | 100 | 19/20 |
| Asset Maintenance & Critical Repairs | 220 | 23/24 |
| Disability Support Budget | 250 | 23/24 |
| Major Equipment for Disabled Customers | 143 | 23/24 |
| Telecare Equipment | 267 | 23/24 |
| Disabled Facilities Grant | 475 | 23/24 |
| IT Development Plan | 2,470 | 19/20 – 23/24 |
| Total Rolling Programme Schemes | 6,903 | |

Table 6 – Summary of Rolling Programme Proposals Requiring Prudential Borrowing Funding

52. All of the £6.903m of rolling programme schemes will require revenue growth to fund (to support the prudential borrowing), the revenue implications are contained in the Financial Strategy 19/20 – 23/24 report on this agenda.
53. An overview of each scheme being proposed is set out in the following paragraphs:
54. **Capital Contingency (£250k 19/20)** – The continuation of a prudent single year capital contingency to address any unexpected capital pressures in year. The current balance remaining in the capital

contingency fund for 2018/19 as detailed in the Capital Monitor 3 report also on this Agenda is £515k.

55. **Project Support Fund (£200k 23/24)** – To extend the existing Rolling Programme into 23/24 to allow the continuation of the capacity to provide professional advice to support the Capital programme, and in particular major complex regeneration/building schemes including York Central, Castle Gateway, and the Older Persons Accommodation Programme. The fund will also continue to be used to provide ongoing funding for corporate project management assurance further strengthen assurance around project management and delivery.
56. **Highways Drainage Works (£200k 23/24)** – To continue funding the restoration of the Council's drainage infrastructure supporting the findings of the Surface Water Management Plan. This funding reflects the amount of work that can realistically be done using the available resources within the Council where there is extensive local knowledge
57. **York City Walls – Restoration programme (£300k 23/24)** – To extend the existing Rolling Programme into 23/24 to allow the programme of urgent repair and restoration works to continue. To date works have been carried out at Mickelgate Bar, Monk Bar steps, and Tower 39. The plans for the next year are for further works to continue at Tower 39 with the main programme of works being at Bootham.
58. **Highways R&R (£750k 23/24)** – The continuation of the programme for the resurfacing and reconstruction of the City's roads and footways established to maintain the asset in the best condition possible with the anticipated level of capital available.
59. **Concrete Street Lighting Column Replacement Programme (£1,278k 19/20 - 23/24)** - To extend the existing rolling programme into 23/24 and accelerate further in 2019/20 – 2020/21 to fund an ongoing concrete column replacement programme to accelerate the upgrading of age expired street City of York street lighting concrete column stock to tubular steel street lighting columns following an ongoing upgrade programme based on inspections condition data.
60. **Non illuminated structural asset renewal (£100k 19/20)** – To extend existing rolling programme into 19/20 to allow the continuation of

replacing or removing un illuminated signage that has been identified as age expired following inspections.

61. **Asset Maintenance & Critical Repairs (£220k 23/24)** – Extend existing rolling programme in 22/23 to fund the rolling programme scheme of works to retained buildings. The fund is intended to be directed to fund Maintenance and critical repairs on specific properties which have been identified as being retained for service delivery and/ or delivering Council objectives through the Asset Management Strategy and individual service reviews
62. **Disability Support Budget (£250k 23/24)** – To continue to provide discretionary assistance for disabled customers who need financial help. The assistance (loans and grants) given helps disabled people and parents with disabled children to adapt their homes to continue living there and maintain their independence
63. **Major Equipment for Disabled Customers (£143k 23/24)** - Allows the continuation of the funding for specialist equipment to stock the loans store. The equipment will be purchased by Be Independent but CYC will retain ownership of the assets.
64. **Telecare Equipment (£267k 23/24)** – Allowing the continuation of the installation of sensors in vulnerable customers homes to deal with specific assessed risks. The equipment will be purchased by the new Be Independent and CYC will retain ownership of the assets
65. **Disabled Facilities Grant (£475k 23/24)** - To allow payment of mandatory disabled facilities grants (DFGs) in line with statutory requirements (The Housing Grants, Regeneration and Construction Act 1996). The funding enables older and disabled persons to remain safely in their home and maximises their independence
66. **IT Development Plan (£100k each year 19/20 – 22/23, £2.070m 23/24)**
– The continuation of the rolling programme IT development plan for an additional year, along with an additional £100k per year for 5 years following a revised assessment of the Councils digital programme. This is anticipated to bring savings for the future and will be essential to ensure the Council can deliver ongoing transformational digital change in a wide range of front line services.

Rolling programme - Externally Funded + HRA Funded

67. In addition to part funded rolling programme schemes, Schemes that are fully externally funded are proposed as part of this budget process. This table shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

| Scheme Type / Description | External Funding Value | Financial Year |
|---|-------------------------------|-----------------------|
| | £000 | |
| <u>Existing General Fund Schemes</u> <u>New External Funding</u> | | |
| Highways Resurfacing & Reconstruction | 1,827 | 23/24 |
| Local Transport Plan - Integrated Transport | 1,570 | 23/24 |
| Disabled Facilities Grant | 4,544 | 19/20 – 23/24 |
| <u>Total Existing General Fund Schemes</u> <u>New External Funding</u> | 7,941 | |

Table 7 – Summary of New External Funding

68. An overview of the new schemes being proposed is set out in the following paragraphs:
69. **Highways Resurfacing & Reconstruction (£1.827m)** – indicative funding settlement in 23/24
70. **Local Transport Plan – Integrated Transport (£1.570m)** –indicative funding settlement in 23/24
71. **Disabled Facilities Grant (£4.544m 19/20 – 23/24)** - indicative funding settlement.

72. The latest **Housing Revenue Account (HRA)** Business plan 2018 to 2048 report contains an overview of the HRA Business plan for the next 30 years and provides detail of the key priorities for the next five years, including the use of the investment fund to support the delivery of more affordable new homes.
73. In January 2019, Executive agreed an investment in new Housing on CYC owned sites totalling £153.9m. The plans will deliver more than 600 new homes including over 250 council and low cost home ownership homes across 8 sites around the city. This is shown to be sustainable in the 30 year business plan.
74. Table 8 updates the capital investment strategy and shows the overall movement (growth) against the existing approved expenditure plans.

| Scheme Type / Description | Total Value | Financial Year |
|--|--------------------|-----------------------|
| | £000 | |
| <u>New Investment for the HRA</u> | | |
| Major Repairs Allowance Schemes | 4,899 | 19/20 – 23/24 |
| Modernisation of Local Authority Homes | 4,033 | 19/20 – 23/24 |
| Assistance to Older and Disabled People | 470 | 23/24 |
| Housing Environmental Improvement Programme | 170 | 23/24 |
| Local Authority Homes – New Build Project | 90,750 | 19/20 – 23/24 |
| Local Authority Homes – Project Team | 5,700 | 19/20 – 23/24 |
| <u>New Investment for the HRA Total</u> | 106,022 | |

Table 8 – Summary of HRA investment

75. The key investment areas are shown in table 8 and shows new investment of £106.022m that will see key schemes delivered including:
76. **Major Repairs Allowance (£4.899m growth in total 19/20 – 23/24) -** The focus of this area of investment is about ensuring the integrity external fabric of dwellings is maintained in terms of weather resistance, coupled with modernising key internal components of kitchens, bathrooms, heating and electrical wiring. This benefits tenants in a number of way (eg: having modern facilities, improved safety and security, reduced energy costs etc) whilst ensuring the Council meets the Decent Homes standard. A breakdown of the type and value of works for 2019/20 is provided below

| | 2019/20 budget £'000 | Description of works 2019/20 |
|-----------------------------|-------------------------------------|---|
| Tenants Choice (incl voids) | 1,678 | Replacement kitchen, bathroom and rewire to 234 properties per year |
| Heating/Boilers | 1,255 | Replacement heating systems to 580 domestic properties per year. |
| Roof Replacements | 374 | Replacement roofs and removal of asbestos-containing fascias / soffits to c67 properties |
| External Doors | 371 | Replacement of c515 external doors with high performance door sets |
| Window Replacements | 335 | Replacement of windows in c176 properties |
| Lincoln Court | 941 | Full modernisation programme |
| Other | 1,356 | One- off kitchen or bathroom refurbishments, various programmes of repair to the external structure of dwellings and communal areas |

Table 9 – Breakdown of MRA scheme types

77. **Modernisation of Local Authority Homes (£4.033m growth in total 19/20 – 23/24) –** This will see investment in a number of different projects, including:

- Structural damp remediation works to c60 properties in 2019/20, with a further 240 properties requiring treatment over the life of the 5 year proposal
- Soundproofing to eliminate sound nuisance between flats
- Renewal of door access systems
- Upgrading communal corridor lighting to flatted blocks
- Various external works to improve parking, boundary walls and fences and upgrading drying areas
- Energy Conservation projects, focusing on un-insulated vertical hung external wall facades
- Health and safety works such as remedial works arising from Fire Risk Assessments and Asbestos surveys and fixed electrical testing
- Adaptations to Council owned properties to assist existing tenants with physical disabilities to be able to more easily access the property and use the facilities within it, particularly the bathing facilities
- The programme also includes funding for the major project that concerns 5 blocks of 8 flats on the Bell Farm estate. These properties require major works to the existing defective pre-fabricated bathrooms that were added on in the 1970's. Current options include a demolish/rebuild of the bathroom, or conversion of 2 flats into one enlarged house.

78. The intention of these projects are to ensure the Council continues to upgrade the overall standard of the housing stock and in doing so meet/exceed customer expectations whilst ensuring legislative requirements are satisfied
79. **Assistance to Older and Disabled People (£470k 23/24)** – This will see continued investment in undertaking adaptations to properties following needs assessment of tenants and their dependants who have some sort of disability, ensuring they can remain in their property and lead as near normal life as possible.
80. **Housing Environmental Improvement Programme (HEIP) (£170k 23/24)** – This scheme has replaced an existing HRA revenue scheme and will take a more strategic approach to improvements. This new scheme will take a longer term view of works to improve areas for residents and has the potential to link in with other wider schemes to deliver for all

residents to make a bigger impact and realise economies of scale. Improvements may include new parking areas, new security fencing or new storage areas in blocks of flats. Residents Associations can link into the ward decision making processes on behalf of residents so that the voice of Council tenants is heard when allocating funding to individual schemes. The process has been running since April 2017 and a variety of schemes have been agreed.

81. **IT Infrastructure (No budget change – Total £850k 19/20 – 23/24) –** The ICT infrastructure improvements programme totals £1.722m over the period 2017/18 to 2021/22. A major review of the current systems has been undertaken and the current Housing systems is to be replaced by an integrated Housing and Building Services management system which incorporates housing management, asset management and building repairs.
82. The majority of the funding will be allocated to the acquisition of an integrated Housing and Building Services management system, which will enable the Council to exploit significant opportunities to improve performance and customer satisfaction whilst reducing costs. These include: delivering corporate and strategic objectives, transforming customer service, it will integrate with the new Customer Relationship Management (CRM) system to offer a single point of contact for all customers, eliminating waste and duplication, increasing income and cash flow, better informed decision making and planning for the future, targeting people in most need, partnership working and supporting future initiatives.
83. Tenders have been returned for the Housing ICT Programme and contract should be awarded by March 2019.
84. **Local Authority Homes – New Build Project (£96,450 19/20- 23/24) -** Executive (17th January 2018) have agreed to a New Home Building Programme on council owned sites totalling £153.9m. The programme is to be funded by a combination of utilising the debt cap to appropriate land into the HRA, capital receipts from sales on the sites, equity sales from shared ownership properties, right to buy receipts as shown below.

| | |
|----------------------------|--------------|
| | £'000 |
| Land Costs (appropriation) | 31,700 |

| | |
|----------------------------|----------------|
| Land Cost (purchase) | 2,400 |
| Development Cost | 114,100 |
| Project Management | 5,700 |
| Total Cost | 153,900 |
| | |
| Potential Funding | |
| Market Sale | 98,600 |
| Equity Sale | 9,800 |
| HRA – Debt (Appropriation) | 31,700 |
| Other HRA Resources | 13,800 |
| Indicative Funding | 153,900 |

Table 10 – Local Authority Homes Funding Analysis

85. In terms of the Capital Programme it is proposed to create two budgets:
86. **Project Team (£5,700k)** - The programme will require a significant increase in the project team employed by the council. Resources required include project managers, site delivery managers as well as programme support officers.
87. **New Home Delivery (£90,750k)** - Executive has already approved budgets for Lowfield Green (£22.5m), Burnholme and Askham Bar development (£700k) and Duncombe Barracks £2.55m. It is proposed therefore to set aside £90,750k to fund the remaining programme. This is analysed below

| | |
|---------------------------------|---------------|
| | £'000 |
| Total Cost | 153,900 |
| Less land appropriations | -31,700 |
| Less Previous Budget approvals | -25,750 |
| Less Project Team | -5,700 |
| New Home Delivery budget | 90,750 |

Table 11 – New Home Delivery Budget Analysis

88. The allocation of this budget will be subject to further reports to Executive detailing individual schemes.

89. None of the schemes detailed in table 8 have an impact on prudential borrowing.

Funding Position – Council Prudential Borrowing

90. The budget proposals in terms of CYC prudential borrowing adds to existing rolling programme schemes totalling £6.903m (of which £6.903m impacts Council Tax), adds £7.372m to existing one off schemes (of which £7.372m affects Council Tax) and adds new schemes totalling £32.110m (of which £32.110m, impacts on Council Tax). This results in a total increase in the level of debt (the underlying need to borrow for capital investment purposes only) of £46.385m over the 5 year programme. Table 9 shows the financial impact on a year by year basis and over the 5 year period.

| | 19/20 £000 | 20/21 £000 | 21/22 £000 | 22/23 £000 | 23/24 £000 | Total £000 |
|---------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Rolling Programme | 1,028 | 222 | 100 | 100 | 5,453 | 6,903 |
| Existing Schemes | - | 7,372 | - | - | - | 7,372 |
| New Schemes | 15,345 | 6,415 | 5,350 | 4,750 | 250 | 32,110 |
| Net Increase in PB | 16,373 | 14,009 | 5,450 | 4,850 | 5,703 | 46,385 |

Table 12 – Net Funding Position of Prudential Borrowing Schemes

91. The revenue costs of the new schemes funded by prudential borrowing is estimated at £3.247m over the 5 year budget period, assuming borrowing of £46.385m. Actual borrowing is likely to not be taken during 2019/20, and there is a one year delay in costs hitting therefore costs are unlikely to affect the revenue budget until at the earliest 21/22 therefore no Treasury Management growth is required for 19/20

Summary of Analysis

92. This table summarises the additions and amendments made as part of this report (outside of re-profiling) split by rolling programme schemes and

new schemes (by funding type) showing an overall increase in the capital programme of **£185.898m**.

| | 19/20 £m | 20/21 £m | 21/22 £m | 22/23 £m | 23/24 £m | Total £m |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| 1) New CYC Schemes Funded by CYC Pru Brrw (table 3) | 12.195 | 6.415 | 5.350 | 4.750 | 0.250 | 28.960 |
| 2) New Match funded CYC Schemes Part funded by CYC part funded by External sources (table 4) | 28.700 | - | - | - | - | 28.700 |
| 3) Extension of existing Schemes Funded by CYC Pru Brrw (table 5) | - | 7.372 | - | - | - | 7.372 |
| 4) Rolling Programme Schemes Funded by CYC Pru Brrw (table 6) | 1.028 | 0.222 | 0.100 | 0.100 | 5.453 | 6.903 |
| 5) Existing Schemes Funded Externally by External Grant (table 7) | 0.569 | 0.619 | 0.669 | 0.719 | 5.365 | 7.941 |
| 6) HRA Schemes (table 8) Funded by HRA | 1.180 | 28.988 | 29.091 | 12.609 | 34.154 | 106.022 |
| Total Net Increase to Capital Programme | 43.672 | 43.616 | 35.210 | 18.178 | 45.222 | 185.898 |

**Table 13 – Summary of Expenditure and Funding Movements
19/20 – 23/24**

93. The outcome of the proposals outlined above if accepted are illustrated in the next table which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex A.

| Gross Capital Programme | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 | Total |
|--|----------------|----------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m | £m | £m |
| Children, Education & Communities | 20.799 | 11.746 | 10.500 | 2.000 | - | 45.045 |
| Health, Housing & Adult Social Care – Adult Social Care | 4.740 | 0.595 | 0.616 | 0.638 | 0.660 | 7.249 |
| Health, Housing & Adult Social Care – Housing & Community Safety | 39.103 | 57.141 | 42.412 | 24.069 | 36.597 | 199.322 |
| Economy & Place – Transport, Highways and Environment | 69.355 | 24.941 | 15.965 | 8.725 | 5.225 | 124.211 |
| Economy & Place – Regeneration & Asset Management | 83.938 | 67.484 | 26.754 | 1.198 | 0.220 | 179.594 |
| Community Stadium | 9.287 | - | - | - | - | 9.287 |
| Corporate Schemes | 2.054 | 0.525 | 0.500 | 0.450 | 0.450 | 3.979 |
| IT development plan | 3.530 | 1.535 | 1.870 | 2.070 | 2.070 | 11.075 |
| Total Capital Programme | 232.806 | 163.967 | 98.617 | 39.150 | 45.222 | 579.762 |

Table 14 – Proposed Capital Programme 2019/20 – 2023/24

Other Major Capital Projects

94. There are a range of other major schemes either already within the Capital programme, or which may come forward in the future, which will come through as individual reports during the year. Some of the key issues are referred to below, to give members a full picture of the scale of the Capital programme and some of the issues that will need to be considered during 2019.
95. **York Castle Museum Delivery phase** – The Council has already provided York Museums Trust (YMT) with £600k across 2017-20 to support the development of an HLF bid. It is likely a scheme will come forward to Members next year in relation to the delivery phase of this scheme. Members should note this would potentially involve a significant contribution from the Council.
96. **Guildhall** – Elsewhere on the Agenda is a report detailing the future redevelopment of the Guildhall. The report updates Members on the results of the recent procurement exercise.
97. **York Castle Gateway** – The masterplan for the Castle Gateway was approved by Executive in April 2018, with funding allocated to prepare and submit planning applications for work package 1 and 2. Work package 1 includes the new coach and multi-storey car park (MSCP) at St George's Field; junction improvements on Fishergate gyratory; and a new apartment building on the former car park site at Castle Mills.
98. Work package 2 is the heart of the masterplan; replacing Castle Car Park with a new public space and events area; opening up the rear of the Castle Museum with a new pedestrian bridge over the Foss; and new commercial and apartment developments on the rear of the Coppergate Centre and on Piccadilly.
99. There has been significant progress made on the scheme including
 - Preparation of work package 1 planning applications (see below for detailed update)
 - The demolition of the derelict former Castle Mills car park has been carried out by the developer of Ryedale House in return for using the land as a site compound, saving the council £180k in demolition costs

- £1.4m grant funding has been secured towards the redevelopment of the Castle Mills site through Homes England's Accelerated Construction Programme (officers are currently assessing the associated conditions to ensure the funding is beneficial to the project) £150k Leeds City Region funding has been secured to run a programme of events on Castle Car Park throughout 2019 to promote the area as a new public space
- The Rose Theatre on Castle Car Park attracted 80,000 visitors over the summer of 2018 and will return in summer 2019
- £200k Leeds City Region funding has been secured to help York Museums Trust (YMT) bring forward their Heritage Lottery Fund bid proposals for the Castle Museum so that the design work is dovetailed with the surrounding council masterplan A formal partnership between the council, YMT and English Heritage has been established to explore shared visitor centre and ticketing options.

100. **York Central** – The York Central Project has been the subject of a number of recent reports to Executive. In November 2018 Executive approved (subsequently ratified by Council in December 2018) a budget of £155m to progress the infrastructure requirements at York Central. This is to be funded from external sources Housing Infrastructure Funding, WYCA Funding and Local Enterprise Partnership Funding as well as internal sources including budgets previously approved and £35m of council borrowing supported from anticipated Enterprise Zone receipts. In January 2018 Executive approved the Heads of Terms for the York Central Partnership Agreement which establishes the overriding governance and financial mechanisms for how the key partners will work together in developing the site.
101. Executive have agreed to drawdown funding (£1.25m) for the first phase of pre-construction works and £5m (subject to planning and external funding award) for undertaking enabling works on the site.
102. It is envisioned that during spring the council will learn whether it has been successful in regards to funding bids for Housing Infrastructure Fund and West Yorkshire Transport Fund which are key for the project to progress.
103. There is currently an Outline Planning Application submitted and being considered by the Planning Authority. It is anticipated that this will be considered by Planning Committee in early March 2019.

104. Subject to Planning and award of external funding and further Executive approval the first phase of infrastructure (£80-90m) including the building of the bridge over the East Coast Main line into the site will commence in late summer / early autumn 2019.

Council Plan

105. The Capital Budget process ensures that all bids received for capital funding address the aspirations of the Council Plan with each proposal addressing at least one corporate priority. The capital schemes put forward for consideration are derived from the service and area asset management plans which look at the capital needs and requirements of the service. All schemes that have progressed through for further consideration in this report have demonstrated through the Capital budget process that they directly contribute toward the achievement of the Council Plan, as referred to in paragraph 2.

Implications

Financial Implications

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

Human Resources Implications

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

Equalities Implications

108. A Communities Impact Assessment (CIA) has been completed on the overall impact of the budget proposals and this is available as an annex to the Financial Strategy report elsewhere on this agenda. This assessment has been developed as a result of individual impact assessments for services which are undergoing changes. The impact assessment examines the benefits of recommended growth and capital investment alongside the risks associated with any savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced. Where a screening of the potential implications has identified it appropriate, a full CIA will be completed for individual

proposals. In addition, all capital schemes have considered any potential equalities implications prior to being included in this report.

Legal Implications

109. The Council is legally required to set a balanced 3 year capital programme but to assist with Medium Term Financial Planning sets a 5 year programme.

Crime and Disorder

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

Information Technology

111. The information technology implications are contained in the main body of this report.

Property

112. The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from the disposal of Council assets.

Risk Management

113. There are a number of risks inherent in the delivery of a large scale capital programme. To mitigate against these risks the capital programme is regularly monitored as part of the corporate monitoring process, and the project management framework. This is supplemented by internal and external audit reviews of major projects. In addition, the Capital Asset Board meet monthly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised.
114. Additional risk exists in relation to existing schemes in the Capital programme whereby costs are incurred in developing a project, however no asset is achieved. Such costs may then need to be written off to the

revenue account. The risks in relation to this are referred to separately in the Revenue Budget Report also on this Agenda.

| | | | |
|---|---|---|--------------------|
| Authors: | Cabinet Member & Chief Officer Responsible for the report: | | |
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| | Report Approved | √ | Date 5/2/19 |
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| |
|--|
| Specialist Implications: |
| Legal – Not Applicable |
| Property – Not Applicable |
| Information Technology – Not Applicable |

Wards Affected:

All

Annexes

Annex A – Growth Summary 2019/20 – 2023/24

Annex B – Capital Programme 2019/20 – 2023/24

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Capital Budget Process 2019/20 - 2023/24

Growth Only

Table 1

| Directorate | Portfolio | | New Schemes - CYC Funded |
|--------------|-----------|-------------------------------|---|
| Corporate | F&P | A focus on frontline services | Crematorium Waiting room |
| Corporate | F&P | A focus on frontline services | Replacement of two cremators |
| CEC | | A focus on frontline services | Libraries as Centres of Learning and Opportunity for All: Acomb and Clifton |
| CEC | | A focus on frontline services | Haxby library |
| CEC | | A focus on frontline services | Schools Essential Building work |
| CEC | | A focus on frontline services | Schools Essential Mechanical & Electrical works |
| Place | THE | A focus on frontline services | Highways Renewal Investment |
| Place | THE | A focus on frontline services | Car Park Improvements |
| Place | THE | A focus on frontline services | Fleet & Workshop Compliance |
| Place | THE | A focus on frontline services | A1079 Drainage Improvements (A64 to Kexby boundary) |
| Place | THE | A focus on frontline services | Stonegate Natural Stone Renewal |
| Place | THE | A focus on frontline services | Flood Scheme Contributions |
| Place | THE | A focus on frontline services | Gully Repair Engineering works |
| Place | THE | A focus on frontline services | Clean Air Zone |
| Make it York | MIY | A prosperous city for all | Shamble Modernisation - Food Court |
| Make it York | MIY | A prosperous city for all | Shambles Modernisation - Power |
| Corporate | F&P | A prosperous city for all | One Planet Council - Energy Efficiency |

TOTAL - Funded by CYC Prudential Borrowing

Incremental Revenue Growth

| Growth above existing approved budget | | | | | | | | | | |
|---------------------------------------|------|--------------|------|--------------|------|--------------|------|------------|------|---------------|
| 19/20 | £000 | 20/21 | £000 | 21/22 | £000 | 22/23 | £000 | 23/24 | £000 | Total £000 |
| 225 | | 25 | | | | | | | | 250 |
| 500 | | | | | | | | | | 500 |
| - | | - | | 2,000 | | 2,000 | | - | | 4,000 |
| 300 | | - | | - | | - | | - | | 300 |
| 1,800 | | 1,200 | | - | | - | | - | | 3,000 |
| 1,540 | | 1,430 | | - | | - | | - | | 2,970 |
| 3,500 | | 2,500 | | 2,500 | | 2,500 | | - | | 11,000 |
| 180 | | 150 | | - | | - | | - | | 330 |
| 100 | | 100 | | 100 | | - | | - | | 300 |
| 260 | | 260 | | - | | - | | - | | 520 |
| 495 | | - | | - | | - | | - | | 495 |
| 500 | | 500 | | 500 | | - | | - | | 1,500 |
| 700 | | - | | - | | - | | - | | 700 |
| 1,640 | | - | | - | | - | | - | | 1,640 |
| 25 | | - | | - | | - | | - | | 25 |
| 180 | | - | | - | | - | | - | | 180 |
| 250 | | 250 | | 250 | | 250 | | 250 | | 1,250 |
| 12,195 | | 6,415 | | 5,350 | | 4,750 | | 250 | | 28,960 |

854 449 375 333 18 2,027

Table 2

| Directorate | Portfolio | | New Schemes - Both CYC Funded & Externally Funded |
|-------------|-----------|-------------------------------|---|
| Place | THE | A prosperous city for all | Wayfinding (CYC ELEMENT) |
| Place | THE | A prosperous city for all | Wayfinding (EXTERNALLY FUNDED) |
| Place | THE | A focus on frontline services | York Outer Ring Road - Dualling (CYC ELEMENT) |
| Place | THE | A focus on frontline services | York Outer Ring Road - Dualling (EXTERNALLY FUNDED) |

TOTAL

CYC borrowing

Incremental Revenue Growth

| 19/20 | £000 | 20/21 | £000 | 21/22 | £000 | 22/23 | £000 | 23/24 | £000 | Total £000 |
|---------------|------|----------|------|----------|------|----------|------|----------|------|---------------|
| 350 | | - | | - | | - | | - | | 350 |
| 350 | | - | | - | | - | | - | | 350 |
| 2,800 | | - | | - | | - | | - | | 2,800 |
| 25,200 | | - | | - | | - | | - | | 25,200 |
| 28,700 | | - | | - | | - | | - | | 28,700 |

3,150 - - - - 3,150

221 - - - - 221

Table 2

| Directorate | Portfolio | | Existing Schemes - CYC Funded |
|-------------|-----------|-------------------------------|-------------------------------|
| Place | THE | A focus on frontline services | Guildhall |

TOTAL

CYC borrowing

Incremental Revenue Growth

| 19/20 | £000 | 20/21 | £000 | 21/22 | £000 | 22/23 | £000 | 23/24 | £000 | Total £000 |
|-------|------|--------------|------|----------|------|----------|------|----------|------|--------------|
| - | | 7,372 | | - | | - | | - | | 7,372 |
| - | | 7,372 | | - | | - | | - | | 7,372 |

- 7,372 - - - 7,372

- 516 - - - 516

Table 3

| Directorate | Portfolio | Council Priority | Rolling Programme Schemes - Additional Years/Amendments Funded by CYC Borrowing |
|-------------|-----------|-------------------------------|---|
| Place | Env | A focus on frontline services | Highway Drainage Works |
| Place | T&P | A prosperous city for all | York City Walls - Restoration programme |
| Place | T&P | A prosperous city for all | Highways Resurfacing & Reconstruction (CYC element only) * |
| Place | T&P | A focus on frontline services | Concrete Street lighting column replacement program |
| Place | T&P | A focus on frontline services | Non illuminated Structural asset renewal |
| Place | AM | A focus on frontline services | Asset Maintenance + Critical H&S Repairs |

| 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | Total |
|-------|-------|-------|-------|-------|-------|
| £000 | £000 | £000 | £000 | £000 | £000 |
| - | - | - | - | 200 | 200 |
| - | - | - | - | 300 | 300 |
| - | - | - | - | 750 | 750 |
| 578 | 122 | - | - | 578 | 1,278 |
| 100 | - | - | - | - | 100 |
| - | - | - | - | 220 | 220 |

| | | | |
|-----------|---------|-------------------------------|--|
| H&W | ASC & H | A focus on frontline services | Disability Support budget |
| H&W | ASC & H | A focus on frontline services | Major items of disability equipment |
| H&W | ASC & H | A focus on frontline services | Telecare equipment |
| H&W | HSN | A focus on frontline services | Disabled Facilities Grant (CYC element only) |
| Corporate | F&P | A focus on frontline services | IT Development Plan |
| Corporate | F&P | A focus on frontline services | Project support fund |
| Corporate | F&P | A focus on frontline services | Contingency |

TOTAL - Funded by CYC Prudential Borrowing

Incremental Revenue Growth

| | | | | | |
|--------------|------------|------------|------------|--------------|--------------|
| - | - | - | - | 250 | 250 |
| - | - | - | - | 143 | 143 |
| - | - | - | - | 267 | 267 |
| - | - | - | - | 475 | 475 |
| 100 | 100 | 100 | 100 | 2,070 | 2,470 |
| - | - | - | - | 200 | 200 |
| 250 | - | - | - | - | 250 |
| 1,028 | 222 | 100 | 100 | 5,453 | 6,903 |

72 16 7 7 382 483

Table 4

| Directorate | Portfolio | | Rolling Programme Schemes - Additional Years/Amendments Funded Externally (Government Grant) |
|-------------|-----------|-------------------------------|---|
| Place | T&P | A prosperous city for all | Highways Resurfacing & Reconstruction (Grant element only) * |
| Place | T&P | A focus on frontline services | Local Transport Plan - Road Safety Scheme Programme |
| H&W | HSN | A focus on frontline services | Disabled Facilities Grant (Grant element only) |

TOTAL - Funded Externally

Incremental Revenue Growth

| 19/20 | £000 | 20/21 | £000 | 21/22 | £000 | 22/23 | £000 | 23/24 | £000 | Total | £000 |
|------------|------|------------|------|------------|------|------------|------|--------------|------|--------------|------|
| - | - | - | - | - | - | - | - | 1,827 | - | 1,827 | |
| - | - | - | - | - | - | - | - | 1,570 | - | 1,570 | |
| 569 | - | 619 | - | 669 | - | 719 | - | 1,968 | - | 4,544 | |
| 569 | | 619 | | 669 | | 719 | | 5,365 | | 7,941 | |

n/a n/a n/a n/a n/a n/a

Table 5

| Directorate | Portfolio | | HRA Schemes |
|-------------|-----------|-------------------------------|---|
| H&W | HSN | A focus on frontline services | MRA Schemes |
| H&W | HSN | A focus on frontline services | Modernisation of Local Authority Homes |
| H&W | HSN | A focus on frontline services | Asst to Older and Disabled People |
| H&W | HSN | A focus on frontline services | Housing Environmental Improvement Programme |
| H&W | HSN | A focus on frontline services | Local Authority Homes – New Build Project |
| H&W | HSN | A focus on frontline services | Local Authority Homes – Project Team |

TOTAL - HRA Funded

| £000 | £000 | £000 | £000 | £000 | £000 |
|--------------|---------------|---------------|---------------|---------------|----------------|
| 171 | 353 | (876) | (821) | 6,072 | 4,899 |
| (61) | 335 | 817 | 980 | 1,962 | 4,033 |
| - | - | - | - | 470 | 470 |
| - | - | - | - | 170 | 170 |
| 200 | 27,300 | 28,100 | 11,400 | 23,750 | 90,750 |
| 870 | 1,000 | 1,050 | 1,050 | 1,730 | 5,700 |
| 1,180 | 28,988 | 29,091 | 12,609 | 34,154 | 106,022 |

Table 6

| Funded Split |
|--|
| Total CYC Prudential Borrowing |
| Other Internal Funding |
| Total External Funding |
| Total HRA Funding |
| Overall Increase in Capital Programme |

| 19/20 | 20/21 | 21/22 | 22/23 | 23/24 | Total |
|---------------|---------------|---------------|---------------|---------------|----------------|
| £000 | £000 | £000 | £000 | £000 | £000 |
| 16,373 | 14,009 | 5,450 | 4,850 | 5,703 | 46,385 |
| - | - | - | - | - | - |
| 26,119 | 619 | 669 | 719 | 5,365 | 33,491 |
| 1,180 | 28,988 | 29,091 | 12,609 | 34,154 | 106,022 |
| 43,672 | 43,616 | 35,210 | 18,178 | 45,222 | 185,898 |

Table 7

| Revenue Impact |
|--|
| Incremental Revenue Growth of CYC Prudential Borrowing |
| Overall Revenue Impact (Cost to CYC) |

| | | | | | |
|--------------|------------|------------|------------|------------|--------------|
| 1,146 | 981 | 382 | 340 | 399 | 3,247 |
| 1,146 | 981 | 382 | 340 | 399 | 3,247 |

*** To Note -**

The revenue costs in 19/20 will be lower as no actual borrowing is likely to be taken in 19/20, and no budget increase is proposed. The figure shown is the full year implications which ultimately be a cost in future years.

| | 2019/20 | 2019/20 | 2019/20 | 2020/21 | 2019/20 | 2021/22 | 2019/20 | 2022/23 | 2019/20 | 2023/24 | Gross Capital Programme |
|--|--------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------------------------|
| | Budget | Revised | Budget | Revised | Budget | Revised | Budget | Revised | Budget | Revised | To be Funded |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | 19/20 - 23/24 |
| | | | | | | | | | | | £000 |
| CEC - Children, Education & Communities | | | | | | | | | | | |
| CEC - Children & Education | | | | | | | | | | | |
| NDS Devolved Capital | | 228 | | 195 | | 0 | | 0 | | 0 | 423 |
| DfE Maintenance | | 1,536 | | 700 | | 0 | | 0 | | 0 | 2,236 |
| Basic Need | | 9,427 | | 7,750 | | 8,500 | | 0 | | 0 | 25,677 |
| Family Drug & Alcohol Assess/Recovery Facility | | 100 | | 0 | | 0 | | 0 | | 0 | 100 |
| Expansion and Improvement of Facilities for Pupils with SEND | | 647 | | 197 | | 0 | | 0 | | 0 | 844 |
| Southbank Expansion | | 900 | | 0 | | 0 | | 0 | | 0 | 900 |
| Centre of Excellence for Disabled Children (Lincoln Court) | | 3,500 | | 274 | | 0 | | 0 | | 0 | 3,774 |
| Schools Essential Building Work | 1,800 | 1,800 | 1,200 | 1,200 | | 0 | | 0 | | 0 | 3,000 |
| Schools Essential Mechanical & Electrical Work | 1,540 | 1,540 | 1,430 | 1,430 | | 0 | | 0 | | 0 | 2,970 |
| CEC - Communities | | | | | | | | | | | |
| Haxby Library Reprovision | 300 | 721 | | 0 | | 0 | | 0 | | 0 | 721 |
| Castle Museum Development Project | | 200 | | 0 | | 0 | | 0 | | 0 | 200 |
| Energise Roof | | 200 | | 0 | | 0 | | 0 | | 0 | 200 |
| Libraries as Centres of Learning and Opportunity for all: Acomb & Clifton | | 0 | | 0 | | 2,000 | | 2,000 | | 2,000 | 4,000 |
| TOTAL GROSS EXPENDITURE | 3,640 | 20,799 | 2,630 | 11,746 | 2,000 | 10,500 | 2,000 | 2,000 | 0 | 0 | 45,045 |
| TOTAL EXTERNAL FUNDING | 0 | 8,588 | 0 | 8,842 | 0 | 8,500 | 0 | 0 | 0 | 0 | 25,930 |
| TOTAL INTERNAL FUNDING | 3,640 | 12,211 | 2,630 | 2,904 | 2,000 | 2,000 | 2,000 | 2,000 | 0 | 0 | 19,115 |
| HH&ASC - Adult Social Care & Adult Services Commissioning | | | | | | | | | | | |
| Joint Equipment Store | | 127 | | 0 | | 135 | | 139 | | 143 | 544 |
| Disabled Support Grant | | 210 | | 220 | | 230 | | 240 | | 250 | 1,150 |
| Telecare Equipment | | 437 | | 244 | | 251 | | 259 | | 267 | 1,458 |
| Older Person's Accommodation Project - the Centre@Burnholme including enabling works | | 193 | | 0 | | 0 | | 0 | | 0 | 193 |
| Older Person's Accommodation Review-Burnholme Sports Facilities | | 2,143 | | 0 | | 0 | | 0 | | 0 | 2,143 |
| Older Person's Accommodation Review-Haxby Hall | | 523 | | 0 | | 0 | | 0 | | 0 | 523 |
| Older Person's Accommodation Review-Lowfields Enabling Work | | 89 | | 0 | | 0 | | 0 | | 0 | 89 |
| Older Person's Accommodation Review-Community Space at Marjorie WaiteCourt | | 1,018 | | 0 | | 0 | | 0 | | 0 | 1,018 |
| TOTAL GROSS EXPENDITURE | 0 | 4,740 | 0 | 595 | 0 | 616 | 0 | 638 | 660 | 660 | 7,249 |
| TOTAL EXTERNAL FUNDING | 0 | 561 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 561 |
| TOTAL INTERNAL FUNDING | 0 | 4,179 | 0 | 595 | 0 | 616 | 0 | 638 | 660 | 660 | 6,688 |
| HH&ASC - Housing & Community Safety | | | | | | | | | | | |
| Modernisation of Local Authority Homes | -61 | 3,889 | 335 | 2,112 | 817 | 1,944 | 980 | 1,920 | 1,962 | 1,962 | 11,827 |
| Assistance to Older & Disabled People | | 430 | | 440 | | 450 | | 460 | | 470 | 2,250 |
| MRA Schemes | 171 | 6,311 | 353 | 7,221 | -876 | 6,330 | -821 | 6,651 | 6,072 | 6,072 | 32,585 |
| Local Authority Homes - Phase 1 | | 1,600 | | 0 | | 0 | | 0 | | 0 | 1,600 |
| Local Authority Homes - Phase 2 | | 4,530 | | 5,000 | | 2,000 | | 0 | | 0 | 11,530 |
| Local Authority Homes - New Build Project | 200 | 200 | 27,300 | 27,300 | 28,100 | 28,100 | 11,400 | 11,400 | 23,750 | 23,750 | 90,750 |
| Local Authority Homes - Project Team | 870 | 870 | 1,000 | 1,000 | 1,050 | 1,050 | 1,050 | 1,050 | 1,730 | 1,730 | 5,700 |
| Lowfield Housing | | 10,500 | | 10,500 | | 0 | | 0 | | 0 | 21,000 |
| Duncombe Barracks | | 200 | | 0 | | 0 | | 0 | | 0 | 200 |
| Water Mains Upgrade | | 0 | | 756 | | 25 | | 25 | | 0 | 806 |
| Building Insulation Programme | | 160 | | 0 | | 0 | | 0 | | 0 | 160 |
| Disabled Facilities Grant (Gfund) | 569 | 2,393 | 619 | 2,293 | 669 | 2,343 | 719 | 2,393 | 2,443 | 2,443 | 11,865 |
| IT Infrastructure | | 850 | | 150 | | 0 | | 0 | | 0 | 1,000 |
| Housing Environmental Improvement Programme | | 170 | | 170 | | 170 | | 170 | | 170 | 850 |
| James House | | 600 | | 0 | | 0 | | 0 | | 0 | 600 |
| Shared Ownership Scheme | | 3,200 | | 0 | | 0 | | 0 | | 0 | 3,200 |
| Lincoln Court Independent Living Scheme | | 1,100 | | 0 | | 0 | | 0 | | 0 | 1,100 |
| Extension to Marjorie Waite Court | | 2,100 | | 199 | | 0 | | 0 | | 0 | 2,299 |
| TOTAL GROSS EXPENDITURE | 1,749 | 39,103 | 29,607 | 57,141 | 29,760 | 42,412 | 13,328 | 24,069 | 36,597 | 36,597 | 199,322 |
| TOTAL EXTERNAL FUNDING | 789 | 5,288 | 869 | 2,318 | 929 | 2,128 | 979 | 2,178 | 2,408 | 2,408 | 14,320 |
| TOTAL INTERNAL FUNDING | 960 | 33,815 | 28,738 | 54,823 | 28,831 | 40,284 | 12,349 | 21,891 | 34,189 | 34,189 | 185,002 |
| Economy & Place - Transport, Highways & Environment | | | | | | | | | | | |
| Highway Resurfacing & Reconstruction (Struct Maint) * | | 2,767 | | 2,691 | | 2,577 | | 2,577 | | 2,577 | 13,189 |
| Targeted Investment for Highways Improvement | | 100 | | 100 | | 100 | | 0 | | 0 | 300 |
| Highway, Footway & Cycleway Improvement Acceleration | | 1,000 | | 1,000 | | 1,000 | | 1,000 | | 0 | 4,000 |
| Special Bridge Maintenance (Struct maint) | | 765 | | 200 | | 0 | | 0 | | 0 | 965 |
| Replacement of Unsound Lighting Columns | 578 | 578 | 122 | 328 | 578 | 578 | 578 | 578 | 578 | 578 | 2,640 |
| Highways Drainage Works | | 200 | | 200 | | 200 | | 200 | | 200 | 1,000 |
| Drainage Investigation & Renewal | | 250 | | 250 | | 0 | | 0 | | 0 | 500 |
| Built Environment Fund | | 1,062 | | 0 | | 0 | | 0 | | 0 | 1,062 |
| Litter Bin Replacement Programme | | 175 | | 0 | | 0 | | 0 | | 0 | 175 |
| Knavesmire Culverts | | 200 | | 0 | | 0 | | 0 | | 0 | 200 |
| Better Bus Area Fund | | 417 | | 0 | | 0 | | 0 | | 0 | 417 |
| Local Transport Plan (LTP) * | | 2,204 | | 1,570 | | 1,570 | | 1,570 | | 1,570 | 8,484 |
| York City Walls - Repairs & Renewals (City Walls) | | 90 | | 90 | | 90 | | 0 | | 0 | 270 |
| York City Walls Restoration Programme | | 550 | | 300 | | 300 | | 300 | | 300 | 1,750 |
| Scarborough Bridge | | 555 | | 0 | | 0 | | 0 | | 0 | 555 |
| WYTF - YORR | | 15,748 | | 8,100 | | 4,400 | | 0 | | 0 | 28,248 |
| WYTF - Station Frontage | | 3,000 | | 6,318 | | 2,000 | | 0 | | 0 | 11,318 |
| Potholes | | 184 | | 184 | | 0 | | 0 | | 0 | 368 |
| Fordlands Road Flood Defences | | 500 | | 0 | | 0 | | 0 | | 0 | 500 |
| National Cycle Network 65 Targeted Repairs | | 250 | | 0 | | 0 | | 0 | | 0 | 250 |
| Non Illuminated Structural asset renewal | 100 | 100 | | 0 | | 0 | | 0 | | 0 | 100 |

| | 2019/20 Budget £000 | 2019/20 Revised Budget £000 | 2019/20 Budget £000 | 2020/21 Revised Budget £000 | 2019/20 Budget £000 | 2021/22 Revised Budget £000 | 2019/20 Budget £000 | 2022/23 Revised Budget £000 | 2019/20 Budget £000 | 2023/24 Revised Budget £000 | Gross Capital Programme To be Funded 19/20 - 23/24 £000 |
|--|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---------------------------|--------------------------------------|---|
| CCTV Asset Renewal | | 110 | | 0 | | 0 | | 0 | | 0 | 110 |
| Smarter Travel Evolution Programme | | 2,375 | | 0 | | 0 | | 0 | | 0 | 2,375 |
| City Fibre Network | | 100 | | 100 | | 50 | | 0 | | 0 | 250 |
| Highways Renewal Investment | 3,500 | 3,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | 2,500 | | | 11,000 |
| Car Park Improvements | 180 | 180 | 150 | 150 | | 0 | | 0 | | 0 | 330 |
| Fleet & Workshop Compliance | 100 | 100 | 100 | 100 | 100 | 100 | | 0 | | 0 | 300 |
| A1079 Drainage Improvements (A64 to Kexby Roundabout) | 260 | 260 | 260 | 260 | | 0 | | 0 | | 0 | 520 |
| Stonegate Natural Stone Renewal | 495 | 495 | | 0 | | 0 | | 0 | | 0 | 495 |
| Flood Scheme Contributions | 500 | 500 | 500 | 500 | 500 | 500 | | 0 | | 0 | 1,500 |
| Gully Repair Engineering works | 700 | 700 | | 0 | | 0 | | 0 | | 0 | 700 |
| Clean Air Zone | 1,640 | 1,640 | | 0 | | 0 | | 0 | | 0 | 1,640 |
| Wayfinding | 700 | 700 | | 0 | | 0 | | 0 | | 0 | 700 |
| York Outer Ring Road - Dualling | 28,000 | 28,000 | | 0 | | 0 | | 0 | | 0 | 28,000 |
| TOTAL GROSS EXPENDITURE | 36,753 | 69,355 | 3,632 | 24,941 | 3,100 | 15,965 | 2,500 | 8,725 | 5,225 | 5,225 | 124,211 |
| TOTAL EXTERNAL FUNDING | 25,550 | 51,722 | 0 | 18,113 | 0 | 9,797 | 0 | 3,397 | 3,397 | 3,397 | 86,426 |
| TOTAL INTERNAL FUNDING | 11,203 | 17,633 | 3,632 | 6,828 | 3,100 | 6,168 | 2,500 | 5,328 | 1,828 | 1,828 | 37,785 |
| Economy & Place - Regeneration & Asset Management | | | | | | | | | | | |
| LCR Revolving Investment Fund | | 268 | | 0 | | 0 | | 0 | | 0 | 268 |
| York Central Infrastructure | | 67,610 | | 59,885 | | 26,527 | | 978 | | 0 | 155,000 |
| Asset Maintenance + Critical H&S Repairs | | 240 | | 220 | | 220 | | 220 | 220 | 220 | 1,120 |
| Community Asset Transfer | | 150 | | 0 | | 0 | | 0 | | 0 | 150 |
| River Bank repairs | | 170 | | 0 | | 0 | | 0 | | 0 | 170 |
| Castle Gateway (Picadilly Regeneration) | | 2,065 | | 0 | | 0 | | 0 | | 0 | 2,065 |
| Guildhall | | 10,371 | 7,372 | 7,372 | | 0 | | 0 | | 0 | 17,743 |
| Critical Repairs and Contingency | | 274 | | 0 | | 0 | | 0 | | 0 | 274 |
| Commercial Property Acquisition incl Swinegate | | 2,520 | | 0 | | 0 | | 0 | | 0 | 2,520 |
| Air Quality Monitoring (Gfund) | | 65 | | 7 | | 7 | | 0 | | 0 | 79 |
| Shambles Modernisation - Food Court | 25 | 25 | | 0 | | 0 | | 0 | | 0 | 25 |
| Shambles Modernisation - Power | 180 | 180 | | 0 | | 0 | | 0 | | 0 | 180 |
| TOTAL GROSS EXPENDITURE | 205 | 83,938 | 7,372 | 67,484 | 0 | 26,754 | 0 | 1,198 | 220 | 220 | 179,594 |
| TOTAL EXTERNAL FUNDING | 0 | 66,910 | 0 | 45,385 | 0 | 4,643 | 0 | 0 | 0 | 0 | 116,938 |
| TOTAL INTERNAL FUNDING | 205 | 17,028 | 7,372 | 22,099 | 0 | 22,111 | 0 | 1,198 | 220 | 220 | 62,656 |
| Customer & Corporate Services - Community Stadium | | | | | | | | | | | |
| Community Stadium | | 9,287 | | 0 | | 0 | | 0 | | 0 | 9,287 |
| TOTAL GROSS EXPENDITURE | 0 | 9,287 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,287 |
| TOTAL EXTERNAL FUNDING | 0 | 8,880 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 8,880 |
| TOTAL INTERNAL FUNDING | 0 | 407 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 407 |
| Customer & Corporate Services | | | | | | | | | | | |
| Fire Safety Regulations - Adaptations | | 102 | | 0 | | 0 | | 0 | | 0 | 102 |
| Removal of Asbestos | | 50 | | 50 | | 50 | | 0 | | 0 | 150 |
| Project Support Fund | | 200 | | 200 | | 200 | | 200 | 200 | 200 | 1,000 |
| Photovoltaic Energy Programme | | 240 | | 0 | | 0 | | 0 | | 0 | 240 |
| One Planet Council - Energy Efficiency | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 250 | 1,250 |
| West Offices - Major repairs | | 237 | | 0 | | 0 | | 0 | | 0 | 237 |
| Crematorium Waiting Room | 225 | 225 | 25 | 25 | 25 | 25 | | 0 | | 0 | 250 |
| Replacement of 2 Cremators | 500 | 500 | | 0 | | 0 | | 0 | | 0 | 500 |
| Capital Contingency | 250 | 250 | | 0 | | 0 | | 0 | | 0 | 250 |
| TOTAL GROSS EXPENDITURE | 0 | 1,225 | 275 | 525 | 250 | 500 | 250 | 450 | 450 | 450 | 3,979 |
| TOTAL EXTERNAL FUNDING | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL INTERNAL FUNDING | 500 | 1,329 | 250 | 500 | 250 | 500 | 250 | 450 | 450 | 450 | 3,229 |
| Customer & Corporate Services - IT | | | | | | | | | | | |
| IT Development plan | 100 | 3,530 | 100 | 1,535 | 100 | 1,870 | 100 | 2,070 | 2,070 | 2,070 | 11,075 |
| TOTAL GROSS EXPENDITURE | 100 | 3,530 | 100 | 1,535 | 100 | 1,870 | 100 | 2,070 | 2,070 | 2,070 | 11,075 |
| TOTAL EXTERNAL FUNDING | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL INTERNAL FUNDING | 100 | 3,530 | 100 | 1,535 | 100 | 1,870 | 100 | 2,070 | 2,070 | 2,070 | 11,075 |
| Gross Expenditure by Department | | | | | | | | | | | |
| CEC - Children, Education & Communities | 3,640 | 20,799 | 2,630 | 11,746 | 2,000 | 10,500 | 2,000 | 2,000 | 0 | 0 | 45,045 |
| HH&ASC - Adult Social Care & Adult Services Commissioning | 0 | 4,740 | 0 | 595 | 0 | 616 | 0 | 638 | 660 | 660 | 7,249 |
| HH&ASC - Housing & Community Safety | 1,749 | 39,103 | 29,607 | 57,141 | 29,760 | 42,412 | 13,328 | 24,069 | 36,597 | 36,597 | 199,322 |
| Economy & Place - Transport, Highways & Environment | 36,753 | 69,355 | 3,632 | 24,941 | 3,100 | 15,965 | 2,500 | 8,725 | 5,225 | 5,225 | 124,211 |
| Economy & Place - Regeneration & Asset Management | 205 | 83,938 | 7,372 | 67,484 | 0 | 26,754 | 0 | 1,198 | 220 | 220 | 179,594 |
| Customer & Corporate Services - Community Stadium | 0 | 9,287 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 9,287 |
| Customer & Corporate Services | 1,225 | 2,054 | 275 | 525 | 250 | 500 | 250 | 450 | 450 | 450 | 3,979 |
| Customer & Corporate Services - IT | 100 | 3,530 | 100 | 1,535 | 100 | 1,870 | 100 | 2,070 | 2,070 | 2,070 | 11,075 |
| Total by Department | 43,672 | 232,806 | 43,616 | 163,967 | 35,210 | 98,617 | 18,178 | 39,150 | 45,222 | 45,222 | 579,762 |
| TOTAL GROSS EXPENDITURE | 43,672 | 232,806 | 43,616 | 163,967 | 35,210 | 98,617 | 18,178 | 39,150 | 45,222 | 45,222 | 579,762 |
| TOTAL EXTERNAL FUNDING | 26,339 | 141,949 | 869 | 74,658 | 929 | 25,068 | 979 | 5,575 | 5,805 | 5,805 | 253,055 |
| TOTAL INTERNAL FUNDING | 17,333 | 90,857 | 42,747 | 89,309 | 34,281 | 73,549 | 17,199 | 33,575 | 39,417 | 39,417 | 326,707 |



Executive**14 February 2019**

Report of the Deputy Chief Executive / Director of Customer and Corporate Services

Portfolio of the Executive Leader (incorporating Finance & Performance)

Treasury Management Strategy Statement and Prudential Indicators for 2019/20 to 2023/24**Report Summary**

1. The purpose of this report is to seek the recommendation of Executive to Full Council for the approval of the treasury management strategy and prudential indicators for the 2019/20 financial year.

Recommendations

2. Executive are asked to recommend that Council approve:
 - The proposed treasury management strategy for 2019/20 including the annual investment strategy and the minimum revenue provision policy statement;
 - The prudential indicators for 2019/20 to 2023/24 in the main body of the report;
 - The specified and non-specified investments schedule (annex B)
 - The scheme of delegation and the role of the section 151 officer (annex D)

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

Background

3. The council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. The first function of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the council's low risk appetite, providing adequate liquidity initially before considering investment return.

4. The second main function of the treasury management service is funding of the council's capital programme. The capital programme provides a guide to the borrowing need of the council, essentially the longer term cash flow planning, to ensure that the council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet council risk or cost objectives.
5. The contribution the treasury management function makes to the council is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.
6. Whilst any commercial initiatives or loans to third parties will impact on the treasury function, these activities are generally classed as non-treasury activities, (arising usually from capital expenditure), and are separate from the day to day treasury management activities.
7. CIPFA (Chartered Institute of Public Finance and Accountancy) defines treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks. "
8. Revised reporting is required for the 2019/20 reporting cycle due to revisions of the MHCLG Investment Guidance, the MHCLG Minimum Revenue Provision (MRP) Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code. The primary reporting changes include the introduction of a capital financing and investment strategy, to provide a longer-term focus to the capital plans, and greater reporting requirements surrounding any commercial activity undertaken under the Localism Act 2011. The capital financing and investment strategy is being reported separately.
9. Our investments in commercial property to date have been relatively modest in the context of percentage of total budget but any future proposals to invest in property will need to be mindful of the extent to which they increase the percentage of our total income invested in this area.

Reporting requirements – Capital Strategy

10. The CIPFA revised 2017 Prudential and Treasury Management Codes require, for 2019-20, all local authorities to prepare an additional report, a capital strategy report, which will provide the following:
 - a high-level long term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
 - an overview of how the associated risk is managed
 - the implications for future financial sustainability
11. The aim of this capital strategy is to ensure that all elected members on the full council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite.
12. This capital strategy is reported separately from the Treasury Management Strategy Statement; non-treasury investments will be reported through the former. This ensures the separation of the core treasury function under security, liquidity and yield principles, and the policy and commercialism investments usually driven by expenditure on an asset. The capital strategy will show:
 - The corporate governance arrangements for these types of activities;
 - Any service objectives relating to the investments;
 - The debt related to the activity and the associated interest costs;
 - The payback period (MRP policy);
 - The risks associated with each activity.
13. Where a physical asset is being bought, details of market research, advisers used, ongoing costs and investment requirements will be disclosed, including the ability to sell the asset and realise the investment cash.
14. Where the Council has borrowed to fund any non-treasury investment, there should also be an explanation of why borrowing was required and why the MHCLG Investment Guidance and CIPFA Prudential Code have not been adhered to.
15. If any non-treasury investment sustains a loss during the final accounts and audit process, the strategy and revenue implications will be reported through the same procedure as the capital strategy.

Reporting requirements – Treasury Management

16. The council is currently required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. The three reports are:

- **Treasury management strategy statement and prudential indicators report** (this report) – which covers the capital plans including prudential indicators, the minimum revenue provision policy, the treasury management strategy and the annual investment strategy;
- **Mid year treasury management report** – updates members as to whether the treasury activities are meeting the strategy, whether any policies require revision, amending prudential indicators if necessary;
- **Annual treasury report** – updates on treasury activity/ operations for the year and compares actual prudential indicators with estimates in the strategy.

17. These reports are required to be scrutinised before being recommended to the council. This scrutiny role is undertaken by Audit & Governance Committee.

18. The CIPFA code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. The training needs of treasury management officers is also periodically reviewed.

Treasury management strategy for 2019/20

19. The treasury management strategy for 2019/20 covers two main areas:

Capital issues

- the capital programme and prudential indicators;
- minimum revenue provision (MRP) policy.

Treasury management issues

- prudential indicators which will limit the treasury management risk and activities of the Council;
- the current treasury position;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- creditworthiness policy;
- investment strategy;

- policy on use of external service providers;
- scheme of delegation and the role of the S151 officer

20. These elements cover the statutory and regulatory requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Ministry of Housing, Communities and Local Government (MHCLG) Minimum Revenue Provision (MRP) Guidance, the CIPFA Treasury Management Code and the MHCLG Investment Guidance.

Treasury management consultants

21. The council uses Link Asset Services, Treasury solutions as its external treasury management advisors.

22. The council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

23. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

The capital prudential indicators 2019/20 – 2023/24

24. The council's capital expenditure plans are the key driver of treasury management activity and are the subject of a separate report on this agenda. The output of the capital programme is reflected in the capital prudential indicators, which are designed to assist member's overview of the council's capital programme to ensure that the capital expenditure plans are affordable, sustainable and prudent.

25. The capital prudential indicators along with the treasury management prudential indicators are included throughout the report:

- PI 1: Capital expenditure
- PI 2: Capital financing requirement
- PI 3: Ratio of financing cost to net revenue stream
- PI 4: External debt
- PI 5a: Authorised limit for external debt
- PI 5b: Operational boundary for external debt
- PI 5c: Housing revenue account (HRA) debt limit
- PI 6: Maturity structure of debt
- PI 7: Surplus funds invested >364 days

26. **Prudential indicator 1 - capital expenditure.** This prudential Indicator is a summary of the council's capital expenditure plans forming part of this budget cycle. 2018/19 is included as a comparator. Detailed information on the individual schemes is provided in the capital monitor 3 and capital strategy report.

| Capital Expenditure | 2018/19 Estimate £m | 2019/20 Estimate £m | 2020/21 Estimate £m | 2021/22 Estimate £m | 2022/23 Estimate £m | 2023/24 Estimate £m |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| General fund (Non HRA) | 81.4 | 196.1 | 109.1 | 58.5 | 17.5 | 11.1 |
| Housing revenue account | 24.9 | 36.7 | 54.8 | 40.1 | 21.7 | 34.2 |
| Total | 106.3 | 232.8 | 163.9 | 98.6 | 39.2 | 45.3 |

Table 1: Capital expenditure

27. Table 1 details the capital expenditure of the council, based on the capital programme strategy report, excluding other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. There are no new PFI schemes forecast to be entered into in 2019/20.
28. Further details on this capital expenditure, and how it is funded, are included within the Capital Programme report elsewhere on this agenda.
29. **Prudential indicator 2 - the capital financing requirement (CFR) (council's borrowing need);** the second prudential indicator is the council's capital financing requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR.
30. The CFR does not increase indefinitely, because the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each assets life, and so charges the economic consumption of capital assets as they are used.
31. The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the council's overall borrowing requirement, these types of scheme include a borrowing facility and so the council is not required to separately borrow for these schemes. As set out in paragraph 49 table 5 the projected level of debt is significantly below the CFR over the 5 year period.
32. Table 2 below, shows the capital financing requirement, excluding other long term liabilities:

| Capital | 2018/19 | 2019/20 | 2020/21 | 2021/22 | 2022/23 | 2023/24 |
|---------|---------|---------|---------|---------|---------|---------|
|---------|---------|---------|---------|---------|---------|---------|

| Financing Requirement | Estimate £m | Estimate £m | Estimate £m | Estimate £m | Estimate £m | Estimate £m |
|----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Non Housing | 226.3 | 269.3 | 289.7 | 306.7 | 300.1 | 287.4 |
| Housing | 139.0 | 139.0 | 139.0 | 139.0 | 139.0 | 139.0 |
| Other Long Term Borrowing* | 46.5 | 44.9 | 43.1 | 41.3 | 39.4 | 37.7 |
| Total CFR | 411.8 | 453.2 | 471.8 | 487.0 | 478.5 | 464.1 |

*Other Long Term is for PFI/PPP

Table 2: Capital financing requirement (CFR)

Minimum revenue provision (MRP) policy statement

33. The council is required to pay off an element of the accumulated general fund capital expenditure each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).
34. MHCLG regulations require full council to approve an MRP statement in advance of each year. A variety of options are provided to councils, so long as there is prudent provision. Full Council is recommended to approved the following MRP statement:
35. For capital expenditure incurred before 1 April 2008 the MRP policy will be:
- **Asset life method (local approach)** - MRP will be based on the average life of the overall asset base of 33 years. This will be calculated as 3% on a fixed, straight line basis.
36. This provides for a 3% reduction in the borrowing need (CFR) each year.
37. From 1 April 2008 for all borrowing (including PFI and finance leases) the MRP policy will be:
- **Asset life method** – MRP will be based on the estimated life of the assets, in accordance with the regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);
38. This option provides for a reduction in the borrowing need over approximately the asset's life. The asset life is an absolute maximum and wherever possible debt is repaid over a shorter period. Estimated asset life periods will be determined under delegated powers. With all debts, the longer the repayment period the higher the amount of interest incurred over the period of the loan and accordingly it is deemed prudent to reduce the period over which the repayments are made.

39. There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made (although there are transitional arrangements in place).
40. Repayments included in annual PFI or finance leases are also applied as MRP.

Affordability prudential indicators

41. The prudential indicators mentioned so far in the report cover the overall capital programme and the control of borrowing through the capital financing requirement (CFR), but within this framework prudential indicators are required to assess the affordability of capital investment plans. These provide an indication of the impact of the capital programme investment plans on the council's overall finances.
42. **Prudential indicator 3 - ratio of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) and compares it to the council's net revenue stream.

| Financing Costs | 2018/19 Estimate % | 2019/20 Estimate % | 2020/21 Estimate % | 2021/22 Estimate % | 2022/23 Estimate % | 2023/24 Estimate % |
|------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Non-HRA | 11.14 | 11.92 | 15.74 | 18.38 | 20.75 | 20.32 |
| HRA | 13.25 | 13.42 | 13.00 | 12.61 | 12.24 | 11.92 |
| Total Ratio | 11.58 | 12.23 | 15.16 | 17.13 | 18.87 | 18.42 |

Table 3: Ratio of financing costs to net revenue stream

43. The estimates of financing costs include current commitments and the proposals in the capital budget report considered elsewhere on this agenda.
44. The capital prudential indicators set out above ensure that the council's capital expenditure plans are affordable, sustainable and prudent. The treasury management function ensures that cash is available to meet the council's requirements in accordance with the Local Government Act 2003 and relevant professional codes
45. The treasury management function involves both the forecasting of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the prudential / treasury indicators, the current and projected debt positions and the annual investment strategy.

Current portfolio position

46. The council's treasury portfolio position at 31st January 2019 is detailed below in table 4:

| Institution Type | Principal | Average Rate |
|--|------------------|---------------------|
| <u>Public Works Loan Board</u> PWLB (57) – Money borrowed from the Debt Management Office (Treasury Agency) | £235.1m | 3.64% |
| <u>Market Loans</u> | | |
| Club loan (1) – A loan taken in conjunction with 2 other authorities | £10.0m | 7.15% |
| LOBO Loans (1) – Lender Option Borrower Option | £5.0m | 3.88% |
| <u>West Yorkshire Combined Authority</u> | | |
| WYCA (4) – Zero interest loans the purpose of which are to help to fund York Central infrastructure projects | £2.4m | 0.00% |
| Total Gross Borrowing (GF & HRA) | £252.5m | 3.75% |
| Total Investments | £76.6m | 0.82% |

Table 4: Current position at 31st January 2019

47. The council had £252.5m of fixed interest rate debt, of which £139.0m was HRA and £113.4m general fund. The cash balance available for investment was £77.8m. As the capital programme has progressed the level of cash available for investment is gradually decreasing as expected as the Council is using previously held balances to fund the programme.

48. Within the prudential indicators, there are a number of key indicators to ensure that the council operates its activities within well defined limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. One of these is that the council needs to ensure that its total gross debt does not, except in the short term, exceed the total of the capital financing requirement (CFR) in the preceding year plus the estimates of any additional CFR for 2019/20 and the following two financial years. This allows the flexibility to borrow in advance of need but ensures that borrowing is not undertaken for revenue purposes.

49. **Prudential indicator 4 – external debt** Table 5 shows that the estimated gross debt position of the council does not exceed the underlying capital borrowing need. The Director of Customer & Corporate Services (s151 officer) confirms that the council complies with this prudential indicator and does not envisage difficulties for the future.

| | 2018/19 Estimate £m | 2019/20 Estimate £m | 2020/21 Estimate £m | 2021/22 Estimate £m | 2022/23 Estimate £m | 2023/24 Estimate £m |
|------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Gross projected debt | 289.0 | 281.3 | 316.6 | 334.7 | 361.2 | 355.2 |
| Total CFR | 411.8 | 453.2 | 471.8 | 487.0 | 478.5 | 464.1 |
| Under/(over) borrowed | Under | Under | Under | Under | Under | Under |

Table 5: External debt < capital financing requirement

50. Table 5 shows a gap between actual and estimated borrowing and the CFR (driven by the use of internal funds to finance capital expenditure). The decision as to whether to continue to do this will take into account current assumptions on borrowing rates and levels of internal reserves and balances held by the council. The figures above show an increase in the gap between CFR and external debt, however this will be determined by the s151 officer and the figure above is a current broad assumption. Actual borrowing will be determined by the circumstances that prevail at the time on borrowing rates and levels of cash balances.

Prudential indicators: limits on authority to borrow

51. **Prudential indicator 5A – authorised borrowing limit** - It is a statutory duty under Section 3 (1) of the Local Government Act 2003 and supporting regulations, for the council to determine and keep under review how much it can afford to borrow. This amount is termed the “authorised borrowing limit”, and represents a control on the maximum level of debt. This is a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full council. It reflects the level of external debt, which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

| Authorised Limit | 2018/19 (set at 18/19 Strategy) £m | 2019/20 Estimate £m | 2020/21 Estimate £m | 2021/22 Estimate £m | 2022/23 Estimate £m | 2023/24 Estimate £m |
|-------------------------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Borrowing | 289.0 | 281.3 | 316.6 | 334.7 | 361.2 | 355.2 |

| | | | | | | |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Total CFR | 411.8 | 453.2 | 471.8 | 487.0 | 478.5 | 464.1 |
| Operational Boundary | 450.3 | 463.2 | 481.8 | 497.0 | 488.5 | 474.1 |
| Other long term liabilities | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 | 30.0 |
| Total | 480.3 | 493.2 | 511.8 | 527.0 | 518.5 | 504.1 |

Table 6: Authorised borrowing limit

52. Prudential indicator 5B – operational boundary. In addition to the “authorised borrowing limit”, the operational boundary is the maximum level of debt allowed for on an ongoing operational purpose. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

| Operational Boundary | 2018/19 (set at 18/19 Strategy) £m | 2019/20 Estimate £m | 2020/21 Estimate £m | 2021/22 Estimate £m | 2022/23 Estimate £m | 2023/24 Estimate £m |
|----------------------|--|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Borrowing | 289.0 | 281.3 | 316.6 | 334.7 | 361.2 | 355.2 |
| Total CFR | 411.8 | 453.2 | 471.8 | 487.0 | 478.5 | 464.1 |
| Short term liquidity | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 | 10.0 |
| Total | 450.3 | 463.2 | 481.8 | 497.0 | 488.5 | 474.1 |

Table 7: Operational boundary

53. Separately, the council has previously been limited to a maximum HRA CFR through the HRA self-financing regime, known as the HRA debt limit or debt cap. As part of the 2018 UK National Budget on 29 October 2018 the debt cap for the HRA was lifted with immediate effect. However, the capital programme for the HRA will continue to comply with the requirements of the CIPFA prudential code in that capital expenditure and any associated financing implications must be affordable, prudent and sustainable.

54. The setting of internal prudential borrowing limits for the HRA will be required such that the annual cost of financing debt remains affordable. A report was presented to Executive in January 2019 that set out the implications of this change and approved in principle the appropriation of sites within the Housing Delivery Programme from the General Fund into the HRA, noting the increased debt that would occur, with sites to be appropriated following Executive approval of individual site business cases.

As and when these individual business cases are approved this will be reflected in the HRA debt limits and reported to the Committee.

| HRA Debt Limit | 2018/19 Estimate £m | 2019/20 Estimate £m | 2020/21 Estimate £m | 2021/22 Estimate £m | 2022/23 Estimate £m | 2023/24 Estimate £m |
|-----------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Total debt cap | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 | 146.0 |
| HRA CFR | 139.0 | 139.0 | 139.0 | 139.0 | 139.0 | 139.0 |
| HRA headroom | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 | 7.0 |

Table 8: HRA debt limit

Prospects for interest rates

55. Current interest rates and the future direction of both long term and short term interest rates have a major influence on the overall treasury management strategy and affects both investment and borrowing decisions. To facilitate treasury management officers in making informed investment and borrowing decisions, the council has appointed Link Asset Services as its treasury adviser. Part of their service is to assist the council in formulating a view on interest rates. Table 9 below gives Link's central view:

| | Bank rate % | PWLB borrowing rates % (including certainty rate adjustment) | | |
|----------|----------------|---|---------|---------|
| | | 5 year | 25 year | 50 year |
| Dec 2017 | 0.50 | 1.50 | 2.80 | 2.50 |
| Mar 2018 | 0.50 | 1.60 | 2.90 | 2.60 |
| Jun 2018 | 0.50 | 1.60 | 3.00 | 2.70 |
| Sep 2018 | 0.50 | 1.70 | 3.00 | 2.80 |
| Dec 2018 | 0.75 | 1.80 | 3.10 | 2.90 |
| Mar 2019 | 0.75 | 1.80 | 3.10 | 2.90 |
| Jun 2019 | 0.75 | 1.90 | 3.20 | 3.00 |
| Sep 2019 | 0.75 | 1.90 | 3.20 | 3.00 |
| Dec 2019 | 1.00 | 2.00 | 3.30 | 3.10 |
| Mar 2020 | 1.00 | 2.10 | 3.40 | 3.20 |
| Dec 2020 | 1.25 | 2.30 | 3.60 | 3.40 |
| Mar 2021 | 1.25 | 2.30 | 3.60 | 3.40 |

Table 9 – Link's interest rate forecast

56. The flow of generally positive economic statistics after the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, from 0.5% to 0.75%. Growth became increasingly strong during 2018 until slowly significantly during the last quarter. At their November quarterly inflation report meeting, the MPC left Bank Rate unchanged, but expressed some concern at the Chancellor's fiscal stimulus in his Budget, which could increase inflationary pressures. However, it is unlikely that the MPC would increase Bank Rate in February 2019, ahead

of the deadline in March for Brexit. On the assumption that Parliament and the EU agree a Brexit deal in the first quarter of 2019, then the next increase in Bank Rate is forecast to be in May 2019, followed by increases in February and November 2020, before ending up at 2.0% in February 2022.

57. The overall longer run future trend is for gilt yields, and consequently PWLB rates, to rise, albeit gently. Equity prices have been very volatile on alternating good and bad news during this period.
58. From time to time, gilt yields, and therefore PWLB rates, can be subject to exceptional levels of volatility due to geo-political, sovereign debt crisis, emerging market developments and sharp changes in investor sentiment. Such volatility could occur at any time during the forecast period.
59. Economic and interest rate forecasting remains difficult with so many external influences weighing on the UK. The above forecasts, (and MPC decisions), will be liable to further amendment depending on how economic data and developments in financial markets transpire over the next year. Geopolitical developments, especially in the EU, could also have a major impact. Forecasts for average investment earnings beyond the three-year time horizon will be heavily dependent on economic and political developments.

Investment and borrowing rates

60. Investment returns are likely to remain low during 2019/20 but to be on a gently rising trend over the next few years.
61. Borrowing interest rates have been volatile so far in 2018-19 and while they were on a rising trend during the first half of the year, they have back tracked since then until early January. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in the future when authorities may not be able to avoid new borrowing to finance capital expenditure and/or the refinancing of maturing debt.
62. There will remain a cost of carry to any new long-term borrowing that causes a temporary increase in cash balances as this position will, most likely, incur a revenue cost – the difference between borrowing costs and investment returns.

Borrowing strategy

63. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the interest rate forecast. The council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the capital financing requirement), has not been fully funded with loan debt as cash supporting the

council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains prudent as investment returns are low and counterparty risk is relatively high.

64. It is therefore beneficial to have a borrowing strategy where consideration is given to taking some longer term borrowing if favourable rates arise and also use some cash reserves. External borrowing will be considered throughout the financial year when interest rates seem most favourable. A target interest rate is 4.50%. This will enable borrowing to be taken through the year at different time periods. Consideration will also be given to the maturity profile of the debt portfolio so the council is not exposed to the concentration of debt being in any one year.
65. Against this background and the risks within the economic forecast, caution will be adopted with the treasury operations. The Director of Customer and Corporate Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.
66. The HRA strategy for borrowing will be the same as the borrowing strategy described above for the whole council. The HRA Business Plan will guide and influence the overall HRA borrowing strategy.
67. All decisions will be reported to the appropriate decision making body (Executive and Audit and Governance Committee) at the next available opportunity.

Prudential Indicator 6 – Maturity of borrowing

68. Officers will monitor the balance between variable and fixed interest rates for borrowing and investments to ensure the council is not exposed to adverse fluctuations in fixed or variable interest rate movements. This is likely to reflect higher fixed interest rate borrowing if the borrowing need is high or fixed interest rates are likely to increase, a higher variable rate exposure if fixed interest rates are expected to fall. Conversely if shorter term interest rates are likely to fall, investments may be fixed earlier, or kept shorter if short term investment rates are expected to rise.

69. The balance between variable rate debt and variable rate investments will be monitored as part of the overall treasury function in the context of the overall financial instruments structure and any under or over borrowing positions. The council does not currently have any variable rate debt.
70. The upper and lower limits for the maturity structure of fixed rate borrowing are set out below (with actual split for the current financial year included for comparison). This gross limit is set to reduce the council's exposure to large fixed rate sums falling due for refinancing in a confined number of years.

| Maturity structure of borrowing | | | | |
|--|--------------|--------------|-------------------------|-------------------------|
| | Lower | Upper | 2018/19 Debt (%) | 2018/19 Debt (£) |
| Under 12 months | 0% | 30% | 9% | £21.0m |
| 12 months to 2 years | 0% | 30% | 4% | £10.0m |
| 2 years to 5 years | 0% | 40% | 6% | £15.7m |
| 5 years to 10 years | 0% | 40% | 25% | £63.9m |
| 10 years and above | 30% | 90% | 56% | £141.8m |
| Total Borrowing | | | 100% | £252.4m |

Table 10: Maturity structure of borrowing at 31st January 2019

Policy on borrowing in advance of need

71. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds..
72. Borrowing in advance will be made within the constraints of the CIPFA Prudential Code that:
- It will be limited to no more than 50% of the expected increase in borrowing need (CFR) over the three year planning period; and
 - The authority would not look to borrow more than 36 months in advance of need
73. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt rescheduling

74. As short term borrowing rates will be considerably cheaper than longer term fixed interest rates, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However,

these savings will be considered in the light of the current treasury position and the size of the cost of debt repayment (premiums incurred).

75. The reasons for any rescheduling to take place will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- to enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

76. Consideration will also be given to identify if there is any residual potential for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

77. All rescheduling will be reported to the Executive / Audit & Governance Committee at the earliest meeting following its action.

Municipal Bond Agency

78. The establishment of the UK Municipal Bonds Agency was led by the Local Government Association (LGA) following the 2010 Autumn Statement which resulted in higher PWLB rates, greatly increasing the cost of new borrowing and refinancing. The purpose of the Agency is to deliver cheaper capital finance to local authorities. It will do so via periodic bond issues and by facilitating greater inter-authority lending. The Agency is wholly owned by 56 local authorities and the LGA. The council is a shareholder in the Agency with a total investment of £40k and will make use of this new source of borrowing as and when appropriate.

Annual investment strategy

Investment policy – management of risk

79. The MHCLG and CIPFA have extended the meaning of ‘investments’ to include both financial and non-financial investments. This report deals solely with financial investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets, are covered in the Capital Strategy, (a separate report).

80. The Council’s investment policy has regard to the following:

- MHCLG’s Guidance on Local Government Investments (“the Guidance”)
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2017 (“the Code”)
- CIPFA Treasury Management Guidance Notes 2018

81. The Council’s investment priorities will be security first, portfolio liquidity second and then yield, (return).

82. The above guidance from the MHCLG and CIPFA place a high priority on the management of risk. This authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means:
- i. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long-term ratings.
 - ii. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Council will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.
 - iii. Other information sources used will include the financial press, share price and other such information pertaining to the banking sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
 - iv. This authority has defined the list of types of investment instruments that the treasury management team are authorised to use. There are two lists in annex B under the categories of ‘specified’ and ‘non-specified’ investments.
 - Specified investments are those with a high level of credit quality and subject to a maturity limit of one year.
 - Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.
 - v. Lending limits, (amounts and maturity), for each counterparty will be set through applying the matrix tables in annex B.
 - vi. Transaction limits are set for each type of investment.
 - vii. Investments will only be placed with counterparties from countries with a specified minimum sovereign rating, (see annex C).
 - viii. This authority has engaged external consultants, (see paragraphs 21 to 23), to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this authority in the context of the expected level of cash balances and need for liquidity throughout the year.
 - ix. All investments will be denominated in sterling.

- x. As a result of the change in accounting standards for 2018/19 under IFRS 9, this authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the Ministry of Housing, Communities and Local Government, [MHCLG], concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years commencing from 1.4.18.)

83. However, this authority will also pursue value for money in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 93). Regular monitoring of investment performance will be carried out during the year.

Creditworthiness policy

84. This council applies the creditworthiness service provided by Link Asset Services. This service employs a sophisticated modeling approach with credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

85. This approach combines credit ratings, credit watches, credit outlooks in a weighted scoring system which is then combined with an overlay of CDS (credit default swap) spreads for which the end product is a series of colour code bands, which indicate the relative creditworthiness of counterparties. These colour codes are also used by the council to determine the duration for investments. The council will therefore use counterparties within the following durational bands:

- Yellow* 5 years
- Purple 2 years
- Blue 1 year (only applies to nationalised or part nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

**The yellow category is for UK Government debt or its equivalent (government backed securities) and AAA rated funds*

86. The Link Asset Services creditworthiness model uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue weighting to just one agency's ratings.
87. Typically the minimum credit ratings criteria the council use will be a short term rating (Fitch or equivalent) of F1 and Long Term rating A-. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
88. All credit ratings are monitored on a daily basis. The council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services creditworthiness service:
- If a downgrade results in the counterparty/investment scheme no longer meeting the council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - In addition to the use of credit ratings the council will be advised of information in movements in credit default swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the councils lending list.
89. Although sole reliance is not placed on the use of this external service, as the council uses market data and market information, information on government support for banks and the credit ratings of that supporting government, the suitability of each counterparty is based heavily on advice from Link.
90. Whilst the council has determined that it will not limit investments to UK banks, it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch (or equivalent from other agencies if Fitch does not provide). The list of countries that qualify using this credit criteria as at the date of this report are shown in annex C. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

Investment strategy

91. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. While most cash balances are required in order to manage ups and downs of cash flow, where cash sums can be

identified that could be invested for longer periods, the value to be obtained from longer term investments will be carefully assessed.

92. On the assumption that the UK and EU agree a Brexit deal in spring 2019, then Bank rate is forecast to increase steadily but slowly over the next few years to reach 2% by quarter 1 2022. Bank rate forecasts for financial year ends (March) are:

| | |
|---------|-------|
| 2019/20 | 1.25% |
| 2020/21 | 1.50% |
| 2021/22 | 2.00% |

93. For its cash flow generated balances, the council will seek to utilise a combination of business reserve accounts (call accounts), short notice accounts, short dated fixed term deposits and money market funds. In addition, the council will look for investment opportunities in longer dated term deals with specific counterparties that offer enhanced rates for local authority investment. All investment will be undertaken in accordance with the creditworthiness policy set out above.

94. The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next three years are as follows:

| | |
|---------|-------|
| 2019/20 | 1.00% |
| 2020/21 | 1.50% |
| 2021/22 | 1.75% |

95. Therefore for 2019/20, the council has budgeted for an investment return target of 1.00% on investments placed during the financial year and uses the 7 day LIBID rate as a benchmark for the rate of return on investment.

96. **Prudential indicator 7** - total principal investment funds invested for greater than 364 days. This limit is set with regards to the council's liquidity requirements and are based on the availability of funds after each year-end. A maximum principal sum to be invested for greater than 364 days is £15m.

| | 2018/19 Estimate £m | 2019/20 Estimate £m | 2020/21 Estimate £m | 2021/22 Estimate £m | 2022/23 Estimate £m | 2023/24 Estimate £m |
|---|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| Maximum limit per year for Investments > 364 days | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 |

Table 11: Maturity structure of borrowing

97. At the end of the financial year, the council will report on its investment activity as part of its annual treasury report. It should be noted that the

Investment policy, creditworthiness policy and investment strategy are applicable to the council's overall surplus funds and are also applicable to the HRA.

Consultation and options

98. The treasury management function of any business is a highly technical area, where decisions are often taken at very short notice in reaction to the financial markets. Therefore, to enable effective treasury management, all operational decisions are delegated by the council to the Director of Customer & Corporate Services, who operates within the framework set out in this strategy and through the treasury management policies and practices. In order to inform sound treasury management operations the council works with its treasury management advisers, Link Asset Services. Link Asset Services offers the council a comprehensive information and advisory service that facilitates the council in maximising its investment returns and minimise the costs of its debts.
99. Treasury management strategy and activity is influenced by the capital investment and revenue spending decisions made by the council. Both the revenue and capital budgets have been through a corporate process of consultation and consideration by the elected politicians. The revenue budget and capital budget proposals are included within this agenda.
100. At a strategic level, there are a number of treasury management options available that depend on the council's stance on interest rate movements. The report sets out the council's stance and recommends the setting of key trigger points for borrowing and investing over the forthcoming financial year.

Council Plan

101. The treasury management strategy statement and prudential indicators are aimed at ensuring the council maximises its return on investments and minimises the cost of its debts whilst operating in a financial environment that safeguards the council's funds. This will allow more resources to be freed up to invest in the council's priorities, values and imperatives, as set out in the Council Plan.

Implications

Financial

102. The financial implications of the treasury strategy are set out in the Financial Strategy Capital Strategy reports also on this agenda.

Human Resources (HR)

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

Equalities

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

Legal Implications

105. Treasury management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

Other implications

106. There are no crime and disorder, information technology or property implications as a result of this report

Risk management

107. The treasury management function is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003 (as amended), supporting regulations, the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice (the code) are all adhered to as required.

| | | | |
|---|--|---|-----------------------------|
| Report authors: | Chief officer responsible for the report: | | |
| Debbie Mitchell Finance & Procurement Manager Tel: 01904 554161 | Ian Floyd Director of Customer & Corporate Services | | |
| Emma Audrain Principal Technical Accountant Tel 01904 551170 | Report Approved | √ | Date 1 February 2019 |
| Wards Affected: Not Applicable | | | |

For further information please contact the author of the report

Background papers

none

Annexes

Annex A – Interest rate forecast

Annex B – Specified and non-specified investments categories schedule

Annex C – Approved countries for investments

Annex D – Scheme of delegation and the role of the section 151 officer

Link Asset Services Interest Rate View

| | Mar 2019 | June 2019 | Sept 2019 | Dec 2019 | Mar 2020 | June 2020 | Sept 2020 | Dec 2020 | Mar 2021 | June 2021 | Sept 2021 | Dec 2021 |
|------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| Bank Rate | 0.75% | 1.00% | 1.00% | 1.00% | 1.25% | 1.25% | 1.25% | 1.50% | 1.50% | 1.75% | 1.75% | 1.75% |
| 5yr PWL rate | 2.10% | 2.20% | 2.20% | 2.30% | 2.30% | 2.40% | 2.50% | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% |
| 10yr PWL rate | 2.50% | 2.60% | 2.60% | 2.70% | 2.80% | 2.90% | 2.90% | 3.00% | 3.00% | 3.10% | 3.10% | 3.20% |
| 25yr PWL rate | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.30% | 3.30% | 3.40% | 3.40% | 3.50% | 3.50% | 3.60% |
| 50yr PWL rate | 2.70% | 2.90% | 2.90% | 2.90% | 3.00% | 3.10% | 3.10% | 3.20% | 3.20% | 3.30% | 3.30% | 3.40% |

Specified and non-specified investments categories**Annex B**

A variety of investment instruments will be used, subject to the credit quality of the institution, to place the council's surplus funds. The criteria, time limits and monetary limits applying to institutions or investment vehicles are listed in the tables below.

Investments are split into two categories of specified investments and non-specified Investments. Specified investments are relatively high security and high liquidity investments, which must be sterling denominated and with a maturity of no more than a year. Non-specified investments are those investments with a maturity period of greater than one year or are still regarded as prudent but may require more detailed scrutiny and assessment procedures.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this council. To ensure that the council is protected from any adverse revenue impact, which may arise from these differences, treasury officers will review the accounting implications of new transactions before they are undertaken.

Specified investments:

| Counterparty type | Minimum 'high' credit criteria/colour band | Maximum investment limit per counterparty institution | Maximum maturity period |
|--|--|---|--------------------------------|
| DMADF – UK Government | UK sovereign rating | £15m | 6 months |
| UK Government Treasury Bills | UK sovereign rating | £15m | 1 year |
| UK Government Gilts | UK sovereign rating | £15m | 1 year |
| Term deposits - local authorities | UK sovereign rating | £15m | 1 year |
| Part-nationalised UK Banks | Blue | £15m | 1 year |
| Term Deposits - UK Banks and Building Societies | Orange Red Green | £15m £15m £8m | 1 year 6 months 100 days |
| Term Deposits - Non-UK Banks (with a sovereign rating of AA-) | Orange | £15m | 1 year |
| Certificates of Deposits issued by Banks and Building Societies | Orange/Blue | £15m | 1 year |
| Collective investment schemes structured as open ended investment companies (OEICs) as below:- | | | |

| | | | |
|---------------------------------|-----|------|--------|
| 1. Money Market Funds CNAV | AAA | £15m | Liquid |
| 2. Money Market Funds LVNAV | AAA | £15m | Liquid |
| 3. Money Market Funds VNAV | AAA | £15m | Liquid |
| 4. Ultra-Short Dated Bond Funds | AAA | £15m | Liquid |
| 5. Bond Funds | AAA | £15m | Liquid |

CNAV – constant net asset value**LVNAV – low volatility net asset value****VNAV – variable net asset value****NON-SPECIFIED INVESTMENTS:**

A maximum of 100% can be held in aggregate in non-specified investment

1. Maturities of ANY period

| Counterparty type | Minimum credit criteria | Maximum investment limit per counterparty institution | Maximum Maturity Period |
|--|--------------------------------|---|--|
| Fixed term deposits with variable rate and variable maturities: - Structured deposits | Orange Blue Red Green | £15m £15m £15m £8m | 1 Year 1 year 6 months 100 days |
| Certificates of Deposits issued by Banks and Building Societies | Red Green | £15m £8m | 6 months 100 days |
| Floating Rate Notes | Long-term AAA | £15m | 1 year |
| Property Funds: <i>the use of these investments may constitute capital expenditure</i> | AAA-rated | £15m | 5 years |

2. Maturities in excess of 1 year

| | | | |
|--|---------------------|--------------|--------------------|
| Term Deposits– local authorities | UK Sovereign Rating | £15m | > 1 year |
| Term deposits – Banks and Building Societies | Yellow Purple | £15m £15m | 5 years 2 years |
| Certificates of Deposits issued by Banks and Building Societies not covered by UK Government guarantee | Yellow Purple | £15m £15m | 5 years 2 years |
| UK Government Gilts | UK sovereign rating | £15m | > 1 year |

| Collective investment schemes structured as open ended investment companies (OEICs) as below:- | | | |
|--|---------------|------|----------|
| 1. Bond Funds | Long-term AAA | £15m | > 1 year |
| 2. Gilt funds | Long-term AAA | £15m | > 1 year |

Approved countries for investments

Annex C

AAA

- Australia
- Canada
- Denmark
- Germany
- Netherlands
- Singapore
- Sweden
- Switzerland
- United States of America

AA+

- Finland

AA

- France
- United Arab Emirates
- United Kingdom

AA-

- Belgium
- Qatar

Treasury management scheme of delegation**Annex D****(i) Executive / Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy and annual outturn

(ii) Executive

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities

(iii) Audit & Governance Committee

- receiving and reviewing reports on treasury management policies, practices and activities
- reviewing the annual strategy, annual outturn and mid year review.

(iv) Director of Customer and Corporate Services (section 151 officer)

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- all operational decisions are delegated by the council to the Director of Customer & Corporate Services, who operates within the framework set out in this strategy and through the treasury management policies and practices
- Approving the selection of external service providers and agreeing terms of contract in accordance with the delegations in financial regulations.

The treasury management role of the section 151 officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
- all operational decisions delegated by the council to the Director of Customer & Corporate Services (s151 officer), who operates within the framework set out in this strategy and through the treasury management policies and practices
- submitting regular treasury management policy reports
- submitting budgets and budget variations
- receiving and reviewing management information reports
- reviewing the performance of the treasury management function
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
- ensuring the adequacy of internal audit, and liaising with external audit

- recommending the appointment of external service providers.
- preparation of a capital strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long term timeframe
- ensuring that the capital strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the authority does not undertake a level of investing which exposes the authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by an authority
- ensuring that the authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
 - *Risk management, including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management, including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation, including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
 - *Reporting and management information, including where and how often monitoring reports are taken;*
 - *Training and qualifications, including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*