



**Notice of a public meeting of
Executive**

To: Councillors Carr (Chair), Aspden (Vice-Chair), Ayre, Gillies, Rawlings, Runciman, Steward and Waller

Date: Thursday, 9 February 2017

Time: 5.30 pm

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

AGENDA

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 13 February 2017.**

*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 Corporate and Scrutiny Management Policy and Scrutiny 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 the exclusion of the press and public from the meeting during consideration of the following:

Annex 2 to Agenda Item 13 (Sale of Land at Fordlands Road as part of the Older Persons' Accommodation Programme) on the grounds that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information). This information is classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

3. Public Participation

At this point in the meeting members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Wednesday 8 February 2017**. Members of the public can speak on agenda items or matters within the remit of the committee.

To register to speak please contact the Executive Support Officer for the meeting, on the details at the foot of the agenda.

Filming, Recording or Webcasting Meetings

"Please note this meeting will be filmed and webcast and that includes any registered public speakers, who have given their permission. This broadcast can be viewed at <http://www.york.gov.uk/webcasts>.

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 Executive Support 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 http://www.york.gov.uk/download/downloads/id/11406/protocol_film_or_webcasting_filming_and_recording_of_council_meetings_20160809.pdf

- 4. Forward Plan** (Pages 1 - 4)
To receive details of those items that are listed on the Forward Plan for the next two Executive meetings.
- 5. City of York Council Response to the Independent Flood Inquiry** (Pages 5 - 30)
This cover report presents the Independent Flood Inquiry report and the proposals on how the Council will respond.
- 6. Steps Towards a Single Health & Safety Organisation**
(Pages 31 - 66)
This report provides Executive Members with an update on the current position of the City of York Council (CYC) Health & Safety Service following the secondment of the current five staff members from CYC Health & Safety Team to North Yorkshire County Council (NYCC). The current temporary arrangements are in place until April 2017 and this report provides an options appraisal for a more permanent structure for a Health & Safety Shared Service between NYCC and CYC (referred to as YorSafety).
- 7. Financial Strategy 2017/18 to 2021/22** (Pages 67 - 208)
This report presents the Financial Strategy 2017/18 to 2021/22, including detailed revenue budget proposals for 2017/18, and asks Members to recommend to Council approval of the proposals.
- 8. Capital Strategy 2017/18 to 2021/22** (Pages 209 - 244)
This report presents the Capital Strategy for 2017/18 to 2021/22 and asks the Executive to recommend the proposals to Council for approval.
- 9. Treasury Management Strategy Statement and Prudential Indicators for 2017/18 to 2021/22** (Pages 245 - 274)
This report seeks the recommendation of Executive to Full Council for the approval of the Treasury Management Strategy and Prudential Indicators for the 2017/18 financial year.
- 10. Capital Programme - Monitor 3 2016/17** (Pages 275 - 294)
This report sets out the projected outturn position for 2016/17 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years. Members are asked to recommend to Council approval of the adjustments detailed within the report.

11. 2016/17 Finance and Performance Monitor 3

(Pages 295 - 324)

This report provides details of the overall finance and performance position for the period covering April 2016 to December 2016, together with an overview of any emerging issues.

12. North and Humber Regional Adoption Agency Options

(Pages 325 - 338)

This report sets out the proposal that City of York Council will host a regional adoption agency.

13. Sale of Land at Fordlands Road as Part of the Older Persons' Accommodation Programme (Pages 339 - 350)

This report seeks agreement for the sale of the former older persons' home site on Fordlands Road, Fulford to a purchaser who will develop a residential and nursing care home on the site, as part of the Older Persons' Accommodation Programme.

14. Urgent Business

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

Executive Support Officer:

Name: Carol Tague

Contact details:

- Telephone – (01904) 552094
- E-mail – carol.tague@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 (Polish)
własnym języku.

Bu bilgiyi kendi dilinizde almanız mümkündür. (Turkish)

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

 **(01904) 551550**

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Forward Plan: Executive Meeting: 9 February 2017

Table 1: Items scheduled on the Forward Plan for the Executive Meeting on 16 March 2017

Title and Description	Author	Portfolio Holder
<p>Options for the Disposal of 29 Castlegate Members are asked to consider and make a decision on the options for the disposal of 29 Castlegate.</p>	Tracey Carter	Executive Member for Finance & Performance
<p>Oakhaven Extra Care Facility: Appointment of Preferred Bidder To seek Member agreement to appointment the preferred bidder for the provision of an Extra Care facility at Oakhaven in Acomb.</p>	Roy Wallington	Executive Member for Adult Social Care and Health
<p>Burnholme Care Home: the appointment of a preferred bidder and the sale of land to facilitate the development Members to receive details of the appointment of the preferred bidder for the construction and provision of Care Home services on the Burnholme site in Heworth ward and for Members to agree to the sale of the land associate with this appointment.</p> <p>The Executive is asked to (1) receive details of the appointment of the preferred bidder for the construction and provision of Care Home services on the Burnholme site in Heworth ward; and (2) to agree to the sale of the land associate with this appointment.</p>	Roy Wallington	Executive Member for Adult Social Care & Health
<p>Delivering a OnePlanetCouncil To provide an update on how the council is working towards becoming a OnePlanetCouncil, including progress towards the new OnePlanetCouncil Policy, new OnePlanetCouncil Action Plan (Phase 1 and Phase 2) and delivery of the new Carbon and Resource Smart Management Plan.</p> <p>Executive are asked to note the content of the report.</p>	Jacquie Warren	Executive Member for Environment

Title and Description	Author	Portfolio Holder
<p>City of York Safeguarding Children Board Annual Report 2015/16 The Annual Report is a statutory requirement of the safeguarding children board. It outlines the work of the board over the past year and highlights priority areas for the following year.</p> <p>Members are asked to note the report.</p>	Jon Stonehouse	Executive Member for Education, Children and Young People
<p>Additional Primary School Places for South Bank This paper provides an update on the plans to add additional school places to Scarcroft Primary School after their decision to approve the use of basic need funding to remodel the interior of the school. It was agreed that after a thorough feasibility study the Executive would receive a further paper outlining the options to address the school's lack of outdoor space. This feasibility study, including a period of public consultation has taken place and this paper will provide information about the options explored and will seek permission to release basic need funding to the South Bank Multi Academy Trust to remodel Scarcroft Primary School to allow it to provide 15 additional school places per year in to reception from September 2017.</p> <p>The Executive will be asked to agree the preferred option to release basic need funding to Scarcroft Primary School to remodel the interior of the school and to add additional outdoor space by remodelling its car park, allowing space for a mini MUGA (Multi Use Games Area) to be built.</p>	Maxine Squire and Mark Ellis	Executive Member for Education, Children and Young People
<p>Yearsley Pool Review The Council set out its commitment to provide a sustainable long-term operational solution for Yearsley Pool. The purpose of this report is to provide the Executive with the findings and recommendations of the review.</p> <p>The Executive is asked to agree the long-term management arrangements for Yearsley Pool following the opening of the new stadium leisure centre at Monks Cross.</p>	Andrew Laslett	Executive Member for Culture, Leisure & Tourism

Title and Description	Author	Portfolio Holder
<p>Adults' Transport – Options and Approaches The Adults Transport Vision (as agreed in March 2015) proposed that CYC should consider implementing a more personalised approach to transport whereby existing adult customers are able to exercise greater choice and control over their transport arrangements - in line with the principles of the Care Act 2014. Prevention is a primary aim, ensuring new adult customers only access commissioned transport provision as an option of last resort.</p> <p>The Executive is asked to approve a recommended option for the future provision of transport for adult customers.</p>	Adam Gray	Executive Member for Adult Social Care & Health
<p>Play Provision Scrutiny Review Final Report To present the Executive with the final report arising from the Play Provision Scrutiny Review.</p> <p>The Executive are asked to approve the recommendations arising from the review.</p>	Melanie Carr	Executive Member for Economic Development & Community Engagement
<p>Ward Funding Scrutiny Review Final Report To present the Executive with the Final Report arising from the Ward Funding Scrutiny Review.</p> <p>The Executive are asked to approve the recommendations arising from the review.</p>	Melanie Carr	Executive Member for Economic Development & Community Engagement
<p>Update on the Re-Provision of the Ordnance Lane Temporary Homeless Accommodation</p> <p>To update the Executive on the proposals for the re-provision of the temporary homelessness accommodation at Ordnance Lane, York.</p> <p>Members are asked to note the contents of the report and agree/refuse the recommendations</p>	Paul Landais-Stamp	Executive Leader (incorporating Housing and Safer Neighbourhoods)

Table 2: Items scheduled on the Forward Plan for the Executive Meeting on 27 April 2017

Title and Description	Author	Portfolio Holder
<p>Licensing Policy - Sex Establishments Purpose of Report: To seek final approval of Licensing Policy and conditions in relation the licensing of sex establishments.</p> <p>The Executive is asked to give formal approval of a Licensing Policy and conditions relating to the licensing of sex establishments (sexual entertainment venues, sex shops and sex cinemas). The Policy is expected to be approved by Gambling, Licensing and Regulatory Committee on 6 February 2017.</p>	<p>Lesley Cooke</p>	<p>Executive Leader (incorporating Housing & Safer Neighbourhoods)</p>



Executive

9th February 2017

**Report of the Director of Economy & Place
Portfolio of the Executive Member for Environment**

City of York Council Response to the Independent Flood Inquiry

Summary

1. The flooding in late December 2015 followed an intense period of rainfall across November and December due to the impacts of Storms Desmond and Eva. Record river levels were observed in many river catchments across the north of England. More than 4000 homes and 2000 businesses flooded across Yorkshire with 453 properties and 174 businesses flooded in York.
2. Council leadership called for an independent inquiry to investigate the causes and impacts of the floods, the York Flood Inquiry was set up in April 2016 chaired by Ms Angharad Davies and supported by Mr Tom Toole and Mr Laurence Waterhouse. The terms of reference for the inquiry can be seen in Annex 1.
3. The Inquiry Panel have held public meetings, received over 50 written submissions, issued questionnaires to flooded residents and businesses and consulted widely with all agencies. The full inquiry report can be seen at the below link:

https://www.york.gov.uk/downloads/file/12456/york_flood_inquiry_main_report
4. The inquiry has made 90 recommendations, these can be seen in Annex 2 of this report.
5. We welcome the findings and recommendations of this report, it has drawn a range of conclusions on the cause of flooding and the impacts that occurred, the council support the key findings of the report namely:

- a. Flooding was caused by record flows on the River Foss which overwhelmed the Foss Barrier, the work that has begun on the Foss Barrier is essential to manage future flood risks in the River Foss basin
 - b. Levels on the River Ouse were the second highest on record, the extent of flooding on the River Ouse was managed through the provision of existing flood defences but future investment is needed to ensure these defences can manage future risks, and those areas that remain undefended require further work
 - c. A sustained and committed response was given by all authorities, however, a range of recommendations are made to illustrate how communications, plans and procedures can be improved to manage future events and better involve wider groups and volunteers
6. The recommendations listed in Annex 2 of this report have been initially considered by City of York Council. A range of debriefs have already been carried out by CYC following the Boxing Day floods and a rolling action plan had already been developed to take forward recommendations and lessons learnt. The existing action plan has been updated to highlight how existing CYC work is already progressing many of the 90 recommendations made by the inquiry, this can be seen in Annex 3. Further work is required to update the CYC plan to cover all agreed CYC recommendations and ensure all partners have considered the actions within their plans.
7. CYC are working closely with the Environment Agency to deliver a range of localised improvements to the cities flood defences, this work – the York Five Year Plan – has been developed following the floods and is supported by Government investment. In addition to this we are working with the EA on a catchment scale study to identify opportunities for wider interventions across the River Ouse catchment to further reduce future flood risks, this work will be developed for a formal consultation in Spring 2017.
8. The resources and governance structures required to deliver these projects are key to their successful implementation. The recommended approach to deliver the Five Year Plan is provided at Annex 4, the wider catchment work will require a similar approach but this will need to be embedded through a wider set of agencies

and cross border working will need to be reinforced and formalised. This will be brought for wider agreement at a later date.

Recommendations

9. City of York Council accepts the work carried out by the York Flood Inquiry team and will work with partners to review and understand its findings and implement actions to progress the agreed recommendations from the report.

It is recommended that:

- The Inquiry has achieved the aims of the Terms of Reference as laid down in Annex 1 of this report
- City of York Council accepts the output of the report as detailed in the recommendations detailed in Annex 2 of this report
- City of York Council continues to deliver a range of actions following flood debrief sessions, recommendations from the inquiry have been mapped across to these as detailed in Annex 3 of this report. Further work will be carried out to identify wider actions that may be needed to deliver all agreed recommendations
- One off funding is allocated to assess and deliver the agreed recommendations from the inquiry report
- City of York Council continues to commit to close working with the Environment Agency and other partners to deliver the Five Year Plan and the emerging catchment wide solutions work. Annex 4 details the recommended approach to deliver the localised defence improvement work and further work will be brought in a later report to detail the approach to progress catchment wide solutions. It is recommended that the Flood Risk and Asset Manager acts as the council Senior User and the Executive Member for the Environment sits on the Executive Steering Group for this project

Reason – To formally accept the findings of the City of York Council commissioned York Flood Inquiry and identify the approach to develop agreed recommendations from the report. To approve the governance approach for the delivery of the Environment Agency led flood risk management investment programmes.

Background

10. Storms Desmond and Eva caused widespread flooding across northern England in December 2015, record river levels were recorded at many river level monitoring points including the River Foss in York, the River Ouse reached the second highest level on record, the same level as the autumn 2012 flood event.
11. 453 properties and 174 businesses flooded in York and the wider impact of infrastructure and communications resilience affected many who had not been directly flooded.
12. An independent investigation into the causes of and impacts from the floods was initiated by the City of York Council. This report details the initial City of York Council response to this report and its recommendations, links are made to wider debrief sessions that have been held by the council since the floods. Further work is needed to fully understand and respond to all of the 90 recommendations but many of these have already been considered in the actions that have arisen from the debriefs, this report makes links between the existing actions and how they are contributing towards the inquiry's recommendations. Some recommendations in the report will need further consideration as to how they could be delivered before they can be agreed.
13. All risk management authorities and partners need to consider and respond to the findings of the inquiry and further reporting will be developed as necessary based on any responses that are made to the report.

Consultation

14. This report details the work carried out by the York Flood Inquiry and represents City of York Council's initial response to this commission. The Inquiry have carried out a wide range of consultations with agencies and partner organisations involved in flood management, response and recovery and have consulted widely with those affected by the impacts of the Boxing Day floods.

Options

15. As an initial response to the findings of the York Flood Inquiry only one option exists at this stage:

- a. City of York Council accepts the work carried out by the York Flood Inquiry team and will work with partners to review and understand its findings and implement actions to progress the agreed recommendations from the report.

It is recommended that:

- The Inquiry has achieved the aims of the Terms of Reference as laid down in Annex 1 of this report
- City of York Council accepts the output of the report as detailed in the recommendations detailed in Annex 2 of this report
- City of York Council continues to deliver a range of actions following flood debrief sessions, recommendations from the inquiry have been mapped across to these as detailed in Annex 3 of this report. Further work will be carried out to identify wider actions that may be needed to deliver all agreed recommendations
- One off funding is allocated to assess and deliver the agreed recommendations from the inquiry report
- City of York Council continues to commit to close working with the Environment Agency and other partners to deliver the Five Year Plan and the emerging catchment wide solutions work. Annex 4 details the recommended approach to deliver the localised defence improvement work and further work will be brought in a later report to detail the approach to progress catchment wide solutions. It is recommended that the Flood Risk and Asset Manager acts as the council Senior User and the Executive Member for the Environment sits on the Executive Steering Group for this project

Council Plan

16. The York Flood Inquiry has developed an investigation into the causes and effects of the Boxing Day Floods, its recommendations will enable all risk management authorities and partners to develop communications, policies and procedures that are more resilient to future flood risk.

The inquiry supports Council Plan objectives to deliver ‘a prosperous city for all’ and through its independent process

supported by significant consultation it shows that ‘we are a council that listens to residents’.

Implications

17. There are no risks and implications associated with this cover report into the initial outputs of the York Flood Inquiry. The recommendations made in the inquiry, once agreed by all partners, will lead to wider work and consultation and implications will be identified at an appropriate stage.

Contact Details

Author:

Chief Officer Responsible for the report:

**Steve Wragg
Flood Risk and Asset
Manager**

**Neil Ferris
Director of Economy & Place**

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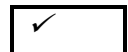
**Report
Approved**



Date 25/01/17

Wards Affected:

All



For further information please contact the author of the report

Background Papers: York Flood Inquiry report

https://www.york.gov.uk/downloads/file/12456/york_flood_inquiry_main_report

Annexes:

Annex 1 York Flood Inquiry Terms of Reference
Annex 2 York Flood Inquiry Recommendations
Annex 3 CYC Boxing Day Flood Action Plan
Annex 4 York 5 Year Plan Project Governance

Terms of Reference for a review of the floods in York over the Christmas period 2015

Scope of the inquiry

This is to be an independent inquiry into the flooding which occurred in York in December 2015.

The inquiry is commissioned by the City of York Council as lead local flood authority for the City.

The inquiry will include, but not be restricted to, an investigation under section 19 of the Flood and Water Management Act 2010¹. This relates to the exercise of flood management functions by the City Council, the Environment Agency, the Highways Agency, Internal Drainage Boards and Yorkshire Water.

The inquiry will also consider the response of other agencies as well as that from the people and businesses of York and further afield.

The inquiry will provide an opportunity for those directly affected by the flooding, the agencies involved, individuals with expertise in the subject matter of the review and elected representatives to provide evidence and express their views on the lessons which can be learned from the floods and the response to it.

Process for the Inquiry

The Chair of inquiry is requested to report by [six months from commencement]

The inquiry is to be inquisitorial rather than adversarial in nature and not to be constrained by following quasi judicial procedures. The Chair is asked to consider the extent to which the objectives of the inquiry can best be achieved through:

- The giving of oral evidence in public
- A call for written evidence
- Consideration of records of public meetings

- The use of workshops or seminars, or further public meetings, to gather information
- Such other techniques as the inquiry team may determine

Information and evidence submitted will generally be published.

Objectives of the inquiry

1. To understand the reasons for the extent of the flooding.
2. To review the emergency response including specifically:
 - i) The warning of householders and businesses of the likelihood of their premises being flooded;
 - ii) Arrangements for supporting vulnerable residents;
 - iii) The effectiveness of existing plans;
 - iv) The effectiveness of mutual aid arrangements;

together with

 - v) any other issues which the inquiry team considers should be brought to the attention of responders and the general public
3. To consider the effectiveness of the response during the transitional and recovery phases.
4. To identify improvements which may be made in the future to the arrangements for responding to an emergency and its aftermath and to identify the lessons which can be learned and shared from those aspects of the response which worked well.
5. To consider the resilience of infrastructure in the City to withstand flooding. This consideration should include the actual or potential impact on the emergency response arising from the loss of infrastructure and identify improvements which may be made.

6. To consider the resilience of key public services to the impact of flooding and to make such recommendations as may be required.
7. To make recommendations as to the most effective further measures which may be taken to protect residents and business against future flooding events and, in doing so, to consider the possible impacts of changing weather patterns to the adequacy of York's existing flood defences and plans.

Conduct of the Inquiry

The inquiry will have an independent Chair and two independent Panel Members appointed by Councillors on a cross party basis

The inquiry will be supported by expert advisers to ensure that the Panel as a whole has expertise in the following areas:

- Emergency planning
- Flooding
- Social Care
- Other areas as the panel may deem appropriate

The City Council will provide administrative support and cover reasonably incurred costs.

Governance

The independent Chair will report to a meeting of the Full Council.

The report will be shared with the relevant agencies and will be published.

The City Council's Executive will develop an action plan in response to the recommendations.

The City Council's Community Safety Policy and Overview and Scrutiny Committee will review the action plan and monitor its delivery.

ⁱ Section 10 of the Flood and Water Management Act 2010 provides:

(1) On becoming aware of a flood in its area, a lead local flood authority must, to the extent that it considers it necessary or appropriate, investigate—

(a) which risk management authorities have relevant flood risk management functions, and
(b) whether each of those risk management authorities has exercised, or is proposing to exercise, those functions in response to the flood.

(2) Where an authority carries out an investigation under subsection (1) it must—

(a) publish the results of its investigation, and
(b) notify any relevant risk management authorities.

York Flood Inquiry Recommendations

The York Flood Inquiry has made 88 recommendations, these are listed below and brief comments are made to expand on some of these recommendations, respond to their intentions or identify how they will be considered further.

All recommendations are reproduced as per the Inquiry document based on the chapter's contained in the report, they are not numbered in the report but are numbered below to support cross referencing with the CYC Action Plan in Annex 3 where appropriate – all linked actions are in bold text below.

Local Emergency Response Recommendations

1. RMA's and Emergency Responders should review their emergency and business continuity plans to incorporate the lessons learnt during the Boxing Day flood, to increase resilience and to ensure that they are robust enough to cope with a sustained period of emergency.
 - All RMA's and the LRF have carried out reviews following the flood, a range of action plans have been developed to deliver the outputs of the reviews. The CYC action plan in Annex 3 develops approaches to many of the below recommendations

EA Recommendations

2. The EA should further develop its tools and techniques for predicting and modelling river flooding, particularly on the Foss, taking account of extreme and multiple events.
 - New telemetry, monitoring and forecasting is being developed by the EA on the River Foss catchment
3. The EA should endeavour to discuss decisions, such as opening the Foss Barrier, with their Multi-Agency partners, where possible.
4. EA should work with its partners to progressively develop and bring into use flood visualisation and mapping tools that are designed to meet the needs of flood-risk managers and emergency responders.
5. The EA should continue to work with the utilities companies (i.e. Category 2 Responders) to improve their understanding of risk and their capacity to make assets more resilient.
 - EA and CYC work with utilities companies as part of the LRF set up, in addition to this the National Flood Resilience Review has pushed utility companies to reassess their resilience to flooding. **See action 27**
6. EA to consider as part of their ongoing review of flood warning measures, loud hailers and/or the installations of sirens along the urban stretch of the Foss catchment, together with a plan for education of the public, annual testing and maintenance.

7. EA should consider the feasibility of an opt-out telephone flood warning schemes to all homes and businesses liable to flooding, including those with ex-directory numbers.
8. EA should consider reviewing trigger levels to ensure that the flood warning measures can be issued in a timely manner, to allow residents and businesses the maximum prospect of instigating their own flood resilience measures.
9. EA to incorporate information about how the Flood Warnings operate in their next educational campaign.

CYC Recommendations

10. CYC should do their best to ensure that staff on the customer service line are kept up to date with information, including road closures and contact details to pass out, during an emergency, a direct link to Silver Command could be considered.
 - A wide range of steps have been taken following CYC debriefs. **See actions 2, 9, 10, 13, 14, 15, 18, 30, 43, 46, 47**
11. RMAs should develop plans for door-knocking, coordinated by CYC, to enhance flood warnings before flooding and to provide information and assess welfare needs once flooding has receded.
 - Door knocking post floods is carried out by RMA's to enable identification of flooded properties, support needed for vulnerable people and to support future flood defence/resilience programmes, this was carried out following the event and more than 900 properties were visited. It is, however, extremely difficult to comprehend that this could be achieved in advance of a flood event, with 7000 properties theoretically at risk the resource and training needs for any RMA would be significant. It is not accepted that this is a realistic expectation and the inquiry report accepts this (p47 and 52) but it will be discussed with all partners.
There are opportunities to reinforce warning messages in some locations that are more vulnerable to flooding. **See action 4**

Demountable Defence Recommendations

12. CYC should investigate the use and deployment of both temporary and demountable barriers along the river Foss and Ouse where appropriate.
 - Both watercourses are Main River, this action should be directed towards the the EA with CYC in support.
All defence needs in the city are currently being consider by the EA and CYC as part of the York 5 Year plan, demountable and/or permanent defence measures will be consider as part of this work.
13. CYC should conduct a review of how to involve volunteers in filling sandbags should be carried out to ensure that a protocol is in place that has considered health and safety issues.

- The role of volunteers is being considered in some detail, registers of volunteers are being developed and supporting procedures will be formulated. **See action 42, 58**
14. CYC should give some considerations as to whether a more efficient method can be adopted to communicate the address of residents requesting sandbags.
- Will need to be considered further, however, a range of measures have been considered to identify how information can be easier transferred between the depot and Customer Services. **See action 13, 14, 15**
15. CYC should consider making reciprocal arrangements with another Council or outsource the service to a customer care centre to ensure a resilient service.
- To be developed further. **See action 11**
16. CYC should continue to improve the resilience of the customer care department during an emergency which should include considering providing maps, considering locating them in the same place as the communications team.
- A range of actions have already been considered. **See action 6, 7, 8, 9, 10, 11, 13, 14, 15, 17, 43, 46, 47, 56**
17. Risk Management Authorities should consider the resilience of their communication systems to ensure that they can cope in the event of the failure of critical infrastructure. This should include an evaluation of the use of RAYNET (the Radio Amateurs' Emergency Network).
- A range of radios have been purchased and tested for CYC operational staff to utilise in the event of comms failure. **See action 10, 38**
18. EA and CYC to consider sending letters annually to residents, in flood risk areas, reminding them of the flood risk and emergency plans and to encourage them to prepare personal emergency plans and to have flood boxes and remove all important possessions to a safe place.
- **See action 4, 5**
19. CYC staff to record their good practice during the flood event so that this can be used as a source of guidance for future emergencies.
- The wide range of debriefs recorded in Annex 3 show that CYC have consider good practice and areas where lessons can be learnt.
20. RMA's to review and enhance their Emergency Plan so that it contains clear roles and responsibilities for warning and informing and a clear evacuation plan, with sufficient information about vulnerable residents, so that the effort can be co-ordinated effectively.
- **See action 21, 29, 50**
21. CYC to review the internal resources required to deliver their role as LLFA which should include considering the provisions to fulfil their flood risk management role and a trial of training reserve emergency planning officers, to offer resilience to the current duty rota.
- The delivery of the LLFA role has not been consider to this point, further work required to achieve this. Some consideration has been made to identify opportunities to reinforce the emergency planning resources available during an event. **See action 30**

Communications Recommendations

22. NYLRF, CYC and EA should consider reviewing their communication strategy to embed further system and protocols to engage with social media
- Significant resources are required to stay aware of all social media sources during a rapidly escalating flood event but it is accepted that this is an important role. **See action 12, 16, 44**
23. RMA's should ensure that media briefings are co-ordinated to avoid conflicting messages.
- **See action 12, 16, 23, 31, 32**

Councillors Recommendations:

24. Flood/Emergency Procedures Awareness training should be considered for councillors and councillors should commit to attend the training.
- Guidance and training has been previously provided to councillors, need to ensure this is updated and reinforced. **See action 22, 23, 24, 39**
25. A short guidance document should be produced for councillors so that they have reference material to assist councillors with what to do in an emergency.
26. Information should be given or made available for councillors to access during an emergency so that a consistent message can be communicated to residents.
- **See action 22, 23, 24, 39**

James Street Recommendations

27. CYC and the Travellers Trust should give consideration as to whether a specific evacuation plan is needed for the site.
- Currently being considered in partnership with the Travellers Trust
28. CYC should give consideration to see whether the site could be made more resilient to flooding which includes looking at flood alleviation measures to see if greater protection can be provided.
- Currently being considered in partnership with the Travellers Trust
29. Efforts should be made to see whether insurance can be secured, via Flood Re, by residents of the James Street site.

NYP Recommendations

30. The Inquiry agrees with NYP, CYC and NYLRF proposal that a different venue is identified to locate Silver Command in for any future flood incidents. This should mean that those people working hard to respond to an emergency on our behalf can do so in an environment that facilitates them in carrying out their role.
- **See action 3, 36**
31. If a problem arises with Foss Barrier or other protection measures, partner agencies should be consulted, before any decisions are taken by the EA, where the situation allows.

32. Trigger levels should be reviewed in the Multi-Agency Flood Plan to ensure that they allow sufficient time for consultation.
33. Maps of York identifying the potential flood zones and predicted inundation, along with information about vulnerable residents should be made available to Silver Command, as soon as it is convened.
34. With the details known about flood risk a detailed Evacuation plans should be developed as part of the Multi-Agency plan so that flood risk and information about residents could be incorporated.
35. Agencies should consider to whether relevant flood visualisation data, held in electronic map format, can be made available online to Gold and Silver Commands.
36. NYLRF to continue to provide training including simulations of emergency situations and the Emergency Responders to endeavour to participate in such exercises.

NYFR Recommendations

37. NYFR to formalise the arrangements adopted as a result of the Boxing Day floods as a model for future emergency deployments.
38. NYFR to consider a review of the coordination of a multi-agency flood rescue to establish a clear command structure and protocol to incorporate the volunteer services.

NYLRF Recommendations

39. NYLRF and Risk Management Agencies should consider whether Bronze Command can be located separately from any Rest Centre that is set up in an accessible location.
40. SRMRT to review their deployment plans/shift patterns to ensure that there is sufficient resilience for personnel to be deployed for a safe amount of time and so that procedures can be adopted to see if working arrangements can be agreed with other rescue organisations. Any requirements for additional equipment be met.
41. Silver Command to ensure Mountain Rescue have relevant flood zone/inundation maps to assist with evacuation as soon as possible.
42. Emergency Responders to consider a review of the coordination of a multi-agency flood rescue to establish a clear command structure and protocol to incorporate the volunteer services potentially under the control of the Fire and Rescue Service.
43. When the Multi-Agency Flood Plan is updated NYLRF to consider input from the Mountain Rescue Service to enhance the emergency planning for evacuation and to consider suitable rest areas so that volunteer organisations can be given food and rested.

YAS Recommendation

44. YAS to review their business continuity and emergency plans to ensure their resilience in light of what was learnt during the response to the Boxing Day flood.

Military Response Recommendation

45. The Multi-Agency Emergency Plan should be reviewed to ensure that there is sufficient resilience should military assistance be unavailable.

Utilities Recommendations

46. NYLRF, CYC and the Utilities companies should continue to work together to share data and coordinate their actions so that there is a clear understanding of the parties roles and responsibilities as defined in the Multi-Agency Emergency Plan.

- EA and CYC work with utilities companies as part of the LRF set up, in addition to this the National Flood Resilience Review has pushed utility companies to reassess their resilience to flooding. **See action 27, 50**

47. NYLRF, CYC, EA and the utilities should continue to work together to improve the understanding of risk and their capacity to make assets more resilient.

- **See action 27, 50**

48. BT should conduct a review of the resilience of their critical infrastructure to ensure that there is a suitable plan in place to protect the assets in case of future flooding, this may include retaining demountable flood defences.

49. BT should remain signed up to EA Flood Alerts and Warnings and has a robust system in place to monitor and respond appropriately to them.

50. BT should review its business continuity to ensure that there are suitable contingency plans should the Stonebow Exchange be affected again.

Voluntary Sector Recommendations

51. The role of the voluntary sector is already mentioned in the Multi-Agency Emergency Flood Plan but the Inquiry feel that this needs to be updated in light of the work that has been done by the various Third Sector Organisations.

- **See Action 58**

52. York CVS and CYC/NYLRF should ensure that contact details are updated regularly to that they can be used to mobilise and co-ordinate the volunteer effort.

- **See Action 58**

53. York CVS should agree a protocol with the NYLRF/CYC as to how the voluntary sector will be involved in emergencies situations.

54. Consideration should be given by York CVS to support an event or emergency drill to ensure that the learning captured by the "Ready for Anything" conferences held this year are not lost.

55. Multi-Agencies including CYC should consider whether Third Sector input could be utilised to provide support in identifying and assisting the vulnerable in future emergency situation.
56. CYC and Multiagency should consider how a clear message could be given inviting/tailoring donations to what is required and creating a clear policy to deal with surplus donations.
57. MIRT should review their plans to incorporate the lessons learnt from December including considering zoning rest centres so that they can be set up in areas of the city where they are easily accessible to the residents that need them.

Recovery Recommendations

58. CYC and NYLRF should evaluate and share lessons from the recovery phases to inform their planning for future emergencies.
 - A wide range of issues have already been considered by CYC/NYLRF to further inform the recovery phase, however, there are no formal roles and responsibilities for many risk management authorities in the recovery phase following a flood. This is recognised nationally and will be reinforced by CYC officers following the recommendations made in this report. **See Action 43, 45, 49, 54**
59. CYC should consider whether there is any solution to the issue created by the fact that often the most vulnerable tenants were allocated ground-floor flats (the most affected by flooding).
60. CYC to consider the take-up of property flood resistance and resilience by residents and businesses.
61. Government to consider whether there could be a mechanism to ensure that adequate resources are available to local authorities to be applied to the recovery phase.

Insurance Recommendations

62. It would be beneficial if those companies who offer Flood RE ensure that their sales staff are fully aware of the criteria for acceptance to Flood Re and promote its use.
63. CYC should continue to promote and raise awareness of Flood Re to those residents in areas at risk of flooding.
 - CYC have promoted Flood Re across a wide range of flood meetings and will continue to do so. All Flood Re issues raised in the report will be raised nationally.
64. Government should give consideration to an extension of Flood Re for Businesses.
65. CYC to consider should encourage the take-up of property flood resistance and resilience by residents and businesses.

- CYC have fully implemented the property resistance and resilience grant that has been provided by Government in response to the floods. CYC will continue to promote flood resilience at all opportunities.

Grants Recommendations

66. The Inquiry supports the recommendations of the Bonfield Report and would encourage CYC and Government to adopt them.
67. Consideration be given by Government to make the Property Level Resilience Grant automatically available to the property owners or their contractors before repair works start.
68. Residential and business properties need to be made more flood resilient and CYC and Make it York should explore ways to support and encourage that process.
69. Flood Re should consider requiring insurers to incorporate flood resilience measures into any reinstatement works after a property has been flooded.
70. Government should consider providing funds to local authorities to assist with the administration of the Property Level Resilience Grants.
71. CYC should review the grant processes in order to learn from and improve their processes.
72. CYC to consider providing a list of accredited/approved surveyors and contractors to residents to ensure quality and confidence in the measure chosen.
73. CYC and Make it York should encourage businesses in flood risk areas to increase their resilience and prepare business continuity plans.
74. Government should undertake a review of the post flood recovery grants, including an assessment of whether a marketing grant for business could be introduced in conjunction with CYC and grant recipients in order to improve its administration and accessibility.

- CYC accept all of the above and will progress issues internally and with national colleagues. CYC fully support the Bonfield Review and have liaised closely with DCLG throughout the current flood resilience grant process, we will input the recommendations from the inquiry.
- Further work is required to identify how the promotion, management and delivery of flood resilience can be delivered outside of the current Government funded initiative. Significant resources are required to deliver this work and although the interventions are funded the officer resources are not. CYC would need to consider the need for further resilience work and the ways in which it could be funded.

TRCF Recommendations

75. CYC to reinforce the existing training guidance to those departments directly dealing with issues arising from flooding events in the future.

76. CYC to consider whether they can provide ongoing support to council tenants following the flooding when they have moved back in.
77. TRCF to continue to work with CYC and NYLRF to share lessons from the recovery phase to inform planning for future emergencies.
- CYC Have worked with all council tenants extensively since the floods, further work is needed to understand the issues raised by TRCF and embed the lessons learnt into our procedures.

Community Ideas Recommendations

78. To capture the current enthusiasm for flood wardens some training should be considered for any new volunteers.
- CYC Emergency Planners work with the EA to identify and train flood wardens, further work is required to identify how this can be expanded.
79. CYC should continue to encourage communities to prepare Neighbourhood and Community Action Plans.
- CYC Emergency Planners are working with a range of communities to support the development of plans. **See Action 5**
80. York CVS and the Third Sector should consider how they can encourage and promote community groups that have formed in response to the floods.

The Future Recommendations

81. The Inquiry endorses the six steps identified to improve communication about flood risk identified by the NFRR and would recommend that these were taken into consideration by CYC and the EA in future communications about flood risk.
82. CYC and utility providers should work more closely to improve the resilience of critical infrastructure and ensure that they all have a better understanding of their obligations under the emergency plans.
- **See Action 27, 50**

Catchment Management Recommendations

83. RMA's, of which the IDB is one, need to share ideas to co-ordinate their efforts so that solutions can be reached that can take into account the whole of the catchment area this includes considering new areas or methods for water attenuation and storage.
84. The Inquiry has been told about the benefits of whole catchment models therefore we would recommend additional modelling of the waterways in York, particularly the Foss.
85. Consideration should be given to developing the most effective ways of ensuring that development does not result in increased flood risk, including considering of land drainage and whether developments should be able to automatically connect to the current sewage system.

86. CYC should continue its commitment to co-ordination with neighbouring local authorities so that catchment wide solutions can be developed.

- The EA and CYC are currently developing a catchment wide plan to identify ways in which interventions remote from York can reduce future flood risks, all relevant RMA's and partners will be included in this work, consultation will be carried out on the initial outputs in Spring 2017.
- CYC work closely with all neighbouring authorities and partners and will continue to do so, however, effective cross boundary catchment solutions need to be considered in the context of shared roles/resources and how all authorities can work together to achieve this.
- The City of York Strategic Flood Risk Assessment is currently being reviewed to ensure the latest modelling and climate change information is utilised to ensure developments are carried out in a resilient and sustainable way. All partners will be involved in this commission to ensure a shared and agreed approach to planning led flood resilience and sustainable drainage.

Flood Defence Upgrade Recommendations

87. The Inquiry fully supports the public consultation on the proposed flood defences upgrades in York and would encourage residents to express their views to the EA.

88. The Inquiry would encourage the EA to consider early implementation, subject to Government funding rules, of their plans to protect the currently unprotected parts of York.

89. The Inquiry would encourage the EA to consider demountable defences in unprotected areas of York such as at Clementhorpe.

90. Additional funding and the appropriate resources for the EA and CYC therefore should be confirmed at the earliest opportunity to enable all of the necessary works to be undertaken including the uplands water catchment management proposals.

- CYC are working closely with the EA in the development of the current 5 year plan, the demands on resources will be significant in the delivery of the schemes and interventions that the plan has initially recommended. Both authorities will need to review the delivery mechanisms for this work, an initial approach is detailed in Annex 4 of this report.

Action No.	Action	Independent Inquiry Rec No.	Actions taken to progress	Status
1	To develop a generic standby contract to cover all situations in which council highway operations staff may be recalled to duty.		Approach currently being agreed with front line operatives	In Progress
2	Communication problems due to loss of phone system between front line staff (bronze) and (Silver). To investigate the Parking Services radio system and potential for expanding this to provide an in-house system for use in emergencies.	10, 17	See Action 38	Complete
3	To research alternative venues for Silver Command.		Issue raised in LRF debriefs all statutory partners investigating options - LRF working group to be set up to progress	In Progress
4	Residents of Tower Place, Peckett Street, Friars Terrace & Clemthorpe require more information on the limitations of the current temporary flood defence measures that are deployed. To reissue the 'withdrawal of defence' letter each year with explanation to the residents of Tower Place, Peckett Street, Friars Terrace and Clemthorpe.	18, 20	Discussed with residents in flood drop in sessions, letter re-drafted but held until initial outputs of the York 5 year plan. Letter to be agreed by all partners and re-issued.	In Progress
5	Development of specific evacuation plans for the named areas (Peckett Street, Friars Terrace, Tower Place and Clemthorpe), as part of the re-write of the flood plan post this event.	18, 20, 79	The creation of individual evacuation plans for these areas is considered disproportionate, CYC encouraging communities to develop community emergency plans. Individual householders should develop their own actions up to and including evacuation based on the issue of EA warnings. This will be covered in the communications linked to Action 4	Complete
6	Develop clear procedures for setting up out of hours Call Centre	16	All Customer Centre Staff have amended Ts&Cs to improve Council's ability to 'staff up' customer contact service in emergency	Complete
7	To update mobile phones with customer contact centre staff at regular intervals	16	The stock of mobiles used during the flood have been retained and updated	Complete
8	Include Head of Business Support on initial call out list for customer services and admin.	16		Complete
9	Comms to ensure Customer Services are included in briefings.	10, 16	Customer services will be included in any briefings. All Customer Services staff are on the press release/statement distribution list	Complete
10	Regular updates from Silver to Customer Centre would help set clear messages for staff. Need for Loggist / administrative support at Silver to ensure regular updates can be provided.	10, 16	Permanent Loggist built into Silver Command structure and loggist training carried out for key support staff	Complete
11	To consider options for partners taking calls overnight if customer centre is not open.	15, 16	Not explored at this point although we still look to provide 24 Hr cover through the customer centre if required	To be considered
12	Internet information is critical to keep residents informed, ensure more staff are trained and have appropriate editing rights for the website.	22, 23	The web team has been further developed to create additional resilience.	Complete
13	To explore the creation of a dormant CYC emergencies telephone number to be enacted when necessary	10, 14, 16		Complete
14	To explore the possibility of creating a permanent flood@york.gov.uk email address and ensuring a variety of people can have access.	10, 14, 16	Set up but as Emergency@york.gov.uk to cover all crisis situations	Complete
15	A0 size maps to be printed of the CYC area for future use in Customer Services area	10, 16		Complete
16	Increased access to @YorkPrepared twitter feed for Comms to ensure coordination between twitter accounts to ensure all messages are shared / retweeted.	14, 22, 23		Complete
17	Need for coordinating role at the Depot to link better with Customer Services to ensure requests are directed as effectively as possible	14, 16	To be built into operational procedure.	In Progress
18	Emergency Plans / Rest Centre information to be built into customer services procedures. On going updates to come via regular updates to CC from Silver.	10	An ongoing action. Details of customer centre in the Rest Centre plan and flood plan. Reinforcement of the details to be provided in briefings and staff communications	Complete
19	To investigate the possibility and logistics around having one number for the Duty Chief Officer.		Currently being considered, however it is not straight forward as it requires a handover of equipment each week	In Progress
20	Generic mail boxes and instructions are included in relevant emergency plans and colleagues are aware.		Major incident mailboxes set up with IT and section to be included in Emergency Handbook	Complete

Action No.	Action	Independent Inquiry Rec No.	Actions taken to progress	Status
21	Review Plans to consider the unexpected and model the impact	20	The flood plan has been updated to take account of internal debriefs and lessons learnt. Will be updated further with any outcome / recommendations of the inquiry.	In Progress
22	Rota for comms support to enable comms person in Silver at all times – to take responsibility for pulling together key messages for public and members.	23, 24	Need to consider how we strengthen our capacity given limited resources to enable effective management of increased communications coming out of lessons learnt / Flood Inquiry.	In Progress
23	Effective communication to members to be built into the plan, Comms team to support CLG/emergency planning to cascade briefings to members	24		Complete
24	Agree communication updates to all members (see above)	24		Complete
25	Agree updates to Executive (see above)		Build into emergency plans / check list (Silver Command to sign off)	Complete
26	Consider option to build into plan need to advise Leader of need to call an emergency Executive.		Emergency Handbook now prompts the Silver Command team to include early communication with the Council Executive	Complete
27	LRF need better understanding of key strategic infrastructure (physical and digital) that may be affected by flooding and challenge the partner organisations on what their plans are to protect their assets.	5, 46, 47, 82	Gas/Yorkshire Water/Northern Powergrid and BT all contacted by following the event with copies of the map frame of the flood outline for review. All relevant providers contacted as part of the annual multi agency flood review in September 16.	In Progress
28	Need a named person for organising the Silver rota.			Complete
29	Develop briefing for wider staff involved in emergencies on roles within a major incident	20	Information on the role of Silver (and Bronze and Gold) during an emergency is contained in Section C of the Emergency Handbook, to be reinforced during briefings.	Complete
30	Loggist needed to support Silver and keep running note of issues and decisions made.	10, 21	8 council staff trained to act as loggists. Incident Log book designed and issued to Loggists spares held at EPU	Complete
31	Structured hand over between Silver to aid understanding of what happened so far.	23	Handover procedure to be established - structured handover sheet to be developed	In Progress
32	Ensure staggered hand over of Silver & EP Officer	23	This was done over the Christmas period and will continue as best practice. With the provision of 'supplementary EP Officers' 8 hour staggered rotas will be in place.	Complete
33	Directorate Major Incident Plans needed which cover how a directorate will support i.e. Housing plan to show how it will deal with temporary housing in any incident, Adult Care plan to show how it will support vulnerable individuals who receive care.		Directors need to nominate a lead in each directorate to be responsible for this and then EPU can support this work.	To be considered
34	Directorates need to consider access to key staff during holiday periods as part of directorate Major Incident Plan		(See also Actions 33 & 51)	To be considered
35	Consider early teleconference between all potential Silver Reps – Potential to have handover between physical Silver's as a teleconference also that other 'off duty' Silver's can dial into to keep up to date.		Building into procedure for handover sheet, need to understand infrastructure capacity / location to see if teleconference handover viable.	In Progress
36	Research alternatives for Silver Command accommodation		CYC have suggested that West Office could be used as Silver Command but would need some minor changes to infrastructure etc. See Action 3 above	In Progress
37	Need to reinforce Health Input (CCG) through NYLRF		Amended procedures within the rest centre plan following consultation and have back up numbers from CCG colleagues.	Complete
38	Loss of BT exchange limited communications. Need to consider a stand alone radio system that we can use as back up communication between bronze / silver & gold	17	Radio's purchased and tested.	Complete
39	Review the Councillor's guidance on their roles within emergency situations. Improved communication to Cllr's from Silver	24	See Actions 23 - 26 for communication with Members 04/10/16 Guidance for Councillors is included in both the River Flood Emergency Plan and the Emergency Handbook	Complete
40	Consider need to arrange for accommodation / catering for agencies / official volunteers (i.e. mountain rescue) as part of Silver response		The requirements may change for any given incident depending on the support agencies/volunteers deployed and what equipment they may bring with them. It is better to address these issues 'on the day'	Complete

Action No.	Action	Independent Inquiry Rec No.	Actions taken to progress	Status
41	Access to 'kit' for rest centres need to be built into plan. Rest Centre kit is stored in Roll cages in 2 containers at Hazel Court.		Remedial work on kit store carried out to ease access. Consideration to be given to training both EPU members to drive the vehicles required to transport the equipment when the depot staff are fully committed elsewhere	In Progress
42	Need to have pre identified list of people (CYC staff) who have volunteered to be on a list to be called in, this would increase the efficiency of pulling together wider support rota's	13	Weekend standby rota in place for customer centre. Agreed an approach for wider teams where key contacts have their own service contact list - still to complete.	In Progress
43	More detail required as to the roles of officers outside of Silver - volunteer coordinator for eg.	10, 16, 58	New section of Emergency Handbook in Draft form detailing the additional roles performed by colleagues in support of the response to the flooding. Draft circulated for comment.	Complete
44	Need to ensure a proactive approach to social media. Consider a resource who's role is to constantly monitor social media and respond with official message to any miss information.	22	Comms have identified all social media account holders, comms to manage and coordinate their messages in emergency situations.	In Progress
45	Lack of processes and procedures in place to deal with safeguarding issues in a developing situation. Need to consider as part of refresh of emergency plan and recovery section of the plan.	58	See Nos 56 & 57 Guidance in the Emergency Handbook for those setting up response groups in connection with an emergency includes the need to utilise the systems in place to check re safeguarding issues.	Complete
46	Wider awareness of Silver Command staffing rota's	10, 16	See Actions 19 & 20	Complete
47	Develop briefing note on working of command structure and the roles of Gold, Silver and Bronze together with any forms or templates developed as a result of this event or the debrief of it.	10, 16	Linked to Action 21 - Section C in the Emergency Handbook provides information on the Gold, Silver, Bronze system of command & control. The Emergency Handbook contains explanatory text on the Gold, Silver, Bronze command and control system. All Directors and AD's have received Gold/Silver training an LRF document "Response to Critical and Major Incidents", containing details on the response at various levels of command and control	Complete
48	Review the resilience of the organisation during an event		Development of structured planning of staff available / willing to be called upon in the event of a major incident will improve resilience by making more people available	In Progress
49	Review Recovery section of Emergency Plan to incorporate long term accommodation challenge	58	Linked to Action 21	In Progress
50	Improve GIS mapping capacity and understand format for sharing digital information. Information sharing between utilities and other agencies within Silver Command could be improved to prevent significant delays in warning properties of potential flooding or being unable to deal effectively with homes without electricity	20, 46, 47, 82	Environment agency (and other relevant bodies) have been contacted to attend an external open data event with a view to asking all agencies to store "some" data on he yorkopendata.org platform. This will increase the availability of 3rd party data.	Complete
51	Directorate to consider their own resilience in time of major incidents as part of their Major Incident Response Plan		Linked to action 33 Review of available staff to cover 'core' functions happens as part of existing management to sure continued delivery of core services, need to build into Directorate Major Incident Plans how increased demand will be addressed.	In Progress
52	Security to arrange for spare access badges sitting with the Night Service Co-ordinator at the Depot for use in emergencies.			Complete
53	Updated summary of key roles carried out in a flood event.	58	new Section of the Emergency Handbook to be written to include role guidance sheets. Emergency Handbook minus personal contact details to be placed on Intranet for access by all staff.	Complete
54	Enhanced role guide for all activities taken post floods within recovery guidance.			In Progress
55	Improved information on door knocking and donations procedure in the CYC recovery plan	58	See Action 43 & 21.	Complete
56	Create generic mail boxes for a variety of staff to utilise rather than personal mailboxes for use in an emergency to improve communication links with Silver and other flood management groups	16	Suite of 'Major Incident' e-mail boxes developed for use during a major incident.	Complete
57	Ensure all staff involved in emergency response have the Emergency Planning Duty Officer number		The number is available in the Emergency Handbook, a copy of which will be placed on the intranet following the reissue at the end of Sept.	Complete
58	Improve volunteer co-ordination procedures through closer working with CVS	13, 51, 52	Volunteers and donation centres asked to register with CVS. This will be followed up by training delivered by CYC & CVS. Future plans for volunteers and donation centres will be drawn up and added to the emergency plans.	In Progress

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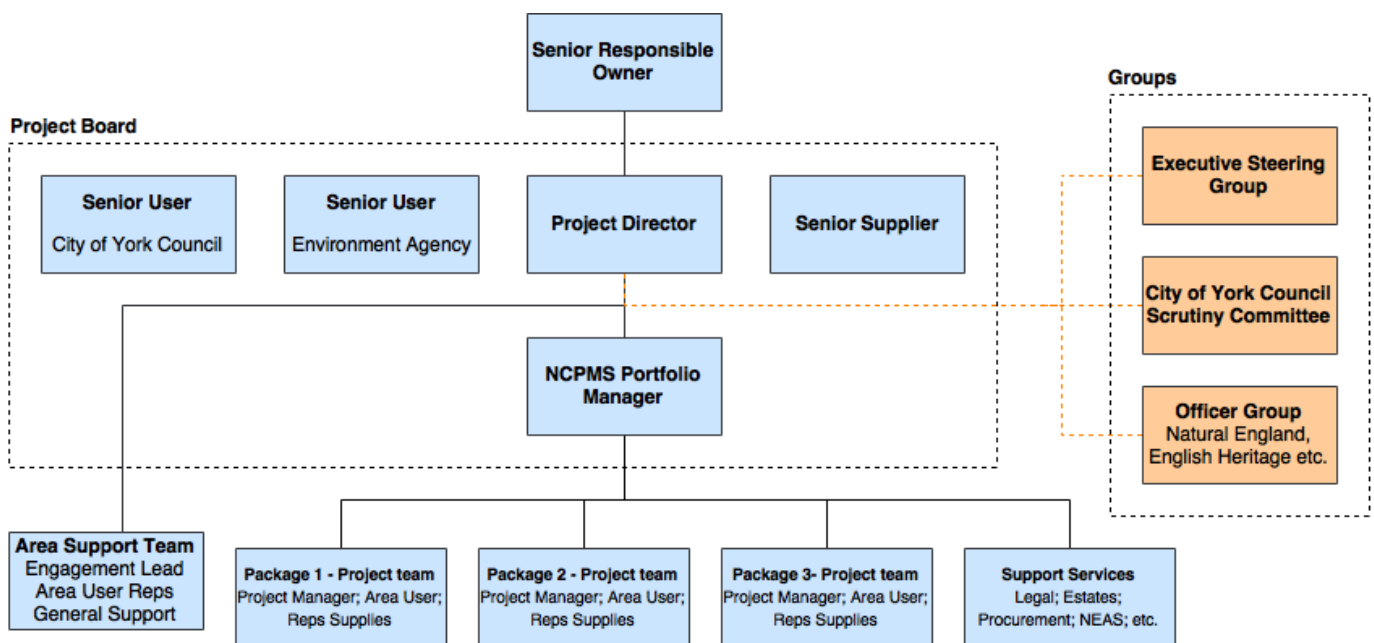
Flood Risk Management

York Five Year Plan – Project Governance

Following the flooding in December 2015 the Environment Agency successfully bid for funding from Government to reduce flood risk within the City of York.

In the past, both the Environment Agency and our partners have invested substantially in York, which has significantly reduced the risk of flooding for thousands of residents and businesses. However, the recent floods and the increase in frequency of high river levels on the River Ouse have demonstrated that the flood defences in York are no longer providing the standard of protection that they were designed for. Our work over the next five years will improve the standard of protection to York and take into account climate change.

To manage any project the Environment Agency follows project guidance HM Treasury (2016), Treasury approvals process for programmes and projects¹ and uses standard project governance Prince2² (PProjects IN Controlled Environments). It is on this basis that we are proposing the following project governance for the delivery of our York Five Year Plan.



Senior Responsible Owner

The Environment Agency's Senior Responsible Owner (SRO) has personal accountability for the project, managing upwards and outwards. They are responsible for securing the resources necessary for the success of the project, and for ensuring that the related implementation and transition activities realise the agreed objectives and benefits.

Project Board

The role of the project board is to provide direction for the project, including technical matters, issues, risks and change.

¹ HM Treasury (2016), Treasury approvals process for programmes and projects, www.gov.uk/government/publications

² Prince2 (PProjects IN Controlled Environments), www.prince2.com/uk

Project Director

The SRO appoints the Environment Agency's project director who has responsibility for supporting them in managing upwards, whilst overseeing delivery. The Project Director receives delegated responsibility from the SRO and operates in the SRO's absence as the SRO's deputy.

Senior Users

The senior user represents the interests of the users who will benefit from the project's products and deliverables. They are responsible for specifying the needs of those who will use the project products and monitoring that the solution will meet the needs of the business within the constraints of the business case.

Senior Supplier

The senior supplier represents the interests of those designing, developing, facilitating, procuring and implementing the project's products.

NCPMS Portfolio Manager

Responsible for running the projects and appointing the project managers. They ensure the project produces the required products to the required standard of quality and within the specified constraints of time and cost. They ensure the project delivers results capable of achieving the business benefits set out in the business case.

Groups

A group of people who have an interest in a project and are non-decision making. The Project Director will engage with the groups, updating them on progress and look for advice and steer on how the project moves forward. There could be more groups than shown above.

Area Support Team

The area support team provides support to the Project Director.



Executive

9 February 2017

Report of the Deputy Chief Executive/Director of Customer and Corporate Services**Portfolio of the Executive Member for the Environment****Steps Towards a Single Health & Safety (H&S) Organisation****Summary**

- 1 This report provides Executive Members with an update on the current position of the City of York Council (CYC) Health and Safety (H&S) Service following the secondment of the current five staff members from CYC H&S Team to North Yorkshire County Council (NYCC).
- 2 The current temporary arrangements are in place until April 2017 and this report and the Business Case at the Annex provides an options appraisal for a more permanent structure for a Health and Safety Shared Service between NYCC and CYC (referred to as YorSafety).

Recommendations

- 3 The Executive is asked to:
 - a) consider the options contained within the body of the report and Annex A supporting the adoption and implementation of a sustainable shared YorSafety service;
 - b) approve Option 1 as being the most effective at achieving the aim of creating a resilient and sustainable service in the future;
 - c) delegate to the Executive Member for the Environment the final arrangements for transfer including sharing agreements for any surplus made by YorSafety.

Reason: To ensure the Executive and residents are informed of the CYC/NYCC approach to ensuring both H&S services are resilient and are better able to support the two organisations.

Background

- 4 In 2014/15 the post of H&S Manager at CYC was vacant and the service needed to find a saving of £25k; consequently the decision was taken to appoint a Shared Head of H&S with NYCC. This arrangement has been working well and a further saving of £47k in 2015/16 was identified from the H&S service through efficiency improvements. It has been identified, however, that any further savings through staffing would be difficult and lead to significant risk in providing H&S assurances for the council.
- 5 The CYC service is provided by a team of highly qualified and skilled individuals but due to its size (5 officers plus the shared Head of Service) there is a need to build service resilience and to maintain an effective and professional internal H&S advisory function. This would be increasingly difficult in the face of problems in covering key staff vacancies and difficulties in being able to respond to changing priorities and increasing workload demands.
- 6 There is also the need to retain skilled and experienced staff by creating greater critical mass and providing more opportunities for career development and specialism. In addition, there is also a need to make best use of scarce experienced, professional and knowledgeable H&S Advisors in specific areas (for example fire safety, education, construction and social care), particularly where both councils have encountered difficulties in building sufficient capacity without recourse to expensive external providers.
- 7 The Shared Head of H&S has reviewed the current arrangements for providing H&S services for both councils and also considered the impact of the reduced spending power of each council which are expected to continue to reduce until at least 2020. The outcomes of this review can be found in the published report to the Executive Member for the Environment presented in May 2016.
- 8 Aside from increasing pressure to drive out savings and efficiencies the following needs have also been identified:
 - to build service resilience and capacity across both authorities to maintain an effective and professional H&S function;
 - to retain skilled and experienced staff by creating greater critical mass and providing more opportunities for career development and specialism;
 - to make best use of the scarce professional H&S expertise available (particularly in property risk, construction and education);

- to further enhance the professional standards of the H&S services in both councils so as to maintain and develop the effectiveness of the function and comply with legislative and regulatory requirements;
 - to maximise potential in improving effectiveness and developing the best of both systems and practices, through a coherent single structure;
 - to build on existing trading experience to develop a viable commercial offer.
- 9 There have already been a number of examples of where each organisation has supported each other in relation to H&S and these are summarised in both the May and November 2016 Executive Member reports.
- 10 As a result of the May 2016 report an endorsement of the recommendation to second the current five staff members from CYC H&S Team to NYCC was given. This was subject to the provision of a further report on how the new arrangements are performing to a future Executive Member Decision Session.
- 11 Following the decision session and after consultation with both staff and the relevant trade union representatives the CYC team were formally seconded to NYCC whilst ensuring staff current terms and conditions were protected. This has allowed for closer working, collaboration and has built capacity to develop more long term projects for supporting each council. The arrangement is supported by a Service Level Agreement (SLA) which is monitored by the Assistant Director (Customer and Digital Services) acting as client to the informal shared service arrangement.
- 12 In November 2016 the follow-up report was published which gave examples of the benefits that the informal shared service had achieved alongside a performance update against the SLA. It was reported that the service has been working well without any detriment to required service levels and the current performance measures for monitoring this performance have been satisfactorily achieved. The report also informed the Executive Member that an options paper and business case was to be developed for Executive to consider in early 2017 regarding permanent arrangements.
- 13 In addition to the above, work is ongoing to standardise quality and performance measures and consistency of service delivery including removal of duplication. This is to ensure the service to clients continues to improve.

Development of Options

- 14 As part of the future planning of the shared service a YorSafety Project Board was established to consider the options regarding working more closely. The Board includes the Assistant Director (Customer and Digital Services) at CYC, the Assistant Director (Central Finance) at NYCC, CYC Programme Manager and the Shared Head of H&S. The Project Board has considered a variety of options which culminated in five realistic options being considered. The summary results of the options appraisal are shown below with the detailed options analysis given in the business case in the **Annex A** attached to this report.
- 15 Following initial assessment two of the five options were discounted as being unacceptable as they could not fulfil the partners' needs to create a future resilient service.

The remaining 3 preferred options considered in more detail were:

- Option 1 – Internal Shared Service with options for trading
 - Option 2 - Separate Organisation (such as a company guaranteed by shares)
 - Option 3 – Remain as is (informal secondment)
- 16 The options considered by the Project Board to be viable are described in detail at paragraphs 17 to 19 below. For Executive Members' information the other options dismissed by the Project Board were as follows:
- **Internal Shared Service with no options for trading** –both services are currently growing income streams for their respective councils which they both strongly wish to protect and build upon to fund other council services and allow an element of investment to take place. This option would, in all likelihood, create redundancies and significant disruption to customers (mainly schools), this is not a tenable option for either council.
 - **Return to previous arrangements (prior to current informal secondment arrangements)**– in the view of the Board, this would present sustainability risks to the deliverability of H&S responsibilities at CYC. The resource is so minimal that any absence of any type would affect either the provision of the core service to the council or the income generating service to schools.

Remaining Preferred Options:

- 17 **Option 1 (Internal Shared Service with options for trading)** .This option consists of the TUPE transfer the CYC staff to NYCC. The transfer of staff

from NYCC to CYC was discounted as it had greater financial and TUPE implications. The health and safety services would be provided on a service level agreement to each council and would also provide services to fee paying organisations such as academies, public bodies, publically owned companies and potentially other organisations. This option deals with the need to develop a resilient service as it addresses some of the funding issues in allowing additional sources of funding to be achieved by selling services. It also provides opportunities for growth. This would be subject to a surplus/dividend legal agreement based on, for example, the level of investment given by each council into the shared service or on a geographical basis.

- 18 **Option 2 (Separate Organisation)** To create a vehicle such as a publicly owned trading company to deliver the services and TUPE transfer of all staff at both councils into this new vehicle. The company would be wholly owned by the two councils, with a board of directors responsible for strategic decision making and policy setting. Operational decisions would be taken by company management. The company would be able to own assets, enter into contracts and employ staff in its own right. Both councils would be able to receive dividends from the company.
- 19 **Option 3 (Remain As Is)** To continue with the secondment arrangements indefinitely. This option realises some potential in that some joint working can be achieved which has been recently demonstrated in the time the secondment SLA has been in place. However it would not achieve the benefits from creation of a more permanent structure to work across both councils, rationalisation of systems and the creation of a resilient service which can plan for the future and take advantage of commercial opportunities as they arise.

Recommended Option

- 20 **Option 1** is considered to be the preferred option as it carries the least risk. It provides opportunities to deliver efficiencies through the creation of a coherent structure. This option also provides opportunities for growth by increasing funding sources through the provision of services to others on a commercial basis. This approach was considered the most likely to deliver the significant benefits of collaboration. These benefits could not easily be achieved by either council continuing to operate in isolation or continuing with the current arrangements. In addition the problems caused by lack of capacity and resilience would not be addressed and the resource pressures on both councils would only continue if changes to the existing service provision were not made. Option 2 would require longer term detailed plans to be agreed by both NYCC and CYC Executive bodies and remains an option, should Option 1 be chosen in the short term.

Services to be included in the YorSafety Service

- 21 The services currently included in the review are those which meet a statutory requirement to make provision for competent health and safety advice in accordance with appropriate standards of professional practice, as set out in the HSE guidance to the Management of Health and Safety Regulations 1999. Local authorities also have a duty to protect the health and safety of others who may be affected by council activities and to ensure that statutory duties are fulfilled. Both councils need to ensure that there are robust measures in place to monitor systems to ensure compliance and report on any areas of concern. In addition, all local authorities are required to maintain policies and procedures to ensure compliance with health and safety legislation.
- 22 In addition to these core functions, the health and safety service at CYC is responsible for delivering a programme of value for money advisory service, audits and inspections and reviewing accidents. This includes reporting these to the enforcement agencies in accordance with the provisions of the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations together with investigating and liaising with enforcement agencies that may arise as a consequence. NYCC H&S services undertake a similar role.
- 23 The scope of the project has continued to be kept under review, and the following are outside the scope of the project:
 - **occupational health service and employee wellbeing services** which are currently included in the CYC service (but not in NYCC's) but will be managed by HR at CYC in the short term working with Public Health on longer term solutions.
 - the provision of an appropriate information technology based **Health & Safety system** was considered essential to the effective delivery of services in the future. The Health & Safety system development which is part-way through at CYC will be co-funded by both CYC and NYCC and managed through the two councils' ICT functions.
 - Importantly officers and councillors responsibilities as outlined by legislation and as an employer, the CYC Health & Safety Policy cannot be delegated to the shared service and remain firmly with the council.

Current and Proposed Staffing Arrangements

- 24 At CYC there are currently 5 FTE who deliver health and safety services and these form part of the Customer and Corporate Services Directorate. Following the implementation of the revised structure it is proposed to ensure that CYC receive the equivalent level of support as to that which is currently delivered subject to any efficiencies which can be achieved through collaboration. In NYCC there are 16 FTE staff who provide similar services - the Health and Safety Service forms part of the Central Property Service Unit, within the Central Services Directorate and as based in the Corporate Services Directorate. The combined establishment is therefore 21 FTE. Copies of the structure charts for the two council's existing services are given in **Appendix 3 to Annex A**.
- 25 Whilst the two councils' health and safety services have been working together since 2014, Phase 1 of the informal shared service commenced on 29th August 2016 when the 5 CYC staff were formally seconded to NYCC to allow for joined up working. In reality no detailed structural work has been undertaken and as such both functions have been working within their existing structures.
- 26 A combined structure will be developed, subject to consultation across both staff groups, should either Option 1 or Option 2 be approved.
- 27 The CYC staff are based in West Offices, Station Approach, York. The NYCC staff are more dispersed with the majority being home based, based in other council buildings across the county or working out of the Service's main base at Morgan House, Northallerton.

Future Governance Arrangements

- 28 Should the preferred option be supported then the Chief Officers on the existing Project Board would continue to meet on a formal basis as client managers on the Yorsafety Board to monitor the Shared Service Agreement and related service delivery and performance levels, in order to safeguard each council's Health & Safety arrangements. They would also review any developments related to income generation and growth strategies. For clarity, this would be an officer board managed as part of the council's internal management structures with no additional pay or reward structures.
- 29 The Executive Member for the Environment has requested a published Annual Report to his Decision Session on the council's Health & Safety arrangements, and it is proposed that an update on the performance of the Shared Service is covered in that report.

- 30 Any proposal to grow the organisation significantly and/ or to move towards a commercially viable organisation, as described in Option 2 above, would return to each council's Executive for their consideration and approval.

Consultation

- 31 Council Management Team continues to support the changes recommended in this report.
- 32 The staff groups have also been consulted and are aware of the contents of this report.
- 33 NYCC, through the project board have been fully represented on this work and support the recommendations. A formal decision has already been made at NYCC in support of these proposals.

Options

- 34 All options are considered in Paragraphs 16 to 19 above and are fully evaluated in Annex A to this report.

Analysis

- 35 All information is contained in the body of the report and the Business Case at Annex A.

Council Plan

- 36 Outcomes achieved by the activities covered in this report help to deliver priorities in the Council Plan 2015-19 in support of 'A prosperous city for all', ensuring that as an employer the council sets a positive example of supporting employees to achieve their full potential.

Implications:

37

- a. Financial:** There are no known additional costs to CYC. The current budget of the service shown at Annex A and will form the charging basis of the CYC SLA. Current salaries will provide the top strata for a new combined salary structure at NYCC, therefore should not attract any pay protection costs. With regard to the financial arrangements of the shared service including the distribution of any year end surplus or dividend, it is recommended that the Director of Customer and

Corporate Services be delegated to agree the arrangements in consultation with the Executive Member for the Environment.

- b. Human Resources (HR):** The staff at both councils and trade unions at CYC have been informally consulted on the changes. The council will comply with its obligations under TUPE (Transfer of Undertakings Protection of Employment Regulations 2006), should Executive Members approve Option 1 or Option 2.
- c. Equalities:** None
- d. Legal:** Legal Services at both councils have been consulted on the proposals and provided assistance in drawing up the current secondment agreements and Service Level Agreements. A future YorSafety agreement would be developed in a similar way.

The content of this report does not absolve the council, its officers and elected members, of their responsibilities under The Health and Safety at Work etc Act 1974, to provide a safe workplace environment for themselves, the council's workforce and the public.

Both councils have the necessary powers under the Local Authorities (Goods and Services) Act 1970 and the Localism Act 2011 to enter into such a shared service agreement. The partnership would not be a legal entity in its own right. Each council would need to maintain its own contracts for the supply of goods and services. Similarly any arrangements for providing contracts to supply health and safety services to external customers would need to be agreed in the income sharing agreement.

- e. Crime and Disorder:** There are no crime and disorder implications to this report.
- f. Information Technology (ICT):** There are no IT implications for CYC arising from this report. Work is ongoing to develop appropriate H&S management systems so it will be necessary to make arrangements to enable YorSafety staff to use the systems applicable to each council. This arrangement is already in place for the Shared Head of H&S.
- g. Property:** There are no property implications to this report. It is proposed that the Council would provide fully serviced accommodation to YorSafety staff, keeping with the provision currently made available to NYCC/CYC H&S staff.
- h. Other:** No known implications.

Risk Management

37 The YorSafety proposal offers an opportunity to deliver efficiencies and economies of scale. The risks of the project due to the limited scope are primarily related to staff and councillor engagement which have been mitigated through staff and trade union meetings and public reports to Executive Portfolio Holder Decision Sessions . Should the arrangement not be approved then the benefits of joint working may not be realised and the resilience of the service couldbe affected.

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Report Approved

Date 26/1/17

Specialist Implications Officer(s)

Financial/HR: Ian Floyd, Director of Customer & Corporate Services
Legal: Andrew Docherty, AD for Legal & Governance

Wards Affected: *List wards or tick box to indicate all*

All

Background Papers:

Report and decision record from Executive Member for Environment Decision Session on 9th May 2016. The record is [here](#)

Report and decision record from Executive Member for Environment Decision Session on 28th November 2016. The record is [here](#)

Annex

Annex A Business Case: *Future Health & Safety Organisation for City of York Council and North Yorkshire County Council*

List of abbreviations used in this report:

CYC	City of York Council
HR	Human Resources
H&S	Health & Safety
ICT	Information and Computer Technology
NYCC	North Yorkshire County Council
SLA	Service Level Agreement
FTE	Full Time Equivalent <i>staff numbers</i>

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Annex A

Business Case

Future Health & Safety Organisation for City of York Council and North Yorkshire County Council

Executive Summary

Background

Local authorities are being encouraged to challenge traditional methods of service delivery in order to reduce waste and improve outcomes. There is recognition that to achieve such improvements, authorities need to work more closely together so as to optimise economies of scale and maximise service efficiencies.

Since December 2014, City of York Council (CYC) and North Yorkshire County Council (NYCC) have been sharing a Head of Health and Safety. This arrangement has worked well for both organisations. Consequently consideration has been given as to how the two teams delivering health and safety services for the respective councils may work closer together. The objective of this working together is to deliver a number of significant benefits for both councils including: greater resilience and capacity, increased flexibility to respond to changing priorities, improved efficiency and economies of scale, reduced reliance on key members of staff for service continuity and greater opportunity to develop in-house specialist skills. In order to prepare for any such change Members initially approved the secondment of 5 CYC staff to NYCC to allow for the benefits of the creation of a shared service to be assessed.

The secondment arrangement has demonstrated that there are positive benefits which would justify more long term collaboration and as such the Project Board considered the various options for a shared service. Following this consideration a number of options of particular benefit were identified as the most appropriate. This options appraisal was then developed into a Business Case which included consideration of the different options for the long term organisational structure for the shared service.

Each of the options was assessed in detail against a series of predetermined criteria. One of the key determinants in the assessment process was the degree to which each council would be able to exercise control and influence over the services in the future. Both councils also

wanted to retain sufficient and continuing access to the services concerned. It was also considered essential that the chosen option would represent a genuinely equal partnership between the councils.

The preferred option offers the required long-term resilience and is most likely achieve the expected efficiencies and economies of scale set out in the vision and objectives for the shared service.

The Project Board's proposals include the following key elements:

- The scope of the project identified those services which would form the Shared Service to include health and safety advisory services to both councils, client organisations and schools.
- The identified staff to be transferred from CYC to NYCC and who would act as host to the new shared service from 1 May 2017;
- Each council to nominate a client officer to oversee the delivery of services under its Service Agreement with the shared service;
- Each council to provide serviced office accommodation and certain agreed support services to the shared service;
- Staff currently employed in or carrying out the existing services to transfer to NYCC in accordance with the Transfer of Undertakings (Protection of Employment) Regulations (TUPE).

Business Case

Purpose

The purpose of this Business Case is to set out the decision-making and options appraisal to support the establishment of a shared Health & Safety (H&S) service for NYCC and CYC. It also outlines the strategic aims and objectives of the shared service, and the anticipated outcomes which the combined service is expected to deliver to both councils. The Business Case also details the resources available and implications of the various options for the long term organisational structure for the service.

Background

The Government White Paper 'Strong and Prosperous Communities' encouraged local authorities to challenge traditional methods of service delivery in order to reduce waste, identify efficiencies and improve outcomes for local people. A strong message in the White Paper was that one of the means for local authorities to achieve such improvements would be through greater joint working to optimise economies of scale and maximise service efficiencies.

Officers from City of York Council (CYC) and North Yorkshire County Council (NYCC) commenced preliminary discussions in 2014 to explore the potential benefits of collaboration and as a result of this work there have been some very positive outcomes. Following a vacancy at CYC of the manager in the health and safety team discussions were held with NYCC regarding sharing a manager so both organisations could attract the right calibre of applicant who could drive both organisations forward as regards health and safety performance. This arrangement culminated in the current Shared Head of Health and Safety in December 2014. These discussions and successful outcome demonstrated that there was a mutual desire to identify suitable options for greater joint working and a clear commitment to deliver greater efficiencies across both authorities. The Shared Head of Health and Safety undertook a review of the current health and safety services and identified that there were areas of duplication, some key strengths but also areas where each council could improve. Following this review it was identified that by combining the two services the key strengths could be shared and also address the areas for improvement.

A strategic business case was prepared for the development of a shared service solution covering the provision of the health and safety advisory service to both councils. The strategic business case set out the main drivers for change and the potential benefits of collaboration. However, as a number of models exist for shared service provision it was agreed that further work was required to fully understand the legal, financial and staffing implications of each model before any decisions could be made on the most appropriate way forward.

Both councils have committed to the successful achievement of a long-term shared service which would add value and deliver benefits to both organisations, on an equal basis. It was also recognised that in developing the appropriate long term organisational structure, account would need to be taken of the respective aims and values of both organisations.

It was agreed that an initial stage of an informal shared service would be implemented and would be treated as a pilot exercise so as to enable the benefits of such an approach to be properly assessed in a managed and low risk way. This would enable both authorities to evaluate the risks and benefits of sharing health and safety advisory functions before considering a more permanent solution. The relevant staff groups at both councils, together with local representatives from Unison and GMB were also consulted.

In May 2016 Members approved the secondment of the five staff from CYC to NYCC to create an informal shared service. This informal shared service was overseen by a Project Board to coordinate the development and implementation stages of the project, comprising the Assistant Director Resources (Customer and Digital Services) – CYC, the Assistant Director (Central Finance) – NYCC, the Shared Head of Health and Safety and the CYC Programme Manager (Place & Economy) who would ensure the project specification and associated timetable were maintained.

At this stage, several options exist in respect of the future scope, scale and direction of the project, as detailed below. These options were fully evaluated by the Project Board who after careful consideration chose three appropriate models to consider in more detail. The original 5 options are summarised in **Appendix 1** and the options appraisal of the final 3 options is detailed in **Appendix 2**.

Summary of Options 1,2 and 3

Option 1 (Internal Shared Service with options for trading) To TUPE transfer the CYC staff to NYCC and the health and safety services are provided on a service level agreement to each council and use this knowledge and experience to provide services to fee paying organisations such as academies, public bodies, publically owned companies and potentially other organisations. This option deals with the need to develop a resilient service as it addresses some of the funding issues as it allows additional sources of funding to be achieved by selling services. It also provides opportunities for growth. This would be subject to a surplus share agreement based on the level of investment by each council into the shared service.

Option 2 (Separate Organisation for Trading) To create a vehicle such as a publicly owned trading company to deliver the services and TUPE transfer the staff into this new vehicle. The company would be wholly owned by the two councils, with a board of directors responsible for strategic decision making and policy setting. Operational decisions would be taken by company management. The company would be able to own assets, enter into contracts and employ staff in its own right. Staff from both councils would be subject to a TUPE transfer to the company. Both councils would be able to receive dividends from the company.

Option 3 (Remain As Is) To continue with the secondment arrangements indefinitely. This option realises some potential in that some joint working can be achieved which has been demonstrated in the time it has currently been in place. However it would not achieve the benefits from creation of a permanent structure to work across both councils, rationalising systems and the creation of a resilient service which can plan for the future and take advantage of commercial opportunities as they arise.

Recommended Option

Option 1 is considered to be the preferred option as it carries the least risk. It provides opportunities to deliver efficiencies through the creation of a coherent structure. This option also provides opportunities for growth by increasing funding sources through the provision of services to others on a commercial basis. This approach is considered the most likely to deliver the significant benefits of collaboration. These benefits could not easily be achieved by either council continuing to operate in isolation or continuing with the current arrangements. In addition the

problems caused by lack of capacity and resilience would not be addressed and the resource pressures on both councils would only continue if changes to the existing service provision were not made.

Vision and Objectives of the Shared Service

Vision

To deliver a shared service solution which provides an efficient, effective and professional health and safety service which are both responsive to the needs of the two councils and clients and is held in high esteem by all stakeholders.

Objectives

The project aims to provide a shared service solution which supports this vision by focusing on a series of identifiable and measurable objectives. The Project Board has identified the following objectives for the future shared service.

To provide a service which:

- has a clear identity and stated purpose;
- is affordable and which represents value for money;
- can provide continuity of service to both councils in the long term, irrespective of short-term pressures and issues;
- enhances the professionalism and quality of health and safety related services provided to the two councils through shared knowledge and best practice;
- increases the operational capacity and resilience of the service so that it can more easily respond to resource pressures, including staff vacancies and/or unexpected service demands;
- is flexible and can respond promptly to changing service requirements and priorities;
- reduces the need to use expensive agency staff and/or to buy-in specialist health and safety related services;
- delivers efficiencies and economies of scale which can then be reinvested in improved service delivery;
- improves investment in staff training and development;
- improves the opportunities for career progression for staff within the service;

- improves the recruitment and retention of professional staff within the service;
- reduces the existing reliance on key members of staff for the continuity of the service;
- provides improved succession planning arrangements;
- generates income from selling health and safety related services to other public, voluntary and third sector bodies, where appropriate;
- which can be expanded to provide additional professional support services to both councils in the medium to long term, if required.

Financial Resources

The current budgets for the two services have been analysed using 2016/17 information. These budgets have been aligned to create a consistent approach and where necessary assumptions have been made to include support service and corporate recharges from this analysis. The budget information is therefore based on the direct costs and overheads for the services concerned.

It is also assumed that there would be no significant change in the overall level of recharges across both councils.

Both health and safety services teams also provide services to a significant number of existing external customers. The income received from this work has been included as part of the budget shown in Table 1.

Table 1 - Respective Council Budget 2016/17

Council	Budget in £'000s (Gross)	Income	Budget in £'000s (Net)
North Yorkshire County Council	768	366	402
City of York Council	292	82	209
Combined service budget	1060	448	611

Staffing Resources

At CYC there are currently 5FTE who deliver health and safety services and these from part of the Customer and Corporate Services Directorate. Following the implementation of the revised structure it is proposed to ensure that CYC receive the equivalent level of support as to that which is currently delivered subject to any efficiency which can

achieved through collaboration. In NYCC there are 16 FTE staff who provide similar services - the Health and Safety Service forms part of the Central Property Service Unit, within the Central Services Directorate and as based in the Corporate Services Directorate. The combined establishment is therefore 21 FTE's. Copies of the structure charts for the two councils' existing services are given in **Appendix 3**.

Human Resource Implications

Should options other than Option 3 be approved then it is proposed to transfer the existing staff from CYC to NYCC on 1 May 2017. In accordance with the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE), all employees assigned to the transferring services will automatically transfer to NYCC. From the date of transfer, the terms and conditions of employment, plus any existing collective agreements and relevant company policies relating to terms and conditions of employment, such as maternity and paternity leave, will automatically be taken over by NYCC as the new employer.

Staff from both councils, together with representatives from Unison and GMB, have been kept informed of progress with the development of the shared service. Regular staff briefing sessions have been held. Once the creation of the Shared Service has been agreed in principal then a TUPE consultation timetable will be circulated to staff and the trade unions.

Service Performance and Agreement

The current Service Level Agreement has clear performance standards expected by CYC, these standards are shown in **Appendix 4** with current performance shown. This would provide the basis of any future SLA with additional inclusion of income target setting and surplus sharing agreements.

Support Services

Discussions have taken place between officers at both councils regarding the future provision of support services to the shared service. It is proposed that each council will provide support services in accordance with Service Level Agreements to be agreed between each council. It is also proposed that the method for calculating any recharges will be identical to those currently used for internal departments.

Scope of the shared service

In preparing the Business Case, the Project Board has kept the scope of the project under review. The Project Board has also undertaken a further review to determine whether the preferred option of transferring CYC staff to NYCC who will act as the host organisation to deliver services to the two councils, still best serves the interests of both councils.

During the Project the Occupational Health service and YorSafety H&S IT system were excluded from the scope of the shared service proposal and will managed separately through CYC Human Resources and ICT services respectively.

There is a close synergy between the health and safety functions which are currently included in the shared service. There are considered to be no significant advantages in extending the scope of the project further to include additional service areas. Any such change might reduce the clear focus that the shared service will have on providing health and safety related services to the two councils, as well as increasing the risk of delays in implementing the long term structure.

Appendices

- Appendix 1 Summary Original Options Analysis
- Appendix 2 Detailed Assessment of Options 1, 2 and 3
- Appendix 3 Existing Structure Charts
- Appendix 4 Current SLA Performance Standards

Summary Original Options Analysis

The Project Board assessed each possible long term 'delivery vehicles' against a series of agreed key criteria linked to the ✓ vision and objectives of the shared service. The results of this analysis are given below:

- Option 1 Internal Shared Service with options for trading
- Option 2 Separate Organisation such as company guaranteed by shares
- Option 3 Informal Shared Service (remain as is)
- Option 4 Internal Shared Service with no option for trading
- Option 5 Return to previous arrangements (prior to collaboration)

Criteria	Option				
	1	2	3	4	5
OWNERSHIP AND VISION					
Will this option be able to deliver the vision for the shared service and are there clear links to both councils' Corporate Objectives?	✓	✓	✓	✓	
Will the service be perceived as a genuine equal 'partnership' between the two councils?	✓	✓	✓	✓	
Will both councils have sufficient control and influence over the strategic direction and future development of the service?	✓	✓	✓	✓	✓
Would this option avoid the need for one or both councils to establish a separate 'client' structure to monitor the contract?	✓		✓	✓	✓
IDENTITY					
Will this option allow the service to develop its own identity?	✓	✓			
AFFORDABILITY					
Are the set up costs / required investment for this option likely to be affordable?	✓	✓	✓	✓	✓
COST EFFECTIVENESS					
Is this option likely to be affordable on an ongoing basis, and does it represent value for money?	✓	✓			
Will this option achieve economies of scale and deliver the expected efficiencies in service delivery?	✓	✓			

IMPLEMENTATION					
Are the skills and resources readily available to implement the proposed option?	✓	✓	✓	✓	✓
Is there general support from within both councils to implement this option?	✓				
Would both councils be able to support the change management needs associated with this option?	✓	✓			

Criteria	Option				
	1	2	3	4	5
SERVICE AND CAPACITY IMPROVEMENTS					
Is this option able to provide continuity of service in the long-term, irrespective of short-term problems and/or changes in key personnel?	✓	✓			
Is this option likely to deliver the required improvements in operational capacity?	✓	✓			
Is this option likely to achieve the required focus on quality and enhance the professionalism of the service?	✓	✓			
FINANCIAL / BUSINESS OPPORTUNITIES					
Does this option allow external income to be generated by selling services to other public sector bodies?	✓	✓			
Does this option offer the capability and capacity to identify and develop other business opportunities?	✓	✓			
LEGAL CONSIDERATIONS					
Do both councils have the legal powers to implement the proposed option?	✓	✓	✓	✓	✓
Does this option avoid the need to undertake a EU compliant tender exercise?	✓	✓	✓	✓	✓
RISKS					
Are the financial risks associated with this option considered to be acceptable to both councils?	✓	✓			

Detailed Assessment of Options 1, 2 and 3**Option 1 – Internal Shared Service****Description and Overview**

The creation of a formal shared service where NYCC would host the shared service to NYCC but with a formal agreement between the two councils to ensure no dilution of services to CYC. The agreement would set out the parameters for future collaboration in service delivery. The service would be lead by NYCC but would involve CYC as a joint stakeholder through the new permanent version of the joint Board. Staff would TUPE transfer to NYCC who would become the employer. However the services to CYC would still continue to be delivered locally. The agreement would provide an opportunity to share best practice, skills and directed to meet peaks in workload or other demands.

Financial Implications

NYCC would take on liability for the staff delivering the services to CYC for which CYC would pay NYCC an amount equivalent to current budget for the delivery of the service. Additional work over provided to CYC beyond the service level agreement would be charged between the two councils at agreed rates. There would be no additional tax liabilities or changes in VAT arrangements.

Staffing Implications

5 FTE staff would be TUPE transferred from CYC to NYCC who would become the employer with appropriate consultation and engagement undertaken. There would be greater opportunities for personal and career development, and project work across a wider geographical area.

Legal Implications

There are no significant legal implications. Both councils have the necessary powers under the Local Authorities (Goods and Services) Act 1970 and the Localism Act 2011 to enter into such an agreement. The partnership would not be a legal entity in its own right. Each council would need to maintain its own contracts for the supply of goods and services. Similarly, any contracts to supply health and safety services to external customers would need to be in the agreed in the income sharing agreement.

Governance Arrangements

The agreement would be permanent subject to either council wishing to terminate the arrangement as there would be break clauses to enable the agreement to be terminated early. The agreement could also be varied to enable the scope of services to be changed in the future. The existing client arrangements operated by the two councils would continue.

<p>Service and Capacity Improvement This option would deliver the necessary step change in service delivery. It would also provide opportunities to share expertise and best practice, this arrangement is considered likely to fully exploit all the potential service efficiencies and capacity improvements on offer.</p>	
<p>Innovation and Service Transformation The agreement could be extended to include other local authorities.</p>	
<p>Financial and Business Opportunities There would be the ability for the organisation to sell services to other public bodies and, or other voluntary or charitable bodies thus offsetting the costs of delivering the service.</p>	
<p>Organisational Impact Although the service would be lead by NYCC internal customers and stakeholders in both councils are unlikely to notice any significant changes in the service currently being provided.</p>	
<p>Resilience and Sustainability This arrangement offers a sound basis to develop the current arrangements to realise the potential for collaboration and the efficiencies that this would generate. There is a risk that the partnership would fail in the event that there was any dispute between the two councils and / or certain key staff left.</p>	
<p>Key Advantages</p> <p>Set up costs low. No significant change in ongoing operational costs, for either Council. Relatively straightforward to operate albeit with some TUPE implications Medium risk – both Councils could easily revert to the arrangements operating prior to the agreement. Achieve efficiencies and economies of scale. Provide greater resilience, access to a pool of wider professional, specialist advisors who can be deployed rapidly to address specific areas of concern</p>	<p>Key Disadvantages</p> <p>The partnership could not easily market services to potential customers in its own right. Any existing or future contracts would need to be with one or other Council. Arrangement may be threatened by any disputes between the member council's May not be suitable for extending the scope of services to be delivered in the future.</p>

Option 2 – Separate Organisation such as company guaranteed by shares

Description and Overview

The two councils enter into a formal arrangement to establish a company limited by shares or guarantee. The company would be wholly owned by the two councils, with a board of directors responsible for strategic decision making and policy setting. Operational decisions would be taken by the company's management. The company would be able to own assets, enter into contracts and employ staff in its own right. Staff from both councils would be subject to a TUPE transfer to the company. The two councils, as shareholders would be able to receive any surplus profits in the form of dividends. The company could obtain support services (HR, legal, finance and IT) from one or other council.

Financial Implications

Set up costs

There will be legal costs arising from the need to obtain advice on the transfer of staff to the company. There will also be legal costs associated with the company formation. It is expected that some of this work would be undertaken in-house. The cost of external legal fees is estimated to be £10k.

The company would be responsible for the payment of all salaries, and for goods and services. The company would also be responsible for accounting for VAT and other payroll related taxes. In addition, the company would be subject to corporation tax.

The company would need to apply to be granted admitted body status to the North Yorkshire Pension Fund . It is also considered unlikely to require a bond. The employer pension contribution rate payable by the company would be determined by an actuarial assessment, which would produce a single rate for all staff. This rate would represent the future service costs of the staff transferred from the two councils. The deficit element of the existing contribution rates for these staff would need to continue to be paid by the two councils. The total cost of employer's pension contributions is therefore unlikely to be significantly different as a result of the TUPE transfer.

The company would need to recharge the two councils for health and safety services provided. The charging mechanism would need to be set up. The additional cost of IT access charges and licence fees would need to be addressed.

To enable it to deliver its services, the company would be provided with serviced accommodation by each council. The company would be able to receive support services from one or other council. However, the company would need to arrange its own insurance cover. The cost of this would be partially offset by the savings each council would make on

their own policies.

The company would be a separate legal entity and would therefore need to prepare its own accounts. As the company is likely to be classed as a 'small company' then it would only need to prepare abbreviated accounts. Similarly, the company could claim exemption from the requirement for an audit. However, it is recognised that both councils would probably wish to elect for an audit to be undertaken. The company would appoint its own auditors. Additional audit and accountancy fees of approximately £5k pa would be incurred as a result.

There may also be some additional costs for company administration. These costs are estimated to be approximately £1k pa.

Staffing Implications

Staff would be employed by the company. The staff in both councils would be transferred to the company under TUPE, and would remain on their own sets of current terms and conditions unless electing to transfer to a new set of company terms and conditions. The company would be responsible for all disciplinary matters, training and staff development. If secured, staff would remain members of the NY Pension Scheme. New staff employed by the company would also be offered membership of the North Yorkshire Pension Scheme, if the application is successful and would be recruited on the new sets of company terms and conditions

Legal Implications

Both councils have the necessary powers under the Local Government Act to enter into a partnership agreement to share services. The company would be set up in accordance with the Companies Act and would need to comply with the Local Government and Housing Act 1989. The company would be wholly owned by the two councils, with each owning an equal share.

The company would be a legal entity in its own right. It would need to appoint directors and to file annual returns with Companies House. The service would be provided to both councils in accordance with a contract.

The company could be wound up in the event that one or other council wished to leave the partnership. Other public sector partners could in the future take a share in the company.

Governance Arrangements

Strategic and policy decisions would be taken by a board of directors, which would probably meet at least quarterly. The formation and operation of the board would be undertaken in accordance with the Companies Act. The directors would be appointed by the shareholders (ie the two Councils). At CYC the Shareholder Committee function is undertaken by a sub committee of Executive for all such external trading bodies.

<p>Service and Capacity Improvement</p> <p>This option would provide both councils with a health and safety service which benefited from greater resilience and capacity. The shared service could also deliver the expected efficiencies and economies of scale, achieved through sharing best practice, improved resource allocation and the integration of systems and processes. It is feasible for a business model to be developed for the service to become self funded in the long term saving eg CYC £292k in costs and derive further benefits from expansion of the business.</p>	
<p>Innovation and Service Transformation</p> <p>This option can be extended in the future to include other local authorities, and other public sector bodies such as the NHS and housing associations. This option also provides increased flexibility and freedom, which would encourage innovation.</p>	
<p>Financial and Business Opportunities</p> <p>The company offers an appropriate model to provide services to other public sector bodies and third sector organisations on a commercial basis.</p>	
<p>Organisational Impact</p> <p>The company would also be able to develop its own identity and image. Customers and staff would clearly associate the company with the service.</p>	
<p>Resilience and Sustainability</p> <p>This option would offer sufficient long-term resilience.</p>	
<p>Key Advantages</p> <p>A company would be relatively straight forward to set up and the set up costs relatively low. There would be no significant change in ongoing operational costs, for either council. Relatively straightforward to operate. Other local authorities and public sector bodies could join in the future. Will achieve the expected efficiencies and economies of scale. Offers long-term resilience. Both councils will be able to exercise control and influence over future direction of the service.</p>	<p>Key Disadvantages</p> <p>There would be additional business support costs including IT in setting up the service and ongoing licence fees. There would also need to be investment in marketing to identify place in a commercial environment. There would be a need to ensure customers understood the change, achieve brand recognition and then compete in the open market for existing and new business.</p>

<p>The risks and rewards associated with the partnership would be shared between the two councils. The service will be able to develop its own identity. Would allow easy expansion of the scope of services to be delivered in the future.</p>	
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Option 3 – Joint Working Arrangement (Remain As Is)

Description and Overview

A continuation of the existing shared management arrangement with staff seconded from CYC to NYCC. The current agreement sets out the level of health and safety service required to be delivered in CYC. Decision making is primarily limited to operational issues. Staff remain employed by their respective councils and operate from their existing office bases. The agreement provides a limited opportunity to share best practice and address peaks in workload or other demands.

Financial Implications

CYC continues to pay their staff and any other work undertaken by NYCC for CYC would be charged at agreed day rates. There would be no additional tax liabilities or changes in VAT arrangements.

Staffing Implications

Staff would be employed by their existing councils, and remain on their current terms and conditions. There would be opportunities to lend or second additional staff between councils to meet peaks in workload subject to agreement. Any such secondment would require the agreement of the member of staff concerned.

The partnership could not employ staff in its own right for example, in the event that services were to be provided to new external customers. There would also be potential issues with cross boundary working.

Legal Implications

There are no significant legal implications.

Governance Arrangements

The Service Level Agreement would be time limited and there would be break clauses to enable the agreement to be terminated early. The agreement could also be varied to enable the scope of services to be changed in the future. The existing client arrangements operated by the two councils would continue.

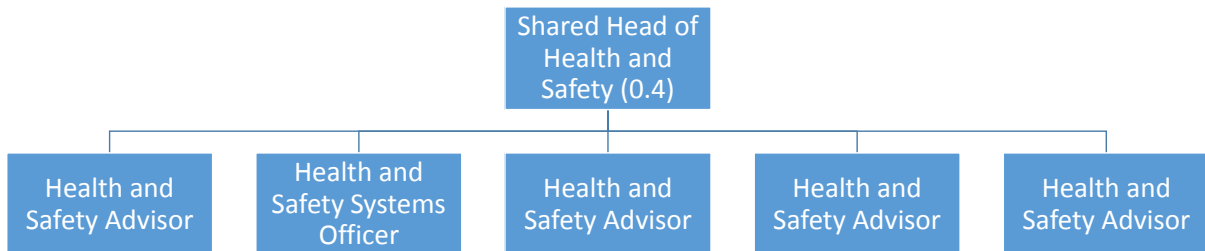
Service and Capacity Improvement

This option is the least likely to deliver the necessary step change in service delivery. Whilst there have been opportunities to share

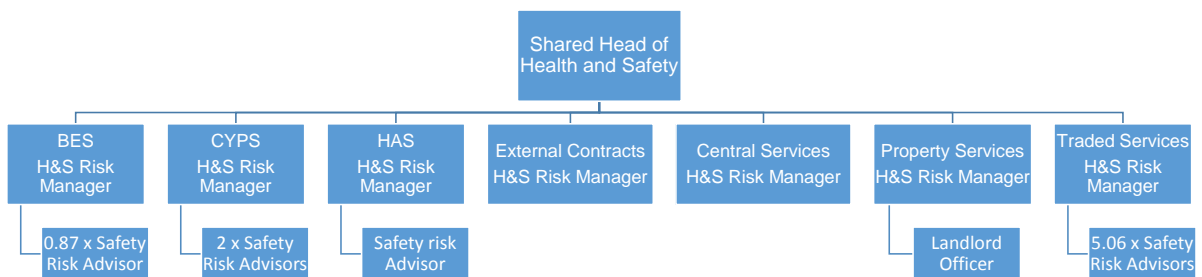
<p>expertise and best practice, this arrangement is considered unlikely to fully exploit all the potential service efficiencies and capacity improvements on offer. Any efficiency gains that do occur would also not be easily identifiable.</p>	
<p>Innovation and Service Transformation Generates some local benefits of sharing best practice.</p>	
<p>Financial and Business Opportunities Each council continues to develop own commercial offer with limited opportunity for growth for CYC. NYCC are committed to developing a commercial model and this option only partially meets this need.</p>	
<p>Organisational Impact Staff within the services concerned are also less likely to recognise the fact that they are part of a partnership.</p>	
<p>Resilience and Sustainability This arrangement does not offer a sufficiently sound basis to develop the shared service in the future. There is a risk that the partnership would fail in the event that there was any dispute between the two councils and / or certain key staff left.</p>	
<p>Key Advantages</p> <p>Set up costs low. No significant change in ongoing operational costs, for either council. Relatively straightforward to operate Low risk – both councils could easily revert to the arrangements operating prior to August 2016. May achieve some of the expected economies of scale.</p>	<p>Key Disadvantages</p> <p>Service will not have its own identity. Customers and staff are therefore less likely to perceive any change. Management less likely to be able to address any cultural differences between the two staff groups. The partnership could not easily market services to potential customers in its own right. Any existing or future contracts would need to be with one or other council. Arrangement lacks resilience and is more likely to be placed at risk as a result of disputes or changes in key personnel. Offers significantly less opportunity for service improvement and development.</p>

Existing Structure Charts

City of York Council – Health and Safety Service (as at 31st December 2016)



North Yorkshire County Council - Health and Safety Service (as at 31st December 2016)



Appendix 4

Current SLA Performance Standards at November 2016

Performance Standard	Current Position
Promotion of a Health and Safety Culture in CYC	Ongoing including planned leadership sessions and attendance at Corporate Management Team
Assistance and support in accident and incident investigations including RIDDOR reporting and liaison with regulators and other agencies (including HSE, Fire and Rescue Services and Police)	Achieved in 100% of reported cases
Advice on local policy and procedure development	All significant changes have continued to be reported through the CYC Joint H&S Committee
Health and safety advice and guidance	No reported reduction in service or complaints
Assistance to managers in the conduct of risk assessments Assistance in completion of Fire risk assessments	Members of the Health and Safety Service provide assistance or undertake fire risk assessments across the city. The risk assessment template developed by CYC is now used across NYCC and beyond. Independent checks by the North Yorkshire Fire and Rescue Service at some locations has confirmed the assessments are satisfactory
Asbestos Management Reviews	On track
Assistance with training identification and delivery through WDU	On track
Audit and monitoring of services	On track
Assistance with measuring and reviewing H&S performance	The CYC H&S Team recently awarded Team of the Month

Oversight of the Occupation Health, Osteopath and Employment Assistance Programme Agreements	Ongoing, including a review of the service to feed into the Exec Report in January
Developing a traded service with schools and others	Currently delivering services to over 70 schools, academies and other organisations
Educational Visits Authorisation and support	69 trips approved since the new arrangements introduced
Advice to the CYC Safety Advisory Group (SAG) regarding Event Safety	Yorfest 2016, World Ploughing Championship, York Food Festival, Its a knockout
Water contract management	Ongoing
Presence at DJCCs quarterly	Achieved to date
Working with Public Health on Wellbeing	Working on Wellbeing Charter and single Wellbeing Portal
Line Management of SHSS which includes	
Having a rigorous appraisal, mentoring and monitoring arrangements for all staff within the SHSS in CYC	All staff have had PDR's
Agreeing development plans which includes ensuring all staff participate in Continuous Professional Development	as above
Ensuring the promotion of good attendance at work, including the reporting of sickness absence	Ongoing
Good Budget Management	Achieved to date and ongoing with oversight from client AD
Holding regular meetings with staff, both 1to1s and monthly team meetings, cascading information to staff as appropriate about changes in the organisations	Achieved to date

In addition to the above the SHSS will do the following	
Contribute to CYCs business planning	Occurring now
Attend Departmental Management Team and Council Team Meetings as required	Ongoing
Attend Joint Health and Safety Committee meetings	Achieved and ongoing
Contribute as a Member of the From Service to City cohort	Achieved and ongoing
NYCC will provide a minimum of 2 days a working week of the SHHS time to CYC. Such times will be decided on a periodic basis by the Authorised Officer and the Nominated Officer. The parties recognise that in the interests of efficient service delivery these times will be adhered to where possible but can be averaged over a number of weeks, such as the SHHS working one day for CYC during one week and three days the following week	Achieved to date and ongoing
NYCC will provide 6512 hours of HSA Time per annum (pro rata) and 814 hours of HSSO which reflects the total seconded hours from CYC	Achieved to date and ongoing
Additional Chargeable Services	None
The staff delivering the service will work flexibly across both local authorities in terms of organising his/her time and commitments within the timeframe	Ongoing and working well
NYCC will sufficiently cover minimum duties to meet legislative responsibilities and respond to emergencies in accordance with agreed protocols	None to date
No charge will be made by NYCC for use of office space or equipment	As stated

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Executive

9 February 2017

**Report of the Deputy Chief Executive/Director of Customer and Corporate Services
(Portfolio of the Leader and Deputy Leader of the Council)**

Financial Strategy 2017/18 to 2021/22

Summary

1. This report presents the financial strategy 2017/18 to 2021/22, including detailed revenue budget proposals for 2017/18, 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 2017/18 with savings proposals totalling £6.0m equivalent to 5.0% 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 council tax increase of 0.7% in 2017/18. In addition an increase of 3% in line with the government's social care precept, which provides support for social care
 - Revenue savings of £6.0m in 2017/18
 - A reduction in Revenue Support Grant (RSG) of £6.3m,
 - Ensuring a financially prudent budget by addressing known budget pressures, including likely pay awards and inflationary pressures
 - Investment in key priority front line services across waste, winter maintenance, and adult and children's services
 - £1.8m additional funding for adult social care contracts
 - £1.78m to cover increased pay and pension costs across all areas of the Council

- Growth of £535k to cover unavoidable contractual price increases mainly in waste services, and also in children's services
- Growth of £52k for winter maintenance to increase the number of gritting routes
- Growth of £48k for additional resource in planning enforcement to improve performance on enforcement investigations
- Growth of £37k for additional resource in procurement to increase awareness and compliance of contract procedure rules, improve contract management across the council and reduce the level of council spend which is not covered by existing contracts
- Growth of £51k to increase the contingency budget
- One off investment of £345k to fund the continued development of the Local Plan
- Use of £156k one off funding from Leeds City Region to be used to support cultural and sporting events, including cycling
- A release of one off funding in earmarked reserves of £676k to fund transport improvements, £200k to support mental health and £400k to support financial inclusion
- A net revenue budget of £119.659m, which will be funded by:
 - i. Council tax income of £81.6m
 - ii. Government grant of £8.6m
 - iii. Retained business rates of £27.3m
 - iv. One off income of £2.1m
- Alongside these proposals, elsewhere on the agenda the Capital Strategy Report details significant capital investment in highways, ICT 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 2017/18, as required by legislation. This is shown in table 13 and described in paragraph 146.
4. Members are asked to approve the average rent increase of 2.0% to be applied to all rents which fall outside the definition on 'social housing rents' for 2017/18, as described in paragraph 148.

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 2017/18. 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 £119.659m
 - A council tax requirement of £81.630m
 - The revenue growth proposals as outlined in the body of the report
 - The 2017/18 revenue savings proposals as outlined in annex 2
 - The fees and charges proposals as outlined in annex 4
 - The Housing Revenue Account (HRA) budget set out in annex 5 and the HRA savings proposals set out in annex 6

- The dedicated schools grant proposals outlined in paragraphs 149 to 156
- The use of £147k New Homes Bonus funding to fund one off investment, as outlined in paragraph 73
- The use of £156k funding from the Leeds City Region Business Rates Pool to support cultural and sporting events, including cycling, as outlined in the report in paragraph 104, which will be subject to a report to the Executive during the year
- The use of £750k from the Waste Reserve to fund additional one off waste disposal costs in 2017/18, prior to the planned full operation of the Allerton Waste Recovery Park facility in February 2018, as described in paragraph 108.
- The use of £676k from the Lendal Bridge Reserve to fund transport improvements, including investigating options for cycling improvements and a cycle hire scheme, pothole repairs, and footway repairs, as described in paragraph 110, which will be subject to a further report to the Executive
- The use of £630k from the York Financial Assistance Scheme (YFAS) Reserve to support financial inclusion and investment in mental health, which will be subject to further reports to the Executive or the Executive Member as described in paragraph 111.

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 3.7% increase in the City of York element of the council tax, 3% 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 23 February 2017.

Background

National Context and Funding Issues

8. York has the 7th lowest band D council tax, the 4th lowest spend per head of population and the 9th lowest government funding per head of any

unitary council in England. Annex 10 includes the relevant background data from all unitary authorities.

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. Figures from the government for the years 2017/18 to 2019/20 confirms that central government support to local authorities will continue to reduce over those years. Since the council has signed up for the 4 year settlement deal these amounts are not expected to change.
11. The settlement funding assessment (SFA), comprises revenue support grant (RSG) and a business rates baseline. The RSG for 2017/18 is £8.6m. This corresponds to a loss of £6.3m or 57%, compared to the RSG funding received in 2016/17. It is anticipated that RSG will be nil or at a minimal level by 2019/20.
12. Further details of the settlement figures and medium term outlook are provided later in the report.
13. In relation to council tax, the proposals in this report are predicated on a council tax increase in 2017/18 of 0.7%, plus an additional increase of 3% 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

14. 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. Rising costs such as landfill tax and inflation are driving costs up, and there is continued pressure on many of the council's income budgets.
15. There are also potential risks associated to welfare reform, in particular in relation to council tax support, which is now funded locally. Whilst devolution of business rates presents opportunities for the council, there are also associated risks with business rates appeals. The council also has a number of major capital projects which have potential risks in terms of the revenue budget, and are considered in further detail elsewhere in this report.

16. 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

17. The Council Plan for 2015/19 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.
18. The plan was formally approved by Council on 8 October 2015 following consultation with residents, businesses and staff.
19. 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”
20. 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;
 - Financial Inclusion –Additional support to the financial inclusion steering group (FISG) and debt advice support
 - One Planet York – Investment of £50k into an energy storage feasibility study which will identify short and long term opportunities for the wider use of energy storage in York and to facilitate the implementation of energy storage devices in association with renewable generation and electric vehicle charging

- Transport – Investment of £676k to fund transport improvements, including investigating options for cycling improvements and a cycle hire scheme, pothole repairs, and footway repairs, £80k in subsidised bus routes following a decision to maintain routes and £52k to fund additional winter maintenance routes
- Waste - £620k investment in 2017/18 to address budget and inflationary pressures
- Children’s services – key statutory budgets are protected as outlined in annex 3, building on the additional investment of £1.9m that was made in children’s social care in 2016/17
- Adult social care – Development of the new operating model as outlined in annex 3, investment of £1.2m in the older persons accommodation programme, one off investment of £200k in mental health, revenue investment in 2017/18 of £1.8m for specific increases in costs of care/other contracts (on top of other pay and pension costs).

21. Additional capital investment totalling £36.14m in relation to Transport, Housing, Economy, Heritage and key front line services such as Highways are outlined in the capital report.

Medium Term Financial Strategy

22. By 2019/20, the council will be self funded from council tax and business rates. Therefore, a successful economy is critical to the council’s financial future, with strong and growing business rates.
23. Inevitably, savings will need to be found during that period to deal with further reductions in funding and growth pressures. This is covered in more detail later in the report.
24. The medium term strategy focuses on delivering efficiencies across all areas and a significant amount of savings will be delivered by restructuring services. Ensuring that there is the capacity to invest in key priority areas was a critical part of the budget deliberations.
25. Annex 3 sets out the strategic direction towards achievement of savings proposals for each directorate over the 3 year period from 2017/18 to 2019/20. This includes the directorate approach to protecting priority

areas, safeguarding key statutory services and further details of the type of savings or efficiencies under consideration for the medium term.

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.

Consultation

27. 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.
28. In order to collect a variety of views, an online consultation delivered through the council website has been open during December and January, and has been promoted through social media, resident and business forums and through all council publications and communication channels.
29. 24 businesses and 1,315 residents responded to the consultation and the key messages from the consultation were;
 - 811 Residents (62%) were more in favour of increased council tax levels than increasing fees or charges or providing fewer services
 - 10 Businesses (42%) were more in favour of increased council tax levels than increasing fees or charges or providing fewer services
 - 310 Residents (25%) were not in favour of an increase in council tax for the social care precept but 466 (37%) were in favour of a 3% increase
 - Businesses were split regarding the question of an increase in council tax for the social care precept with 6 Businesses (32%) not in favour of an increase and 6 (32%) were in favour of a 3% increase
 - Residents and Businesses prioritised the following areas to have their funding increased; road and footpath maintenance, adult's social services and children's social care services.
 - Residents and Businesses prioritised the following areas to have their funding decreased; sport and leisure facilities, theatres and museums and funding for public transport.

30. All views and data gathered during the consultation will in due course be published on the York's open data platform www.yorkopendata.org
31. These consultation results have been used to inform the budget, prioritising in particular investment in highways (as detailed in the capital report) and protecting services for vulnerable people in children's and adult's social care. The council's strategy regarding leisure, theatres and museums has been to move these to more sustainable funding models, with reduced reliance on council contributions. This approach continues, though the council has recognised that this does require some capital investment to reach this position.
32. 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 1 February and will report any further feedback received by businesses to the Executive.

Principles that have shaped the budget process

33. As outlined above, the council will be self funded from council tax and business rates by 2019/20. 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. 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.
34. 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. 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.

35. In terms of investment, the council spends a significant amount of its budget on protecting vulnerable people through its social care services. In 2016/17, the net cost of adult social care was £47.1m, 40% of the council's net budget.
36. 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, which are provided in further detail in annex 3. This approach will help to protect the needs of the most vulnerable people in York.
37. The budget process adopted a risk based approach, and in particular prioritised statutory services to vulnerable adults and children, and key frontline services. For example savings across customer and corporate services in 17/18 were 7.7% of the services net budget whilst in adult social care they were 2.8%. Whilst all areas were asked to consider the long term implications of up to a 30% reduction in their net spend over the next 4 years, assessment of options, risks, and links with priorities took place in formulating the final proposals.
38. 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 councils approach to prioritise investment in the economy, housing, transport, and to invest to save. 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

39. The budget setting process has taken into account the following issues, (which are considered in more detail in following paragraphs);
 - i. Consideration of the 2016/17 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.

2016/17 position

- 40. As part of the budget approved in February 2016, 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 looked after children, with the inclusion of £1.9m growth. At a time of significant financial challenges, this was a major investment to ensure children's services were able to deliver effective services to residents, and meet statutory requirements.
- 41. 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. However some areas identified as pressures in 2016/17 will require additional funding going forward and these include £230k investment to cover a shortfall in waste income targets, £200k investment to cover a shortfall in dividend income from Yorwaste, £200k investment to cover a shortfall in planning fee income and £80k investment to cover subsidised bus routes. These are covered further in the next section of the report.
- 42. The Better Care Fund (BCF) is a £12m pooled budget between CYC and Vale of York Clinical Commissioning Group (VYCCG), and is a government initiative to transform local health and social care services so that they work together to provide better joined up care and support. A significant proportion of the pooled budget is earmarked to be spent on protecting adult social care services. There are significant challenges in the health sector, and this brings with it significant financial risks for the council.

Unavoidable cost increases, priority areas and creating capacity

43. There is continued pressure on budgets from an increase in costs in elderly care due to an increase in demand and more complex needs. Other factors that will affect the council include inflationary increases, the additional cost of business rates for council properties following revaluation, the implementation of the apprenticeship levy in April 2017 and reduced income as a result of the retender of the Park and Ride scheme.
44. 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.
45. The following bullet points set out the areas where additional investment is being made;
 - Pay and Pension costs - **£1,780k** is included for pay and pension costs in 2017/18. An assumption of 1% is made for a pay award and an increase in the pension contribution rate in 2017/18. Capacity is also created to provide recurring funding for the Living Wage.
 - Apprenticeship Levy - **£280k** is required to cover the cost of the apprenticeship levy introduced by the government and effective from April 2017. Note that this growth does not include schools, as each individual school will be covering this cost themselves.
 - Business Rates on council properties - **£111k** growth is required to cover additional business rates costs on council properties, as a result of business rates revaluation
 - Increase in contingency - **£51k** growth is required to increase the contingency to £500k, as covered later in the report
 - Adult Social Care **£1.8m** - additional funding to provide a better funding deal for care providers (as agreed by Executive in October 2016) and to cover a general increase in adult contracts, including the new national living wage.
 - Contractual price increases **£535k** - to cover unavoidable contractual price increases mainly in waste services and children's services

- West Yorkshire Transport Fund **£73k** – to cover the increase in the contribution for 2017/18 for the West Yorkshire Transport fund. This was agreed by Executive on 24 November 2016 (Council 15 December 2016), but is subject to agreement of a detailed funding agreement.
- Procurement **£37k** - for additional resource in procurement to increase awareness and compliance of contract procedure rules, improve contract management across the council and reduce the level of council spend which is not covered by existing contracts
- Planning Enforcement **£48k** - for additional resource of 1 FTE in Planning Enforcement to improve performance on enforcement investigations
- Winter Maintenance **£52k** - to increase the number of gritting routes as agreed by Executive on 26 January 2017.
- Yorwaste Dividend Income **£200k** - to remove an existing budget pressure relating to Yorwaste dividend income which is assumed will not be received in the future
- Waste **£230k** - Although significant work has been undertaken in recent years to address budget pressures in waste, growth of £230k is required to address shortfalls in garden waste subscriptions and household waste recycling centre income targets
- Park and Ride **£600k** - growth is required to address the reduced income levels from the negotiated extension of the current Park and Ride contract for one year from February 2017
- Planning **£200k** - Growth of £200k to address the budget pressure on planning fee income targets
- Subsidised Buses **£80k** - Following a decision by Executive in July 2016 in relation to subsidised bus routes, the subsequent retender of this contract created a budget pressure of £80k for those agreed routes
- Replace one off funding **£80k**- One off grant income received in 2016/17 which was used to fund recurring expenditure of £35k on litter bins and a £45k rejected savings for design and conservation in 2016/17 in an amendment to Council.

46. 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, and the updated capital programme position, means that no growth is required. A reduction of £750k is proposed as a corporate saving. This results from a recommended change to the council's Minimum Revenue Provision (MRP) Policy. This is covered in further detail in the Treasury Management and Strategy report elsewhere on this agenda.

One off Investment

47. In addition to the ongoing expenditure pressures set out above one off growth totalling £911k is required. This will be funded from Transitional Grant (£764k) and New Homes Bonus grant (£147k) provided by central government.
- Local Plan **£345k** - Work on the Local Plan will be ongoing in 2017/18 and therefore additional budget of £345k is required to support delivery.
 - Park and Ride Licence **£66k** – due to the contract retender deferral, this creates a one off pressure of £66k
 - Pride in York **£150k** - In the 2016/17 budget Members agreed £300k one off funding over the two years 2016/17 and 2017/18
 - Children's services **£300k** – In the 2016/17 budget Members agreed to defer a £300k saving for 2 years to 2018/19 in relation to the 'New Operating Model'
 - Energy storage feasibility study **£50k** – This study is to identify short and long term opportunities for the wider use of energy storage in York and to facilitate the implementation of energy storage devices in association with renewable generation and electric vehicle charging.
48. One off 2016/17 expenditure of £410k which was funded by the 2015/16 council tax surplus is deducted from the expenditure pressures above. This included funding for the Local Plan of £350k and £60k for the Drainage Strategic Flood Risk Assessment.

Expenditure Pressures Summary

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

Expenditure Pressures	2017/18 £'000
Recurring Investment	
- Pay and Pension Costs	1,780
- Apprenticeship Levy	280
- Business Rates	111
- Increase Contingency	51
- Adult Social Care Prices Contingency	1,800
- Prices Contingency	535
- West Yorkshire Transport Fund	73
- Procurement	37
- Planning Enforcement	48
- Winter Maintenance	52
- Yorwaste Dividend Income	200
- Waste Income	230
- Park and Ride Income	600
- Planning Fee Income	200
- Bus Subsidy	80
- 16/17 recurring expenditure	80
One off Investment	
- Local Plan	345
- Park and Ride Licence	66
- Pride in York	150
- Children's Service new operating model	300
- Energy Storage Feasibility Study	50
Total Expenditure Increases	7,068
Removal of one off expenditure from prior year	-410
Total Net Expenditure Changes	6,658

Table 1 – Summary of expenditure pressures

Grant Funding Changes

50. Table 2 shows the components that make up the council's change in grant funding.
51. The first line of Table 2 shows the £6.310m reduction in RSG that the council receive from central government as part of its continued programme of local government funding cuts. The 2017/18 figures can be assumed to be the final figure.
52. The second line of Table 2 shows the net change in specific grants. The most significant reduction in specific grants will be applied to Education Services Grant, which funds central services provided to schools, with an estimated reduction of £514k. Public Health Grant will reduce by £208k. In total, specific grants are estimated to reduce by £880k in 2017/18.
53. However, one off grant income received will offset the reduction. The council received a transitional grant of £764k which is a non ring fenced one off grant. This grant will not be available in future financial years.
54. In addition, the council received a social care grant of £735k which is a non ring fenced one off grant. It is expected that additional Better Care Funding (BCF) of £1.7m will be received in 2018/19 which would replace the two one off grants. However it should be noted that there are risks of the council receiving this given continued pressures in the health sector, as outlined earlier in the report.
55. In summary, for 2017/18 the council has reduced grant funding available of £5,691k compared to that received in 2016/17.

	2017/18
Funding Changes	£'000
- Reduction in RSG	6,310
- Net change in specific grants	-619
Net Funding Changes	5,691

Table 2 – Grant Funding changes

Council Tax Funding Changes

56. Table 3 shows the net changes to council tax funding.

57. The first line in Table 3 shows the 3.7% increase in council tax which will generate additional income of £2.85m on the existing taxbase.
58. A further £1.7m 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 2017/18, this has grown by approximately 1,300 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.
59. The third line is the collection fund surplus of £1.633m from 15/16 which was used in the 2016/17 budget and falls out this year.
60. The fourth line is the collection fund surplus from 2016/17 of £2.097m. The council tax collection fund surplus for the full year 2016/17 is estimated on 15 January 2017, 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.
61. In summary the Table 3 shows an estimated £5.021m additional income from council tax in 2017/18.

	2017/18
Council tax	£'000
- 3.7% increase in charge	-2,851
- Increase in taxbase	-1,706
- Collection Fund Surplus 15/16	1,633
- Collection Fund Surplus 16/17	-2,097
Net council tax changes	-5,021

Table 3 – Council Tax Funding changes

Business Rates Income

62. Table 4 shows £1.2m income from the business rates, based on estimated growth in 2017/18.

	2017/18
Business rates income	£'000
- Business Rates	-1,200
Change in income	-1,200

Table 4 –Change in Business Rates Income

Savings Proposals

63. Directorates have identified over £5.231m to contribute towards the 2017/18 savings target in addition to a corporate saving of £0.75m in Treasury Management. These proposals, outlined in annex 2, include increases in income, reductions in administration costs and removal of vacant posts.
64. The savings proposals included in annex 2 provide the details of the 2017/18 impact totalling £5.981m. The first column includes savings totalling £3.7m which were agreed by Council in February 2016 and new proposals totalling £2.3m are included in the second column.
65. The third column of annex 2 (2018/19 impact) includes the remaining saving to be achieved based on the acceptance of savings proposals recommended in this budget.
66. The total savings column highlights the cumulative saving over years 2017/18 to 2018/19 for savings proposals approved in this budget.
67. Table 5 summarises the 2017/18 savings to be delivered by each directorate and corporate services.

	2017/18
Savings	£'000
- Health, Housing, Adult Social Care	-1,783
- Children, Education & Communities	-1,353
- Economy and Place	-909
- Customer and Corporate Services	-1,186
- Corporate	-750
Total Savings Changes	-5,981

Table 5 –2017/18 Savings Proposals

New Homes Bonus (NHB) Grant

68. The New Homes Bonus was introduced to provide an incentive for local authorities to encourage housing growth in their areas.
69. In the provisional settlement announced on 15 December 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 from a 6 year period to 5 years in 2017/18 and to 4 years from 2018/19
 - A change to the funding criteria whereby authorities will only receive funding for growth above the national baseline. When an authority has overall growth in excess of the baseline, it only gets rewarded for the above-baseline growth, not its entire growth.
 - 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.
70. As a result future New Homes Bonus will begin to decline. Taking account of estimated levels of grant in future years, and approved commitments, it will be necessary to consider from 2018/19 phasing out any ongoing revenue funding from New Homes Bonus. This currently totals around £2.6m and therefore over the four year period from 2018/19 this will need to be gradually phased out. This will be considered further in the 2018/19 budget.
71. The total funding available in 2017/18 is £3.2m. As mentioned above, £2.6m of NHB funding is already allocated to fund recurring expenditure as determined by previous Council decisions. These are set out in Table 6 below.
72. £50k of NHB funding is to be invested in an energy storage feasibility study. This study will identify short and long term opportunities for the wider use of energy storage in York and to facilitate the implementation of energy storage devices in association with renewable generation and electric vehicle charging.
73. The budget proposals include one off investment of £911k and the majority of this is funded from the transitional grant .The remaining £147k will be funded from NHB.

74. Council have previously approved a sum of £1.5m over a 5 year period towards support for Yearsley Pool. In order to ensure that the full £1.5m is available, there is a need to transfer the remaining NHB funding of £456k to the Yearsley Pool reserve. Projections for New Homes Bonus take full account of the need to provide the full £1.5m reserve.

New Homes Bonus	£'000
- Total available 2017/18	3,211
- Previous Council Decisions	
February 2016 Budget	1,349
July 2015 Budget Amendments	1,259
Yearsley Pool	456
- Allocated in this budget (one off)	147
NHB remaining	0

Table 6 – New Homes Bonus Funding

Net Budget Composition

75. Taking into account funding changes summarised in Tables 2, 3 and 4, Table 7 below summarises the funding available from council tax, government funding and business rates for 2017/18.

	2017/18 £'000
Council Tax	81,630
Collection Fund Surplus	2,097
RSG	8,580
Business Rates Baseline	27,352
Total Net Budget	119,659

Table 7 – Net budget composition for 2017/18

Summary of Budget Changes

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

Summary	2017/18 £'000
Total expenditure pressures (Table 1)	6,658
Total net funding changes (Table 2)	5,691
Total changes in council tax (Table 3)	-5,021
Total changes in Business Rates income (Table 4)	-1,200
Total savings and income generation (Table 5)	-5,981
New Homes Bonus funding (Table 6)	-147
Budget gap	0

Table 8 – Budget position summary

Fees and charges

77. Detailed proposals for any changes to fees and charges are attached at annex 4. 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 2.
78. One of the major areas of income generated is from car parking fees and charges. Charges will be increased in 2017/18 at most car parks by 10p per hour.
79. The majority of increases are approximately in line with inflation with the exception of the following;
80. The majority of fees relating to Licensing and Trading Standards are set by Government and at this point of time no increases have been announced.
81. It has been necessary to reduce the fees in respect of sex establishments following a legal challenge relating to cost recovery. Where an application is accepted a new grant fee is then applied.
82. Residential care has increased above inflation as part of the second stage of moving to recovering the full cost of providing care in our own homes as agreed in the 2016/17 budget.

83. The day support cost in adult social care has also increased above inflation to match the external support hourly cost for Learning Disability customers.
84. 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 element of the deferred payment agreement cost relating to income services has been increased in line with the proposed local authority pay increase for 2017/18.

Council Tax and the Collection Fund

85. The council tax referendum limit remains at 2% (excluding social care precept). 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.
86. 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%, but there are no other elections taking place in York in 2017/18. In addition there are the costs of rebilling which is estimated at £50k.
87. A recent briefing paper from the House of Commons cited the cost to Bedfordshire’s Police and Crime Commissioner, is estimated to have cost £600k. The Bedfordshire PCC covers three unitary local authorities and a population of some 640,000. The paper also noted examples of rebilling costs for recently-capped authorities, such as £380k for Lincolnshire Police Authority in 2008/09 (£1.22 per household) and £626,000 for Surrey Police Authority in 2009/10 (£1.29 per household).

The paper concludes that it seems reasonable to estimate the range of the cost of referendums as between £85k to £300k.

88. Local authorities with responsibilities for adult social care have been given the flexibility to charge a further 3% social care precept in addition to the 2% referendum threshold. Should local authorities decide to take up the offer to charge the adult social care precept they are required to provide information on adult social care spend to the government.
89. As referred to earlier in this report, the recommendation made in these papers is that from April 2017 the CYC element of the council tax will increase by 3.7%, 3% of the increase relating to the social care precept. A 3% increase generates additional income of approximately £2.3m 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.
90. The existing components of the current (2016/17) band D council tax for a CYC resident are shown in Table 9 below. It should be noted that these figures exclude parish precepts which are an additional charge in some areas.

	£
City of York Council	1,200.51
North Yorkshire Police Authority	217.00
North Yorkshire Fire Authority	65.88
TOTAL	1,483.39

Table 9 - Make Up of 2016/17 Council Tax

91. 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 £2.1m and this is included in the budget assumptions.

Precepts

92. 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 23 February.

93. Table 10 demonstrates both the cash and percentage increase in 2016/17 for these which resulted in a total band D council tax for a York property of £1,483.39.

	2015/16 Charge (£)	2016/17		
		Increase (£)	Increase (%)	Council Tax (£)
CYC	1,165.54	34.97	3.00%	1,200.51
Police	212.77	4.23	1.99%	217.00
Fire	64.59	1.29	1.99%	65.88
Total	1,442.90	40.49	2.81%	1,483.39

Table 10 – Headline 2016/17 Council Tax Figures for City of York Area

94. 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.

National Non Domestic Rates (NNDR)

95. In April 2016 the two NNDR multipliers were 49.7p in the pound for normal properties and 48.4p in the pound for smaller properties (based upon the total rateable values of all properties held by a single owner).
96. Following the business rates revaluation which comes into effect in April 2017 the multipliers will be to 47.9p for normal properties and 46.6p for smaller properties.
97. The council is projecting retained business rates income in 2017/18 of £27.352m.
98. Under the current system, business rates receipts are shared between central and local government. However, 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.

99. 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.
100. As mentioned earlier in the report, significant changes to the Business rates system will be introduced in 2019/20 and these are covered in further detail later in the report.

Leeds City Region (LCR) Business Rates Pool

101. 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.
102. City of York Council is a tariff authority and pays a levy of 48.57%. Effectively, the council to keep c.25p of growth after shares have been paid to central government and the LCR business rates pool.
103. The amount available for distribution to York from previous year's growth is £156k.
104. It is intended that the £156k be used to support cultural and sporting events, such as cycling, which will be subject to a report to the Executive during the year.

Reserves and Contingency

Allerton Waste Recovery Park

105. When the Long Term Waste Contract was agreed by Council, it was agreed to set aside additional funds in order to build up sufficient budget to fund the contractual obligations. These increased budgets have funded waste contractual increases such as landfill tax and the balance has been added to a waste reserve. This reserve has funded one off costs relating to the Waste Project such as s106 obligations, highway improvements and lease payments.

106. The new facility is due to commence operation in February 2018 and there is sufficient budget to fund the ongoing operation.
107. There are however a number of one-off costs due in 2017/18 that were not forecast at the time of agreeing the contract which will require funding. These include commissioning costs which are charged at a similar rate to landfill. There will however be additional haulage costs incurred in transferring waste to the facility. The composition and source of commissioning waste has not been finalised and the payment mechanics are still to be confirmed with North Yorkshire County Council. There are also further engineering costs at Harewood Whin which will extend the life at the facility into 2018 without the need for significant new airspace. This will increase landfill costs by c £8 / tonne compared to current rates.
108. It is proposed that a sum of £750k is set aside from the Waste Reserve to fund these additional costs in 2017/18.

Lendal Bridge Reserves

109. The Lendal Bridge Reserve was set up for the cost of settling claims for repayment of Penalty Charge Notices in relation to Lendal Bridge and Coppergate. There are no further claims outstanding therefore the remaining **£676k** is available to fund one off investment initiatives.
110. This one off income will be used to fund transport improvements. This will include investigating options for cycling improvements and a cycle hire scheme, pothole repairs, and footway repairs. Use of this funding will be subject to a further report to the Executive.

York Financial Assistance Scheme (YFAS) Reserves

111. The YFAS Reserve is the accumulation of prior year underspends on the YFAS budget. The reserve amount is currently £971k. It is proposed that £630k is used to fund one off investment initiatives, which are set out in further detail below, and the remaining £341k remains in the YFAS reserve in case of future demand from residents.
- Financial Inclusion **£250k** – To support a local area approach to tackling financial inclusion (4Community Growth) £250k spread over

2 years 2017/18 and 2018/19, which will be subject to a report to the Executive

- Additional debt advice support **£50k** – to be allocated through the Financial Inclusion Steering Group (FISG) spread over 2 years 2017/18 and 2018/19
- Financial Inclusion Steering Group (FISG) **£100k**, to be allocated through the FISG, - Additional investment and promotion of the FISG and its goals and objectives spread over 2 years 2017/18 and 2018/19
- Jobs Fair **£30k** - Extra funding to continue citywide jobs fairs spread over 3 years 2017/18, 2018/19 and 2019/20
- Mental Health Support **£200k**, subject to a further report to the Executive member for Adult Social Care and Health, and will include:
 - i. Work with young people, specifically reducing self-harm. This will include establishment of a Youth Health Champion programme and training with frontline staff. £100k over 2017/18 and 2018/19
 - ii. Work to support employment opportunities, including Ways into Work programme. £100k over 2017/18 and 2018/19.

General Reserves and Contingency

112. Table 11 shows the position on the general fund reserve which, it is anticipated, will be £6.896m by the end of 2016/17. The projected reserves at the end of 2016/17 are based on the assumption that Members agree no usage of reserves in 2016/17 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 2016/17 budget.

	2016/17 Projected Out-turn £'000	2017/18 Budget £'000
General Reserve at start of year	6,896	6,896
In Year use of reserves	0	0
General Reserve at end of year	6,896	6,896
Prudent minimum reserves	6,400	6,400
Headroom (+)/Shortfall (-) in Reserves	496	496

Table 11 – Projected General Reserves

113. 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, in particular the scale of future reductions on top of those already made, it is considered that headroom should remain above the minimum level. In addition, within the statutory S151 statement, there is a strong recommendation that revenue reserves should be increased over the next couple of years, recognising some current risks the council faces. It is proposed that any revenue underspend in 16/17 be transferred to reserves, and this will be considered as part of the outturn report in June 2017. In addition the position regarding the Venture Fund should be noted, as referred to later in this report.
114. In addition to general fund reserves, the budget includes a £449k general contingency. In recent years this has always been required.
115. 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 increased contingency on an ongoing basis. This is critical in terms of the setting of a prudent budget. The proposals in this report will increase the contingency budget by £51k from £449k to £500k.
116. During the year Members will consider ways of funding Community Flood Resilience, including potential use of the contingency budget.

Venture Fund

117. The balance on the venture fund reserve is anticipated to be £2.6m at the end of 2016/17.
118. It was previously agreed that the Older Person's Accommodation Programme (OPAP) would receive funding of £1.2m from the Venture Fund in 2018/19 but this funding will now be provided from the use of capital receipts, as mentioned in paragraph 131.
119. 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 years leisure revenue budget savings. It is assumed that this advance will not be provided until 2018. In addition, up to £300k was allocated for dealing with any early year shortfall in the revenue budget in 2018/19.
120. The balance on the Venture Fund reserve provides some mitigation in terms of the need to consider an increase in revenue reserves given the potential risks as highlighted above.

Medium term planning

Business Rates Retention

121. The Local Government Finance Bill published on 13 January 2017 confirmed that Revenue Support Grant (RSG) will be phased out by 2019/20 or 2020/21 and will be replaced by a system which allows local government to retain 100% of business rates.
122. Much of the detail about how the system will work, and the functions that will be transferred to local government, will be filled out in the secondary legislation that will be published over the next 18 months.
123. Councils will have the power to reduce business rates to boost growth or to give elected city region mayors the power to levy a premium on business rates to fund infrastructure projects.
124. 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.

125. The Bill will remove the requirement for the government to maintain a levy account. If there is no future levy on growth, as a tariff authority, this would potentially benefit City of York Council.
126. Under the new system the incentive for operating a pool will disappear unless there were some other financial benefits. However, there is potential that the new system may be regional or be linked to local devolution deals to help manage risk and volatility. The Bill proposes to give the Secretary of State the powers to designate a pool without the affected authorities agreeing to the designation – there is only a requirement to consult. The Bill also gives the Secretary of State the powers to designate a lead authority. The purpose of these changes can only be to give the Secretary of State greater powers to form business rates pools.
127. The Bill includes the proposal to nationalise the risk and cost of business rate appeals which will come into effect when the 100% system is introduced. This change will remove a significant risk to local authorities future income and will make it easier to forecast income.

Social Care Funding

128. Additional funding will be available for the Better Care Fund (BCF) by 2019/20 which should increase budget available for adult social care.
129. The Better Care Fund nationally will grow from £3.8bn in 2015/16 to £5.3m by 2019/20 and will encourage the integration between health and adult social care as more budget is pooled for use across the health and social care sector. This needs considering in the wider context of the health and social care economy in York as both the health commissioner and main provider are currently carrying significant deficits. Their plans to address these deficits may well impact on the social care budget.
130. Phase Two of the Care Act is still due for implementation in April 2020 which, as it stands, will cap the amount people contribute to the cost of their care. This will significantly reduce the income the council gets to support the services it provides and commissions.

Use of Capital Receipts

131. The government are allowing greater flexibility for council's in how they make use of capital receipts – money received when an asset such as a building is sold. Councils were previously only allowed to spend such money on capital projects. The new flexibility allows money from asset sales (excluding Right to Buy receipts) to be used on the revenue costs of reform projects, subject to certain conditions.
132. The council propose to use this flexibility for up to £1.2m of capital receipts which will be used to fund the Older People's Accommodation project. This project aims to provide suitable accommodation, ideally in a community setting, for the city's older residents including those with complex care needs, those with dementia and those moving out of, or diverted from moving to, existing council-run Older People Homes which are no longer fit-for-purpose.

4 Year Funding Settlement 2016/17 to 2019/20

133. The government have confirmed the replacement of the annual local government finance settlement with a multi-year settlement, and principles for maximum council tax increases over a multi-year period.
134. On 30 June 2016 Council approved the recommendation to publish a 4 year Efficiency Plan to enable the council to take advantage of a 4 year settlement to improve stability and aid medium term planning. The government have confirmed that any council taking up the offer will not see a reduction in the settlement figures already announced.
135. The 4 year settlement indicates a reduction of £19m in SFA over the 4 year period from 2016/17 to 2019/20. Until further details emerge in relation to business rates devolution and additional burdens it is difficult to put this figure into context. The scale of savings that will be required in the future will be driven by the outcomes of the devolution agenda, alongside the extent to which spending pressures affect the council.

136. Table 12 below sets out the settlement from 2016/17 to 2019/20.

	16/17 £m	17/18 £m	18/19 £m	19/20 £m
RSG	14.892	8.580	4.576	0.529
Business Rates Baseline	24.303	24.798	25.596	26.507
Total SFA	39.195	33.378	30.172	27.036

Table 12 – Settlement figures to 2019/20

Four Year Strategy and Approach to Savings

137. Other factors that will affect the council will include potential increased costs in elderly care, inflationary pressures, implications of the capital programme and the thresholds to increase council tax.
138. By 2019/20, the council will be self funded from council tax and business rates. 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.
139. What is clear however is that further savings will need to be found, as further reductions in overall funding are inevitable. Estimated annual savings required are anticipated to be in the region of £4m to £6m from 2018/19 onwards.
140. The financial planning process has considered the scale of the challenge over the years from 2016/17 to 2019/20, and services have been reviewing opportunities for changing the delivery of services.
141. Annex 3 sets out the strategic direction towards achievement of savings proposals for each directorate over the 4 year period from 2016/17 to 2019/20. This includes the directorate approach to protecting priority areas and the type of savings or efficiencies under consideration for the medium term.
142. Specific details of future years (2018/19 onwards) savings proposals will be covered in future budget reports.

Housing Revenue Account (HRA) Budget

143. 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.
144. The HRA budget at annex 5 results in an in-year surplus of £3,323k. Together with the budgeted brought forward working balance of £21,491k this will leave a working balance of £24,814k on the account. This balance is below what was forecast in the HRA Business Plan at the last revision in February 2016 (£25,814k) mainly due to the increased level of investment in IT Infrastructure but is still within prudent and sustainable levels and is committed towards the repayment of the debt allocation taken on through self-financing.

Rent Changes 2017/18

145. 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.
146. 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.
147. 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 per week
2017/18	£79.36	£0.80
2018/19	£78.57	£0.79
2019/20	£77.78	£0.79

Table 13 – HRA Rent decreases

148. 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 2%. This will include Gypsy, Roma and Traveller Community sites, garages and cookers, as well as any specialist supported housing that is exempt from the rent reduction legislation.

Dedicated Schools Grant (DSG) and the Schools Budget

149. 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 (e.g. SEN, Behaviour Support, Home & Hospital Tuition, School Contingencies etc.).

150. For 2017/18 government has continued to protect schools from the full effect of their spending reductions when compared to other parts of the public sector, and the remainder of local government services in particular. The key features of the DSG Settlement for 2017/18 are:

- Another one-year only schools settlement for 2017/18 (with a consultation currently underway on proposals for the introduction of a new national school funding formula from 2018/19).
- A continued flat cash per pupil allocation for all of York’s core school funding through the schools block of the DSG.
- A high needs allocation frozen at current levels.
- Some technical changes in relation to funding transferred from the Educational Services Grant (ESG).

- A significant (18%) increase in the funding allocated for early years provision for 3 and 4 year olds following the introduction of a new national early years funding formula.

151. Full details of the DSG and schools budget will be presented to the Schools Forum later this month. Apart from taking account of the technical changes that the DfE have made in relation to the removal of the ESG from September 2017, the LA is not proposing any material changes to the funding allocations and retained budgets for schools. However, in advance of the Schools Forum meeting, Members of the Executive are asked to consider and approve some changes to the allocation of early years funding for 3 and 4 year olds for 2017/18.

DfE Early Years Funding Review

152. Following a national consultation that took place during August and September 2016, the DfE published new arrangements for early years funding in December. The new arrangements include:

- Introducing a new Early Years National Funding Formula (EYNFF) to allocate funding to LAs for 3 and 4 year olds.
- Changing the way that LAs fund the early years providers in their area.
- Targeting extra funding towards children with SEND.

153. As timescales were very tight, the Schools Forum established a special Early Years Reference Group (EYRG) to consider the implications of the new arrangements, and be the consultative group for the subsequent changes that would be required to the local formula for allocating funding to early years providers in the city. Following two meetings of the EYRG in late 2016, the LA published its proposals for a new local Early Years Single Funding Formula (EYSFF). The LA consultation document is attached at Annex 9.

154. Feedback on the consultation was received directly from providers and via a final meeting of the EYRG held on 24 January. Full details of the consultation responses can be provided on request, however the key messages received were:

- **Base Rate:** A view that a base rate of £3.70 per hour was unsustainable for the majority of providers.

- **Flexibility Supplement:** Linked to the base rate, a strong desire that all discretionary funding was channelled into the base rate and therefore dissatisfaction about the introduction of a flexibility supplement. In addition concern that there was not enough clarity around how flexibility would be defined, and that the LA's desire to include the factor could suggest a lack of trust with providers over the delivery of the increased 30 hour offer.

LA Comment: The LA recognises the concerns of providers and proposes to remove the proposal for a flexibility supplement in the new formula in 2017/18. Therefore all providers will be funded at a base rate of £4.00 per hour in 2017/18. This will allow time for a more detailed analysis and discussion of any potential flexibility issues under the increased 30 hour offer. Consideration can then be then be given as to whether a £0.30 per hour (or otherwise) flexibility supplement would be necessary in future years.

- **Deprivation:** A view from some providers that there were other possible models for allocating deprivation funding that time constraints prevented the EYRG from exploring.

LA Comment: The LA recognises that time constraints limited the number of models that could be considered for 2017/18 and would support further work on deprivation options prior to 2018/19.

- **Centrally Retained Top Slice:** A challenge to the LA for further transparency and details to justify the proposed 5% top slice of funding for central early years services.

LA Comment: Further detail on central LA services was provided at the 24 January EYRG. In addition the LA is committed to continuing to review central budgets with a view to making further efficiency savings. As part of this review a clear narrative will be developed to ensure transparency with childcare providers and schools so that they understand how the services deliver current and new statutory responsibilities relating to early years and childcare, and sustain a flexible offer for parents in York.

155. In light of the above Members are recommended to approve the following use of the £4.30 per hour available, and EYSFF elements for 2017/18:

£ / per hour

Amount allocated to the LA by the DfE	£4.3000
Less 5% retained to support LA central EY services	- £0.2150
Less increase in SEND inclusion fund by £20,000	- £0.0137
Amount available to support the EYSFF in 2017/18	£4.0713
Basic hourly rate	£4.0000
Flexibility Supplement (to be reviewed prior to 2018/19)	£0.0000
Total Hourly Rate (inc. up to 30 hours / week for working parents)	£4.0000
Plus a deprivation supplement paid at £0.40 per eligible hour based on the existing IDACI indicator	£0.0713

156. If the proposals set out above are approved then the following table sets out comparative provider funding figures under the proposed EYSFF, the previous EYSFF and the current estimated position under the 30 pilot arrangements.

	Previous York EYSFF £ / Hour	Under 30 Hour Pilot £ / Hour	Proposed York EYSFF £ / Hour
Average Funding Rate Per Hour	3.56	3.77	4.14
Minimum Funding Rate Per Hour	3.38	3.38	4.00
Maximum Funding Rate Per Hour	3.78	4.40	4.40

Table 14- EYSFF £/Hour

Scrutiny

157. In accordance with constitutional practice Corporate Scrutiny and Management Policy Scrutiny Committee will consider at its meeting on 13 February 2017 what level of budget it considers appropriate in the coming year to support scrutiny reviews. The Committee will take into account existing levels of spend in 2016/17 and the councils overall financial position. In the light of those considerations the Committee will decide whether to maintain the current funding level of £5k and not request any increase. No increase is currently assumed.

Equalities

158. A communities impact assessment (CIA) has been completed on the overall impact of the budget proposals 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. Where a screening of the potential implications has identified it appropriate, a full CIA will be completed for individual proposals.
159. 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
 - Carers
160. 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
161. 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.

162. 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.

163. 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

164. This report has the following implications;

Financial

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

Human Resources (HR)

166. The council currently employs 2,650 non school staff. The budget proposals which are contained within this report highlight the likely reduction of approximately 40 FTE posts in 2017/18. However based on the experience of previous years to achieve budget reductions of this scale is likely to mean that this figure is exceeded.

167. 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 2017/18 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.

168. 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.
169. 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

170. The council is required to set a council tax for 2017/18 before 11 March 2017. 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 2017, whichever is the earlier. This decision is reserved to Council and cannot be taken by Executive or delegated to officers, although Executive has to recommend a budget to the Council. These comments are intended to apply to both the Executive meeting and the subsequent Council meeting.
171. 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.
172. 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.

173. 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.
174. 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.
175. 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.
176. 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.

177. 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 in paragraph 174 above.
178. 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.
179. 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.
180. 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 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

181. 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

182. 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 2017/18 and beyond), reserves and general robustness of the process.

Overall Assessment

183. The proposals in this budget give a balanced budget for 2017/18 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.

184. Full scrutiny of the budget proposals for 2017/18 has taken place, in terms of their deliverability, and a proper risk assessment of a range of issues has been conducted.

185. 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, both in terms of next year and beyond.

186. 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.

187. 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. This risk has increased recently, with massive financial challenges facing CCG's in particular and the position regarding the Better Care Fund both now and in the future represents a major risk.
188. 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 just over £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. This will require budget growth from 17/18 for a period of around 4 years, at a level of approximately £500k each year.
189. 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. They do however represent a major challenge to deliver, one that will only be achieved through full commitment across the organisation. Very careful monitoring of the progress of the savings programme will be essential. 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.
190. 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 included for a contingency sum of £500k, and I consider this an important factor in the overall budget assessment. This overall package is a realistic approach in dealing with the financial pressures facing the council next year. In addition the major financial pressures being experienced during 2016/17 have been addressed through significant additional investment. There is provision made for the estimated 1.0% pay award.

Looking Ahead

191. Looking ahead there remains a range of very significant pressures for the future. It is almost certain that there will be further reductions in

government funding, and 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.

192. The proposals in this report set out details for 2017/18, but also set out the strategic direction, and key issues facing services for the following two years. There has been significant consideration of the medium terms 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.

Reserves

193. In terms of reserves, the proposals seek to keep reserves to an amount of £496k 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.

194. I believe that the council will come in on budget for 2016/17 and this is reflected in the budget monitoring report presented to Executive at this same Executive meeting.

195. The recommended minimum reserves for 2017/18 are £6.4m. This is considered within the report. I have identified in earlier paragraphs the risks facing the Council. Consequently I strongly advise that Council begins to make provision for increasing general reserves, and does so by using any potential under-spend that occurs on the revenue account for 2016/17. Should this not lead to increases (e.g. there is no underspending) then further action will need to be considered, as I consider it a significant risk not to have reserves above £8m in the short to medium term.

196. 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. The position regarding a number of the risks e.g. major capital projects, health sector funding, should become clearer over the next couple of years and clearly the position on reserves will be reviewed on an ongoing basis.

197. 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

198. The council tax referendum limit remains at 2% but local authorities with responsibilities for adult social care will be given an additional 3% flexibility on the current council tax referendum threshold to be used entirely for adult social care.

199. 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 2% 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.

200. I also would highlight the separate capital strategy report, and the issues that are set out within that. I would stress however that the overall balance in terms of capital investment, levels of borrowing, and revenue implications (and the impact on revenue expenditure) is something that is for Members to determine.

201. 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.

202. 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

203. 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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Services

**Report
Approved**



Date 31/01/17

Specialist Implications Officer(s)

Legal – Andy Docherty

HR – Mark Bennett

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 – 2017/18 Budget Summary

2 – 2017/18 Savings Proposals

3a – Health, Housing and Adult Social Care 4 year Plan

3b – Children, Education and Communities 4 year Plan

3c – Economy and Place 4 year Plan

3d – Customer and Corporate Services 4 year Plan

4 – Fees & Charges

5 – HRA Budget 2017/18

6 – HRA 2018/19 Savings Proposals

7 – Communities Impact Assessment

8 – Risk Analysis

9 - Early Years Single Funding Formula (EYSFF) Consultation

10 – Background Information

Annex 1 Summary of 2017/18 Budget

	2017/18 £000's
<u>Expenditure</u>	
Net Expenditure Brought Forward	117,900
Deduct 2016/17 one off expenditure	(410)
Net Expenditure Brought Forward	117,490
Expenditure Pressures	
Unavoidable Cost Increases, Priority Areas and Creating Capacity:	
- Pay and Pension Costs	1,780
- Apprenticeship Levy	280
- CYC Business Rates	111
- Increase in contingency	51
- Adult Social Care Prices Inflation	1,800
- Prices Contingency	535
- West Yorkshire Transport Fund	73
- Procurement	37
- Planning Enforcement	48
- Winter Maintenance	52
- Yorwaste Dividend Income	200
- Waste Income	230
- Park and Ride Income	600
- Planning Fee Income	200
- Bus Subsidy	80
-16/17 Transitional grant funding recurring expenditure	80
	6,157
One off Investment (funded by Transitional Protection Grant £764k and NHB £147k)	
- Local Plan	345
- Park and Ride Licence	66
- Pride in York	150
- New Operating Model	300
- Energy Storage	50
	911
Total Expenditure Pressures	7,068
Expenditure Reductions:	
- Children, Education and Communities	(1,353)
- Economy and Place	(909)
- Customer and Corporate Services	(1,186)
- Health, Housing and Adult Social Care	(1,783)
- Corporate Savings	(750)
Total Expenditure Reductions	(5,981)
Changes in Income	

- Losses in Specific Grants		880
- Business Rates Funding Accounting Adjustment (offset below)		3,048
- Business Rates		(1,200)
Total Changes in Income		2,728
One off Income		
- Social Care Grant (funding ongoing budget)		(735)
- Transitional Protection Grant (funding one off investment)		(764)
- New Homes Bonus (funding one off investment)		(147)
		(1,646)
Revised Projected Budget Requirement		119,659
Funding		
Funding Streams:		
- Council Tax		(81,630)
- Revenue Support Grant		(8,580)
- Business Rates Baseline	(24,303)	
- Business Rates Accounting Adjustment	(3,048)	
- Business Rates Retained Income		(27,352)
Projected Funding		(117,562)
One off Funding Streams:		
- Collection Fund Surplus (funding ongoing budget)		(2,097)
		(2,097)
Total Funding		(119,659)
Overall Funding Gap		0

Annex 2 2017/18 Savings Proposals

Ref	Proposal Description	2017/18 Impact £'000		2018/19 Impact £'000	Total Saving Impact £'000
		Agreed last year	New Savings		
HEALTH, HOUSING AND ADULT SOCIAL CARE					
HHASC1	Stop CAB Debt Worker Cease specific housing related funding/supporting of CAB Debt Worker. Service to be provided as part of more generic debt advice, as well as additional debt advice funding through the FISG, which will be open to the CAB		17.5	17.5	35
HHASC2	Housing Staffing The Landlord Services restructure along with management savings arising from potential outsourcing of the Travellers site management and integration of Yorhomes leads to additional staffing savings across Housing General Fund		34	34	68
HHASC3	Yorhome / Housing Association Stock Transfer management of Housing Association stock from HRA to General Fund alongside integration of management functions	5			5
HHASC4	Empty Homes Seek to undertake work on behalf of other Local Authorities creating internal saving	10			10
HHASC5	Housing Commercial Properties Transfer HRA commercial properties into the General Fund. This will provide a net income to the General Fund.	14			14
HHASC6	Sexual Health Savings arising from newly commissioned service. The target saving is the balance of an overall budget reduction of £448k over 2016/17 to 2017/18.	48			48
HHASC7	Substance Misuse - Drugs and Alcohol Targeted savings within substance misuse services from revised procurement. Profile of savings agreed by Executive August 2016.	75		100	175
HHASC8	Smoking Cessation Redesign of smoking cessation service bringing elements of the service in house to provide savings. The target saving is to reduce the budget by £100k over 2016/17 to 2017/18.	50			50
HHASC9	Wellness Service Proposed new operating model for promoting sport participation and physical activity will be more focused on commissioning and partnership working with other sectors and less on CYC delivery of services. Further efficiencies will be gained by integrating some elements of service provision with the new Integrated Wellness Service		50		50
HHASC10	Dental Health Reduction in service to provide only the mandatory epidemiological survey. The target saving is to reduce the budget by £20k reduction over 2016/17 to 2017/18.	12			12
HHASC11	Contribution towards Adult Social Care preventative services - Given the government's decision to cut the Public Health Grant this level of funding is not sustainable and cannot be justified in the face of cuts to public health services that are mandated. Efficiencies can be gained by integrating neighbourhood focused prevention activity in adults services e.g. falls prevention, social prescribing and social isolation into the Integrated Wellness Service.		50		50
HHASC12	Contribution towards Adult Social Care preventative services delivered by the voluntary sector - Given the government's decision to cut the Public Health Grant this level of funding is not sustainable and cannot be justified in the face of cuts to public health services that are mandated. Efficiencies can be gained by integrating funding allocated to community and voluntary sector with other CYC budgets across Directorates		25		25
HHASC13	Staff Restructure Staff restructure of policy and strategy staff	10			10
HHASC14	Assessment & Care Management model Implementation of a new operating model which will review and streamline current processes, pathways and resources. This will mean better use of technology and working with communities to ensure we prevent, reduce and delay people's need for social care.		295	295	590
HHASC15	Residential Care Promote alternatives to residential care, such as extra care and community services, to support customers and reduce the number needing residential care by 10%. This is the second of a three year programme saving £101k over the three years.	34		34	68
HHASC16	Nursing Care Promote alternatives to nursing care, such as residential and extra care support, as well as intervening earlier to prevent and delay people needing nursing care, reducing the percentage of customers needing nursing care by 10%. This is the second of a four year programme saving £467k over the four years.	156		156	312

Ref	Proposal Description	2017/18 Impact £'000		2018/19 Impact £'000	Total Saving Impact £'000
		Agreed last year	New Savings		
HHASC17	Community Support Improve reablement (intensive short term support) and increase the use of assistive technology to support customers to retain their independence without the need for ongoing support, or reduced support. This is the second of a four year programme saving £696k over the four years	232		232	464
HHASC18	Transforming Care – Learning Disability customers Delivering innovative day support, accommodation and support solutions for learning disability customers in response to the Transforming Care agenda and the Winterbourne Concordat and bringing individuals back to the city from out of area. This is the second of a three year programme saving £1.575m over the three years.	472		431	903
HHASC19	Carers Investment in 2017/18 in our Carers' Offer will reap greater long term benefits across the health and social care economy. The investment will be used by a lead provider to expand and co-ordinate services across the voluntary sector which improve carers' mental, physical and emotional wellbeing.		-25	275	250
HHASC20	Transport of customers to services Reducing use of taxis and the fleet by working with individuals to support them to use public, voluntary and other forms of transport. This is the second of a four year programme to reduce travel costs by £272k.	48		50	98
HHASC21	Older Person's Homes residential care fees Increase weekly care home fees charged to 27 residents with means from £601 per week to £643 per week. This is the second and final stage of recovering the full cost of the care it provides in its own homes.	23		-1	22
HHASC22	Commissioned Contracted Services Reduce Be Independent's contract value in line with the current agreement.		50	50	100
HHASC23	Contracted Services Review current contracts and assist those providers where funding reduces/ceases to access other sources of income. This the final year of a two year programme saving £110k over the two years.	75		0	75
HHASC24	Sheltered Housing with Extra Care Review and improve model of care within council run extra care schemes to generate savings.		23	23	46

1,263	519	1,697	3,479
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CHILDREN, EDUCATION AND COMMUNITIES

CEC1	Neighbourhood Management Team A reorganisation of the team will result in a saving whilst ensuring greater focus is placed on supporting the delivery of ward schemes		17	16	33
CEC2	York Museums Trust A reduction in revenue grant support to YMT will be replaced by additional capital investment to ensure a continued level of support over the next three years. This package of support will enable YMT to improve its visitor facilities and product and, in consequence, income streams and longer-term self-sufficiency.		200	100	300
CEC3	Prevention and Early Intervention Services - New Operating Model Following the work with schools and other organisations, continue the implementation of the new place-based operating model which incorporates all current prevention, early intervention and play services for children, young people and families.	490		387	877
CEC4	Early Years Services Review and restructure the Early Years services to create an integrated Early Years Sufficiency, Strategy and Quality team. This will generate savings through eliminating duplication.	96		40	136
CEC5	Home to School Transport Implement the previously agreed withdrawal of bus transport to Manor School from September 2017. Explore a reduction in the number of vehicles in total by use of larger vehicles, review the use of passenger transport assistants / escorts for SEND children, provide more support to enable SEND children to travel independently, and increase the use of personal budgets to parents for their children's transport.	200		206	406
CEC6	Local Safeguarding Children Board Review the management and support arrangements to the LSCB		20	0	20

Ref	Proposal Description	2017/18 Impact £'000		2018/19 Impact £'000	Total Saving Impact £'000
		Agreed last year	New Savings		
CEC7	Looked After Children Invest to Save project utilising funding already approved in the CEC capital programme to develop more specialised services in the city for the small cohort of young people with very high needs currently placed in high cost settings outside York.	200		350	550
CEC8	The Glen Respite Care Centre Develop an alternative new model of provision to provide targeted specialist care for children with the most complex needs, to support them to remain in the care of their own families. This could become a regional resource to generate income.	75		75	150
CEC9	CRB Safer Recruitment Checks Savings following the reduction in staffing within the directorate.		5	0	5
CEC10	Healthy Child Service Develop and implement the new service model as part of the locality based Early Help arrangements		50	100	150

1,061	292	1,274	2,627
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Ref	Proposal Description	2017/18 Impact £'000		2018/19 Impact £'000	Total Saving Impact £'000
		Agreed last year	New Savings		
ECONOMY AND PLACE					
EP1	Public Protection - Reduction in Staffing - Reduction of 1 x FTE Trading Standards Officer. Reduce advice to York CAB's advisors on Civil Law and increase use of volunteers.		45		45
EP2	Public Protection - Reduction in Staffing - Reduction of 0.5 FTE Licensing Officer post from the establishment		15		15
EP3	Make It York Additional income contribution from the Council company Make it York related to city centre income generation		100		100
EP4	Neighbourhood Working - Bowling Greens Pass greens over to self management and remove role of green keeper		32		32
EP5	Neighbourhood Working - Management Rationalisation of Management roles across the overall service	27			27
EP6	Neighbourhood Working - Allotments To work with the community to pass over administration of the service, allowing for the release of the requirement for an allotment officer (part year saving in 2016/17)	12			12
EP7	Transport - Parking Services Reviewing parking operations, regulation and administration to deliver efficiencies and potential for generation of additional income.	75			75
EP8	Transport - Income from Bus Lane Enforcement Income is dependent on the number of violations and Penalty Charge Notices issued on Coppergate. The service will also review other possible bus lane enforcement options.		125		125
EP9	Transport - CCTV - The current West Offices security contract procurement has the potential to bring in additional private sector income/savings. The provision of the CCTV service will need to be reviewed, with the potential to be removed, if the procurement exercise does not achieve the identified savings/income generation.		75		75
EP10	Parking Income Increase in parking charges including: * 10p per hour general increase * Inflationary Respark increase * Contract Parking charges increase * Rationalisation of Permit discounts Refer to the Fees & Charges report for full details		151		151
EP11	Highway Regulation Additional income from fees and charges reducing the net cost of the service to the council.	25			25
EP12	Building Control Additional income arising from increase in fees and charges		10		10
EP13	Land Charges Additional income arising from increase in fees and charges		7		7
EP14	Increase the return of the commercial portfolio by: Review of the commercial portfolio to dispose of less profitable assets and invest in higher yield assets	125			125
EP15	Economy & Place - Policy & Strategy Savings arising from staff reductions and review of corporate subscriptions	85			85
		349	560	0	909

CUSTOMER AND CORPORATE SERVICES

CCS1	Registrars Office General efficiencies		10		10
CCS2	Crematorium Additional income anticipated following January 2017 2.4% fee increase		40		40
CCS3	Internal Audit - Reduction in fee - Recharge of the teams time to the HRA and negotiate a reduction in audit fee and work	30			30
CCS4	Efficiencies from the Mansion House - To create efficiencies from the Mansion House operation once the refurbishment is completed		35		35
CCS5	Review of services across the Legal service area 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	154			154

Ref	Proposal Description	2017/18 Impact £'000		2018/19 Impact £'000	Total Saving Impact £'000
		Agreed last year	New Savings		
CCS6	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.	100			100
CCS7	ICT Additional Income Increased income through external sales opportunities	25			25
CCS8	York Financial Assistance Scheme (YFAS) Reduction of YFAS budget.		100		100
CCS9	HR Strategic Development and Directorate Support Major restructure of HR Services focussed around the delivery of the organisations priorities to create a smaller core team. Additional non core activity will be resources through more flexible models/sharing with other organisations. The target is to reduce the overall budget by £290k	190			190
CCS10	HR Training and Workforce Delivery Unit (WDU) Change model of delivery to target a 50% reduction in staffing non-grant funded training budgets.	50			50
CCS11	Business Support Services Staff Restructure Once digitalisation and consolidation has been completed and work embedded, further reviews can be conducted to drive out greater efficiencies. As more services are placed online and processes become more automated there will be a less of a need for admin support	22			22
CCS12	External use of West Office floor space to generate additional income - With reduction of Council wide budgets by 30% and a corresponding reduction in the workforce, it is estimated that one floor of West Offices will be available for rental to external partner organisations. Already significant progress towards this target and a £175k saving was achieved in 2016/17.	325			325
CCS13	Staff Restructure Restructure of Policy, Strategy and Performance staff	105			105

1,001	185	0	1,186
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Corporate Services

CORP1	Treasury Management Saving on the cost of borrowing from changing debt repayment calculation as outlined in the Treasury Management report		750	0	750
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Total Savings	3,674	2,306	2,971	8,951
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4 Year Financial Strategy 2016/17 to 2019/20– Health, Housing and Adult Social Care

Introduction

1. Adult social care and health 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.
2. The current model of delivery isn't sustainable. The first contact a customer usually has is when something has gone wrong leading to greater dependency on long term support such as home or residential care.
3. The department is developing a model which shifts the support from the end of the customer journey when a crisis point is reached to intervening earlier and, where possible, preventing it being reached in the first place.
4. The department will “invert the triangle” of the care and support model currently adopted by firstly looking at the capacity of the individual and their community to maintain their independence. Social Care services will be there once all other solutions have been tried. The model in broad terms is:
 - Stage 1 – Provide information and advice to customers to help them before they need Social Care. Develop communities to support the individuals living there. Provide advice to customers on changing their lifestyle to support them in retaining their independence
 - Stage 2 – Assist customers to maintain their independence. Encourage and expand use of technology and equipment (eg alarm response service)
 - Stage 3 – Provide short term intensive support (reablement) to customers to secure their independence. Work with Health to ensure both health and social care needs are addressed
 - Stage 4 – Encourage take up of personal budgets to allow customers to assess for themselves what they need to achieve their outcomes
 - Stage 5 – Provide support for those needing complex and long term packages of care

5. The new model places greater emphasis on preventative services and intervening early. The department will work with partners, communities and individuals to address issues about:
 - Social Isolation and loneliness
 - Preventing Falls
 - Older and vulnerable people's nutrition
 - Accessibility to their community with accessible and affordable transport options
 - Low level, practical support to maintain their households and independence
 - Supporting carers to maintain their caring role
6. A successful model will have responsive and supportive communities helping people remain independent, fulfilling their lives and reducing the need for social care intervention
7. The Government also announced in the settlement its intention to continue and expand health and social care integration using the Better Care Fund as its vehicle. The fund nationally will increase from £3.9bn in 2016/17 to £5.4bn by 2019/20.
8. The Better Care Fund in York is a £12.1m pooled budget between the Vale of York Clinical Commissioning Group (VoYCCG) and the Council which must have a plan to meet the following national conditions:
 - maintained social care provision
 - seven-day services provision to prevent unnecessary non-elective admissions
 - better data sharing
 - a joint approach to assessment and care planning
 - agreement on impact of changes to some providers
 - agreement to invest in out-of-hospital services
 - agreement on a local action plan to reduce delayed transfers of care.
9. The integration with health over the coming years will be a key driver in improving the support offered to residents currently and the council will have to work with key partners, such as the NHS and Public Health to make it successful. However, this ambition needs

to be set against the significant and mounting financial pressures in the VoY CCG, which may hamper progress.

Approach to Protecting Priority Areas

10. The Directorate has reviewed all service areas and some areas have been protected in 2016/17 and 2017/18. Services will continue to be reviewed and any improvement to the benefit of the customers or users of the service will be considered. Protected services in 16/17 and 17/18 include:
 - The supported employment workshops and offering customers work experience in other settings
 - Several commissioned contracted services offering a range of support as they are considered critical in delivering the early interventions and prevention approach
 - Early intervention and prevention contracts
 - Emergency Planning as the number of staff (2) are already at minimum levels to plan and co-ordinate the Council's response to significant events and emergencies
 - Community Safety which includes management and delivery of the Council's response to anti social behaviour. Additional funding of £234k was provided in 2016/17.

Medium Term Efficiencies and Savings

11. Budget reductions over the next four years will mainly rely on the successful implementation of the new operating model for Adult Social Care. The majority of the savings in 16/17 and 17/18 will generate more savings over the following two years but there are other areas which will be reviewed and expected to deliver future savings.
12. Assessment and Care Management – The new operating model intends to reduce the volume of customers accessing social care and this will impact on the size of the assessment and care management function needed to support customers. Review in this area will also:
 - Simplify and standardise practice and process, sharing best practice where appropriate

- Use technology to improve the productivity with which staff work
 - Encourage self assessment so customers can determine for themselves whether they are likely to be eligible for services
 - Explore opportunities for joint working with Health Colleagues where appropriate
13. The support to carers will be further developed. £150k will be invested from budget set aside for implementing the Care Act 2014. It is widely acknowledged that carers are a vital component in the health and social care economy and investing in support to carers has been shown nationally to generate savings in other care budgets
14. Savings will be generated from the approved Older Person's Accommodation Programme (OPAP) by re-providing the care and support currently given in our homes. Although investment is needed in the early years to facilitate the programme, the annual budget saving should be in excess of £400k by 2019/20. Members will continue to receive reports at crucial decision points.
15. In house small day services will be reviewed and remodelled where appropriate to provide better outcomes for individuals attending these services.
16. Existing contracts will be reviewed to determine if there are any efficiencies to be achieved by retendering, commissioning with Health or exploring any other opportunities which may present themselves.
17. In addition to the ongoing work in Adult Social Care, the Directorate is seeking to making services self-financing wherever practicable and maximising the return from externalised service provision - key proposals include:
- A saving through reviewing the management of YorHome, the councils social lettings agency and management of housing stock on behalf of housing associations
 - A saving from undertaking work on Empty Homes for other LA's
 - Potential to externally trade the councils housing repairs service to deliver income
 - :A saving through reviewing the management of the council's three travellers sites

Housing Revenue Account savings

18. General Fund Savings will be achieved through realignment / transfer of services between the Housing Revenue Account & General Fund
19. In order to manage the HRA with the reduced levels of income as a result of the rent decreases over the four year period 2016/17-2019/20 and the increased levels of sales forecast, cost savings totalling £1.5m have been identified. The savings to be achieved in 2017/18 total £505k are detailed in annex 5b of the report.
20. Including the £560k savings identified in 2016/17 there remains £435k target to be delivered and it is proposed that these are found from continuing to review all HRA budgets.
21. The Business Plan includes a number of assumptions particularly regarding the number and value of 'High Value Sales' that will impact the overall account and therefore the value of savings in future years will need to be closely monitored and additional proposals brought forward where necessary. It should be noted that the implementation of the sale of 'high value' council homes has been delayed by the government until April 2018.

Decisions Required

22. The decisions that are set out in the 2017/18 savings provide the basis for moving forward over the next three years. Specific reports over the coming months will need to be considered. These will describe in more detail how the principles and intentions above will be turned into a practical way of delivering social care in the city. Investment will be needed in terms of capacity and resources to develop and implement the fundamental change in the way services are currently delivered.

Risks and Impact Assessment

23. Current customers will be impacted by changes to the services. Customers will be fully informed and where changes make a difference to services received, the transition will be a managed process. The benefits to all current and future customers of moving

to a sustainable model which promotes independence are based on the likelihood of better outcomes as well as financial sustainability. It is considered that the mitigated impacts on customers are necessary to move to a sustainable model.

24. The level of change needed will require significant resource in the transition to the new model of working. If this is not available, there is risk around the deliverability of these proposals, which could impact on services to customers.

4 Year Financial Strategy 2016/17 to 2019/20- Children, Education and Communities Directorate

Introduction

1. Children, Education and Communities Directorate in York is highly regarded and high performing. Benchmarking data shows that York are one of the cheapest children's services in the country and currently spend one the least amounts per capita on looked after children services in the country.
2. The service has effective and appropriate structures in place to deliver our statutory responsibilities and also has a range of non statutory services that prevent the need for a greater spend on more expensive specialist services. Social worker caseload sizes are appropriate and there is the correct ratio of social workers to managers to ensure effective case management and professional supervision. Any reduction to these current staffing levels would result in an unacceptable level of risk.
3. There is a small central team that commissions and quality assures school improvement, any reduction of this would present a risk to effectively performing our statutory responsibilities.
4. Children's services budgets are allocated into three categories that broadly describe the focus of the services that each budget funds:
 - Achieving
 - Safer
 - Resilient
5. Communities budgets cover:
 - Sports facilities, libraries, culture and museums provision -
An extensive programme of remodelling services over recent years has lead to a wide variety of new forms of service delivery including trust, social enterprise, local authority company and private sector led models. These approaches have yielded significant efficiency savings. York now has high performing services, in some cases nationally renowned, with value for money profiling against nearest neighbour comparators showing expenditure ranging from average to lowest third

- Learning Services -
These services are now funded entirely by external grant and user income
- Ward Budgets -
This covers the ward budgets, the Communities and Equalities Team that supports it, and grants to voluntary sector infrastructure organisations

Approach to Protecting Priority Areas

6. All areas of the Directorate have been reviewed and certain service areas have been protected in 2016/17 and 2017/18. It is envisaged that this will remain the case over the medium term. Protected services include:
 - The Education Psychology service which is the statutory assessment service for SEN children
 - There are no savings proposed within children's social care services, any reductions to social care staffing levels have been ruled out as this may place vulnerable children at risk.
 - The early intervention fund provides a range of small grants to voluntary sector organisations who support the Children and Young People Plan priorities
 - Investment in 'Troubled Families' programme that ensures the Council achieves its payment by results target
 - Voluntary sector grants have been reviewed to ensure that all funding aligns to the Council's priorities. Reductions in grants have already taken place. However, core grant funding to organisations such as Citizen's Advice Bureau, Council for Voluntary Services and Welfare Benefits Unit will remain protected as this would damage the capacity to make the necessary transition. There will, however, be scope to refocus this expenditure from 2018/19.
 - Ward Committee funding will remain unchanged
 - Reductions to some cultural services will be necessary as outlined below, but funding for some smaller scale cultural services will remain unchanged. This is a small budget which if removed would

jeopardise the ability of the organisations to attract funding from other sources and threaten the survival of the organisations

Medium Term Efficiencies and Savings

7. Key approaches to achieving general fund budget reductions within Children, Education and Communities over the next three years will be as follows:

Achieving

8. The Childcare strategy team focuses on delivering the Council's statutory duty to ensure sufficient places in early years provision. This service will be restructured to ensure no duplication of work with other areas and will take into account changes to central government policy.
9. Savings can be achieved in the early years learning and welfare team which provides support and advice to schools, private and voluntary settings, as schools and other early years providers can commission (and fund) the services they require directly.
10. A review of Home to School Transport Provision will take place. Options may include withdrawal of some services, further developing independent travel skills where appropriate and provision of more efficient transport options.

Safer

11. Supporting the development of local specialist foster carer capacity that will enable us to 'Make York Home' for most of our looked after children, although some initial investment will be required.
12. Capital and revenue investment is required to transform the focus and remit of current short breaks residential provision at The Glen respite care home. This proposal would see development of an alternative provision that provides targeted specialist care for children with the most complex needs to support them in the long term care of their families.

Resilient

13. Key approaches to achieving general fund budget reductions within Communities and Equalities over the three years will be achieved

by making services self-financing and maximising the return from externalised service provision.

14. Key proposals include:

- A saving through a reduction in the Yorkshire Museum Trust (YMT) grant contribution as YMT explore alternative funding and income generation options. This includes a £100k saving agreed by Executive in September 2015, which was deferred to 17/18 to allow for discussion with YMT on their capital plans. Proposals are made within the capital strategy to provide additional capital which will facilitate this revenue reduction. Some continuation of grant contribution from the Council is advisable in order to i) avoid other key funders withdrawing, ii) continue to give the Council some influence iii) reflect the fact that YMT undertakes tasks for the city e.g. storage that have no commercial potential.
- A significant saving through re-tendering the library service. The current contract runs to March 2019. It is expected that Explore York will deliver new models of community provision and new income streams allowing a viable reduced cost service in the next contract period

Decisions Required

15. The decisions that are set out in the 2017/18 savings provide the basis for moving forward over the next three years, as the majority of savings themes originate in 2016/17 and 2017/18. Specific reports over the coming months will need to be considered. These will include further consideration of policy in relation to home to school transport.

Risks and Impact Assessment

16. Restructuring of the Childcare strategy team requires that the team continue to ensure sufficiency of places. There may be new pressures on the childcare market in September 2017 following the extension of free childcare places.
17. There is a risk of challenge via tribunal, external challenge and significant reputational risk around changes to home to school transport provision

18. Voluntary sector capacity (both organisations and individuals) is essential to deliver the budget reduction in many service areas. If this resource is not available this may lead to a reduction in service provision.
19. It is believed that reduction in funding to external organisations will not affect the service provision as those organisations may continue to operate with a more commercial focus. This may include additional charges to the public.

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4 Year Financial Strategy 2016/17 to 2019/20 – Economy and Place Directorate

Introduction

1. The newly formed Economy and Place Directorate includes services that have undergone significant reductions in staffing and budgets in recent years whilst maintaining some of the Councils most visible frontline services, including 6 million refuse/ recycling collections, 4 million Park and Ride Journeys and maintaining and investing in the highways and transport infrastructure. From a regulatory perspective the Directorate delivers Public Protection, Planning, Development control and Highway Regulation functions thereby have a significant impact on the wider economy and people of York beyond the directly delivered services.
2. Whilst many of the services within the Directorate are statutory the level of the service could be reduced. The services though are often highly visible, front-line preventative services that are in demand from residents and have a long term impact of reducing costs elsewhere in the Council.

Approach to Protecting Priority Areas

3. All areas of the Directorate have been reviewed and certain service areas have been protected in 2016/17 and 2017/18. It is envisaged that this will remain the case over the medium term. Protected services include:
 - There will be no introduction of additional charges or any significant changes in operations for domestic waste customers
 - No additional charges will be applied to services operating from Household Waste Recycling Centres (HWRC's) and opening times will remain as they are currently
 - As a Lead Local Flood Authority under the Flood and Water Management Act, the Council are required to deliver a range of responsibilities for flood risk management

- The Highways budget for day to day highway maintenance for potholes, gully emptying and bridge maintenance. Additional investment is also provided within the budget for Highways.
- The Winter Maintenance (gritting) budget will be protected and will also receive additional funding of £52k to increase the number of rounds
- The Dial and Ride service which is the public transport provision for the most vulnerable in society
- School Crossing Patrols
- The Concessionary Fares scheme will remain unchanged
- The current level of subsidised bus services will be maintained

Medium Term Efficiencies and Savings

4. As a result of the savings made to date the Highways function has been reduced to a small revenue budget which covers day to day maintenance with the potential for only incremental savings through operational efficiencies. The Highways Capital Programme including maintenance and development delivers our statutory duties to maintain the highway network. Significant investment is proposed for capital investment within Highways over the coming years in order to slow down the deterioration of the network and the service will be implementing new working practices / technology to undertake repairs. New use of digital technology is also being used to provide greater information regarding the state of repair of the network and focusing on locations where repairs are required. The workforce has recently been reduced to ensure that a sustainable core of skills and knowledge is retained with a degree of job security and then as the Capital Programme fluctuates from year to year sub contractors are being used to complement this core staff.
5. The Waste service will be concentrating on operational efficiencies and containing cost growth. Cost pressures on the service are principally existing budget overspends, recycle costs and income from green waste additional bin services. The service is implementing new rounds to cover recycling and garden waste from April 2017 which will mitigate these overspends along with rigorous

cost control regarding the use of temporary staff resources. There are no savings planned in 2017/18 for Waste Services but in the medium term a review of residual waste rounds will be undertaken and market testing of the Service will be considered in order to ensure collection services are as efficient as possible.

6. Public Protection, Planning, Development Management, Building Control and Highway regulation are all moving towards a model in which a core of knowledge and skills is retained from anticipated fee revenues with significant fluctuations in workload managed through the use of external providers and where possible through the use of shared staff resources with other Local Authorities. This approach allows key staff to be retained. The exception to this approach is the Local Plan development for which no direct fee revenue is attributable.
7. The most significant revenue in the Transport area is parking income totalling £6.8 million. Car parking charges are a key revenue generator for the council providing revenues for Highways and Transport expenditure but are one of a number of options that individuals have when travelling into the city centre and it is important that the prices of alternative public transport options are taken into account when prices are set. Charges will be increased in 2017/18 at most car parks by 10p per hour. Any future increases in charges will be considered at a later stage recognising the obligations set out as part of the new Park & Ride tenders.
8. Another area of additional revenue is civil (camera) enforcement of bus lanes. The service will continue to investigate potential sites where enforcement would reduce delays to public transport.
9. It should be noted that most other discretionary transport expenditure (excluding protected services such as Subsidised Bus Services, Concessionary Fares and School Crossing Patrols) is heavily reliant on external funding in order to undertake modal shift promotion activity. The council has been very successful in gaining external funding (including £1.2m Access funding awarded for 2017/18 to 2019/20) and will continue to seek opportunities for further grants.
10. Increasing community involvement will facilitate a reduction from grounds maintenance and cleansing budgets by transferring spaces increasingly to community management (this has already happened

in relation to bowling greens and allotments). This will entail setting clear standards for core Council regimes, e.g. street cleansing whilst entering into a detailed discussion with wards about any enhanced level of activity they wish to organise through community activity over and above this standard, as well as tasks that can be transferred to the community or ceased. This approach will be supported through enhanced ward funding to support community approaches and through the deployment of staff trained to support communities.

11. Maximising the return from externalised service provision include a proposal to reduce the grant over time to Make it York (MIY). It is expected that MIY will deliver additional income streams and efficiencies.
12. Opportunities will be reviewed over the 4 years to rationalise assets, generate significant additional income, and achieve additional capital receipts (which could in turn reduce debt). This will require a radical review of assets, and consideration of opportunities to work with the private sector, and/or to establish a wholly owned development company. Members will need to consider its appetite for risk and return

Decisions Required

13. The decisions that are set out in the 2017/18 savings provide the basis for moving forward over the next three years, as the majority of savings themes originate in 2016/17 and 2017/18. Specific reports over the coming months will need to be considered including whether to extend bus lane enforcement, changes to CCTV provision and the council's asset management policy.

Risks and Impact Assessment

14. Within Waste Services, there are planned changes for recycling and garden waste rounds being implemented from April. This is addressing current ongoing overspends rather than providing savings. The delivery of these savings, which require agreement from unions as working practices are changed and managing customer impact will be key in then introducing further efficiencies. There is a risk that if these efficiencies cannot be achieved this would necessitate the requirement to reduce service levels to balance the budget. Furthermore, any delay or failure to achieve

efficiency savings would jeopardise any potential benefit which may be achieved from market testing.

15. The Allerton Park Waste Recovery Plant will be operational within 2017/18. The financial model assumed the council is able to maximise external income opportunities through the use of commercial waste sourced by Yorwaste. The new contract also requires changes to the Waste Disposal service as waste will be taken to Transfer station at Harewood Whin and then transported on to Allerton Park. One off costs in 2017/18 are to be funded from the Waste Reserve however the assumptions in the financial forecasts will need to be closely monitored and managed.
16. The Directorate continues to be reliant on external income from income from sources such as Planning and Parking. These have in the past resulted in overspends within the Directorate that needs to be managed. These budgeted income levels require the city to have continued development and a healthy city centre offer.
17. There is a risk that the asset portfolio does not release revenue/capital receipts. Early consideration of development opportunities is required, and some additional external resource may be needed to achieve a radical review of commercial portfolio.
18. The Directorate is at the forefront of delivering significant capital schemes over the next four years including York Outer Ring Road and York Central (through West Yorkshire Transport Fund). This will require appropriate project management and capacity across support services and regulatory function the council to enable timely delivery.

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4 Year Financial Strategy 2016/17 to 2019/20- Customer and Corporate Services Directorate

Introduction

1. The Directorate delivers a range of professional support (finance, legal, HR), the Councils ICT infrastructure, a wide range of customer services (customer centre, benefits,) collects income (council tax, NNDR, service related issues e.g. adult care) and manages a range of assets/facilities management.
2. The majority of services are non statutory, though there are some functions such as production of the accounts, production of a budget which are statutory responsibilities. In addition both the Chief finance officer, and the monitoring officer have statutory roles, and both require adequate resources to conduct those roles. The Chief Finance officer role has statutory powers to ask Council to provide resources sufficient to deliver the role. There are clearly also functions such as benefits, collection of council tax/NNDR which are also statutory activities.

Approach to Protecting Priority Areas

3. All areas of the Directorate have been reviewed, and all areas will contribute to savings. Certain areas have been protected wherever possible and this includes;
 - In legal services, work relating to childcare will be protected from any significant savings
 - In financial procedures work relating to financial assessments in relation to vulnerable adults will be protected
 - Core statutory services such a financial accounts, and general legal work will be protected, though there will be efficiencies in these areas over the next four years
 - Information Governance e.g. FOI's, Data Management, has been protected recognising the need for this work to be maintained across the whole Council

- In Customer services, whilst there are significant savings the service has achieved in recent years. Savings going forward will be deferred to later years, with the expectation that work around the new website, and customer system will allow for efficiencies without impacting on service levels.

Medium Term Efficiencies and Savings

4. As the main cost within the Directorate is staffing, a large proportion of savings will be delivered through restructures within services. This applies across most areas of activity of the Directorate. This will have varying issues and implications, but will inevitably result in fewer staff being employed and a need to consider how service delivery can be prioritised with a view to managing staffing reductions. Clearly in many respects the need for support services is actually increased during a period of significant change/transformation. There may be a need to consider the provision of specialist support work on major projects purely on a chargeable basis.
5. As the Council over the next four years will change in terms of shape and size, there will be opportunities to generate additional income through West Offices, renting space out to further external organisations. There may also be a need to push further on flexible/home working across all areas to release office space which can also contribute to income targets.

Decisions Required

6. The decisions that are set out in the 17/18 savings provide the basis for moving forward over the next three years and if required specific reports will be considered over the coming months.

Risks and Impact Assessment

7. Impact on support services (finance, legal, ICT HR) during a period of significant transformation and change when Council services will need high degree of support staff – this is an inevitable risk in terms of being able to support the range of projects the Council may embark upon. A flexible approach to resourcing may be needed, with additional resource (financed by the specific project) being brought in at appropriate times.
8. Release of West offices space does not happen as required – this will require careful monitoring, and the release of space not just from general reductions in staffing, but through more radical approaches to flexible working.

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STANDARD CHARGES FOR RESIDENTIAL CARE HOMES

Type of Service	Current Charge 2016/17 £		Charge 2017/18 £		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 2017

Age	Current Weekly Allowance 2016/17 £	Weekly Allowance 2017/18 £	Percentage Increase %
0-4	£126.00	£127.26	1.0%
5-10	£139.02	£140.42	1.0%
11-15	£159.04	£160.65	1.0%
16-17	£185.01	£186.90	1.0%

Rates for 2016/17 are the same as for 2015/16, these rates are advised by the government every April

I have assumed a 1% pay increase but we will be required to pay the advised rates

Foster Carer Fees and Capacity Payments

Grade	Skill Fee £	Capacity - Total payments	
		2 £	3+ £
Accredited	31.28	15.64	31.28
Experienced	62.55	31.27	62.55
Enhanced	166.81	20.85	41.70
Advanced	486.87	60.86	121.72

Any increases in these rates are linked to the CYC APTC pay award

1% pay award was agreed in 2016/17, these rates have been increased by 1%

ADDITIONAL FOSTER CARERS ALLOWANCES
PAYABLE FROM 1st APRIL 2017

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

There may be other costs which are not covered by the weekly fostering allowance. These additional costs fall into two broad categories – those related to the child or young person in

Child related costs

a) Activities and interests

Children are encouraged to enjoy out of school activities, which enrich their leisure and play. Examples have been drama, horse riding, singing, instrument lessons, sport, swimming, dance, A foster carer can request support with the costs of an exceptional enrichment activity for an amount up to £500 per child per annum. If there is a greater cost, this should be discussed as part The cost of hobbies is usually expected to be covered by the fostering allowance. If however a hobby includes an exceptional cost for an event, for example a piece of equipment, then a foster carer may request an additional payment to cover the cost. The maximum sum will be £250 per

b) Clothing allowance (start up)

A child or young person who arrives in a new foster placement without adequate clothing is likely to incur additional clothing costs. A foster carer can claim a clothing allowance at the commencement of the placement of a newly looked after child up to a maximum equivalent to 3x

c) Clothing allowance (exceptional circumstance)

A foster carer may identify a situation in which a looked-after child has an exceptional need for clothing allowance. This might be for a special event such as a wedding or other celebration. For older teenagers this might include school proms or job interviews. Such exceptional needs should be discussed with the supervising social worker (fostering) who will forward a request to the

d) School uniform allowance

A foster carer may request a school uniform grant for a looked-after-child who has recently commenced at a new school. For planned changes in school uniform, for example in moving from

e) Work clothing and equipment

A foster carer may request a grant towards the cost of work clothing that a young person requires at the commencement of training or employment. The maximum sum will be £200 per young

ADDITIONAL FOSTER CARERS ALLOWANCES
PAYABLE FROM 1st APRIL 2017

f) Tuition

Private tuition will not be funded by the Department as it is recommended that this is dealt with in personal education planning. If there is general agreement that additional tuition will be beneficial, this will be addressed by the child's social worker in conjunction with the school and education

g) School trips

All young people will have the opportunity to take part in school trips; the cost ultimately will be supported and covered by children's services.

h) Holiday supplement

A foster carer, in common with other parents and carers must ensure that all looked after children attend school during the school term. It is noted that parents, carers and foster carers may therefore face increased costs for booking holidays during the designated school holidays. In recognition of this increased cost, a supplement is available for each looked-after-child up to a A request for payment of a holiday supplement will need to include evidence that the cost of the holiday for each child is greater than the existing holiday allowance provision.

A foster carer can claim for the costs incurred in purchasing a passport for the child and any visa, which may be required for holiday travel.

i) Nursery fees, after-school, holiday clubs

If a looked after child attends a nursery, after-school club or holiday club, consideration will be given to reimbursing additional costs incurred by foster carers. Agreement for children or young people to attend any of these settings must be made in consultation with the child's social worker and relate to the benefits for the child's educational and social interaction rather than the foster

j) Contact expenses

A foster carer may claim the reasonable costs incurred to facilitate young people maintaining and promoting contact with their parents, siblings or other significant family members

k) Health care expenses

Health care for children are generally exempt from charges under the NHS. In exceptional circumstances, foster carers may request the reimbursement of unavoidable costs, for items which

l) Other exceptional expenses

The above list cannot be exhaustive. A foster carer may request a contribution to cover the costs which may be incurred for a looked after child's participation in a special event family wedding, If a foster carer is aware of any exceptional expense, they may discuss this with their supervising social worker (fostering) in order for the Service Manager (Fostering) to consider the implications. A foster carer should not enter into the commitment to an exceptional expense without checking

Household related costs

Foster carers are expected to have the necessary physical resources within their home to enable them to provide a good quality of service to the children and young people they look after. It is expected that the need for additional equipment and the replacement of any equipment, furniture

a) Equipment and furniture

Foster carers may need additional furniture and equipment before having looked after children placed with them. This may include beds, bedding, storage for clothes, car seats, baby equipment (where applicable). Other equipment costs may be incurred when new long-term placements are organised. These might include the decoration of a bedroom or the provision of new bedding.

b) Equipment, furniture, repairs and replacement

ADDITIONAL FOSTER CARERS ALLOWANCES
PAYABLE FROM 1st APRIL 2017

Over time a foster carer there may be wear and tear on furniture, equipment and furnishings. Foster carers may request a grant towards the cost of renewing such items Where specific damage has been caused by a looked-after child then this should be reported to the supervising

c) Exceptional adaptations

A foster carer may, in exceptional circumstances request financial support for the adaptations to their house to help meet those needs such as providing a long-term placement for children with

Transport

a) Travel and transport arrangements are expected to be discussed as part of the initial planning of all placements. Where circumstances change significantly then foster carers are expected to discuss those changes with their colleagues. There is general assumption that looked after children and foster carers will undertake most journeys in their day-to-day fostering lives, by walking, cycling, and using public transport or in the foster family's car. The cost of local and family

b) Public transport and bus passes

It is assumed that young people aged 12 and over will make use of public transport where necessary for school and leisure activities. Accordingly, all young people are now eligible for an all-day bus pass for First York within the City of York area. For young people placed outside the York

c) Mileage allowance

A foster carer may request reimbursement of their mileage allowance for exceptional journeys, which are above and beyond the local school and family journeys e.g. school journeys greater than 3 miles (each way) transport to contact, hospital or other clinic appointments.

d) Bicycles

For young people aged 11 and over, the purchase of a bicycle with all safety equipment, is eligible for reimbursement if this will enable them to cycle safely to school and for their leisure time. Any proposed bicycle purchase should be fully considered and cost agreed by the Service Manager (Fostering) prior to any foster carer committing to a purchase. Provision of a bicycle should be

e) Mopeds

For young people 16 and over the purchase of a provisional driving licence for mopeds up to 50cc, Compulsory Basic Training (CBT), appropriate safety equipment can be supported. Requests for the support and funding of these items and for a contribution towards the purchase of a moped should be fully considered with relevant parties as part of the travel/transport plan and cost agreed

f) Driving lessons

For young people 17 and over the purchase of a provisional vehicle driving licence and starter pack of 10 driving lessons can be supported but should be considered with relevant parties and cost agreed by the Service Manager (Fostering) prior to any commitment to purchase is given.

ADDITIONAL FOSTER CARERS ALLOWANCES
PAYABLE FROM 1st APRIL 2017

Foster Carer Fees

After initial approval, a foster carer is assessed and reviewed under the accreditation scheme to determine the grade within the fee structure (accredited, experienced, enhanced and advanced) All foster carers on an accredited or higher level are paid a fee when they have a child or young person in placement. Payments of the fee can continue when a foster carer is temporarily without

- i) When a foster carer does not have a child in placement the fee will continue to be paid for up to 2 weeks.
 - ii) When a foster carer takes a holiday break without the foster children the fee may continue to be paid for up to 2 weeks. Foster carers are expected to give a minimum of 1 month's notice to the fostering agency.
 - iii) Foster carers may request two weeks additional fostering fee at any point in the financial year.
 - iv) A maximum of 4 weeks in total in any year will be covered by these payments.
- Foster carers who is undergoing an investigation that prevents them having children placed with them will continue to be paid a fee until the investigation is completed.

Process for claiming an additional payment

In order to ensure consistency in the application of the guidance, it is proposed that all requests for additional payments will be dealt with by the foster carer's supervising social worker. A foster carer will be expected to provide evidence of the cost incurred through receipts or estimates. This can be provided by the foster carer. When social workers, other service managers or independent reviewing officers become aware of an exceptional need or cost for a looked after child placed with a foster carer, they must refer the matter to the supervising social worker (fostering) for their consideration. The authorisation (or not) will be given by the supervising social worker.

Adoption, SGO & CAO
Allowances
PAYABLE FROM 1st APRIL 2017

Age	Current Weekly Allowance 2016/17 £	Weekly Allowance 2017/18 £	Percentage Increase %
0-4	£126.00	£127.26	1.0%
5-10	£139.02	£140.42	1.0%
11-15	£159.04	£160.65	1.0%
16-17	£185.01	£186.90	1.0%

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

SHORT BREAKS ALLOWANCES**PAYABLE FROM 1st APRIL 2017**

Time Band	Standard Sharing Care Current Weekly Allowance 2016/17 £	Standard Sharing Care Updated Weekly Allowance 2017/18 £	Percentage Increase %	Allowance paid to carer of child with additional health needs (i.e.std allow. + 70% enhancement) Proposed Weekly Allowance 2017/18 £	Allowance paid to carer of child with more complex care needs (i.e.std allow. + 60% enhancement) Proposed Weekly Allowance 2017/18 £
0-4 hours	17.60	17.77	1.0%	30.21 (i.e. 17.77 + 12.44)	28.43 (i.e. 17.77 + 10.66)
4-8 hours	26.34	26.60	1.0%	45.22 (i.e. 26.60 + 18.62)	42.56 (i.e. 26.60 + 15.96)
8-12 hours	35.13	35.48	1.0%	60.32 (i.e. 35.48 + 24.84)	56.77 (i.e. 35.48 + 21.29)
12-24 hours	52.65	53.18	1.0%	90.40 (i.e. 53.18 + 36.86)	85.09 (i.e. 53.18 + 31.91)

Assumed a 1% pay increase as per the fostering rates

Contract Care Scheme

	Current Weekly Allowance 2016/17 £	Proposed Weekly Allowance 2017/18 £	Percentage Increase %
Contract Carers	357.49	361.06	1.0%

**Any increases in these rates are linked to the CYC APTC pay award
1% pay award was agreed in 2016/17, these rates have been increased by 1%**

ENVIRONMENTAL HEALTH	2016/17	2017/18	
	Charge (Before VAT) £	Charge (Before VAT) £	Percentage Increase £
<u>HEALTH & SAFETY</u>			
SKIN PIERCERS			
a) Tattoosists	154.00	157.00	1.9%
b) Skin Piercers	154.00	157.00	1.9%
c) Premises	154.00	157.00	1.9%
¼ly payment available by Standing Order			
PRIVATE WATER SUPPLIES (statutory maximum fee) (these fees are charged on a cost recovery basis up to the maximum stated fee)			
Risk assessment (each assessment)	500.00	500.00	0.0%
Sampling (each visit)	100.00	100.00	0.0%
Investigation (each investigation)	100.00	100.00	0.0%
Granting an authorisation (each authorisation)	100.00	100.00	0.0%
Analysing a sample taken under reg 10	25.00	25.00	0.0%
Analysing a sample Taken during check monitoring	100.00	100.00	0.0%
Analysing a sample taken during audit monitoring	500.00	500.00	0.0%
<u>FOOD & SAFETY UNIT</u>			
Export Certificates	61.50	62.00	0.8%
<u>ANIMAL HEALTH</u>			
Pet Shop	137.00	140.00	2.2%
Animal Boarding	137.00	140.00	2.2%
Home Boarding Licence	112.00	115.00	2.7%
Dog Breeding Establishment	137.00	140.00	2.2%
Dangerous Wild Animals - valid for 2 years (excluding vet fees)	229.00	235.00	2.6%
Riding Establishments (excluding vet fees)	205.00	210.00	2.4%
Performing Animals Registration	88.00	90.00	2.3%
Zoos Licence Grant (4 Year Licence)	214.00	221.00	3.3%
Zoos Licence Renewal (6 Year Licence)	263.00	291.00	10.6%
Stray Dogs			
Reclaim Fee (Statutory fee)	60.00	60.00	0.0%
Kennels Fees - Statute only allows the local authority to recover the costs of kennelling the stray	9.75	9.75	0.0%

TRADING STANDARDS	2016/17	2017/18	
	Charge	Charge	Percentage Increase
	£	£	%
FEES FOR THE TESTING AND VERIFICATION OF WEIGHING AND MEASURING INSTRUMENTS			
Standard Hourly Charge	61.00	66.40	8.9%
<u>Explosives Licensing \ Registration</u> (Statutory Charges)			
grant - min separation distance of greater than 0 metres prescribed			
1 year	178.00	178.00	0.0%
2 years	234.00	234.00	0.0%
3 years	292.00	292.00	0.0%
4 years	360.00	360.00	0.0%
5 years	407.00	407.00	0.0%
renewal - min separation distance of greater than 0 metres prescribed			
1 year	83.00	83.00	0.0%
2 years	141.00	141.00	0.0%
3 years	198.00	198.00	0.0%
4 years	256.00	256.00	0.0%
5 years	313.00	313.00	0.0%
grant - where no min separation distance is prescribed			
1 year	105.00	105.00	0.0%
2 years	136.00	136.00	0.0%
3 years	166.00	166.00	0.0%
4 years	198.00	198.00	0.0%
5 years	229.00	229.00	0.0%
renewal - where no min separation distance is prescribed			
1 year	52.00	52.00	0.0%
2 years	83.00	83.00	0.0%
3 years	115.00	115.00	0.0%
4 years	146.00	146.00	0.0%
5 years	178.00	178.00	0.0%
vary the name of license or address of site	35.00	35.00	0.0%
transfer licence	35.00	35.00	0.0%
replacement of licence if lost	35.00	35.00	0.0%
<u>Petroleum Certificates / Licences (statutory charges)</u>			
storage certificates			
not exceeding 2,500 litres	42.00	42.00	0.0%
exceeding 2,500 litres but not exceeding 50,000 litres	58.00	58.00	0.0%
exceeding 50,000 litres	120.00	120.00	0.0%
licence to keep petrol			
not exceeding 2,500 litres	42.00	42.00	0.0%
exceeding 2,500 litres but not exceeding 50,000 litres	58.00	58.00	0.0%
exceeding 50,000 litres	120.00	120.00	0.0%
<u>Consultancy and Court Cases (per hour)</u>			
Officer (Grade 8)	50.00	54.56	9.1%
Officer (Grade 9)	55.00	60.05	9.2%
Officer (Grade 10)	61.00	66.40	8.9%
Officer (Grade 11)	69.00	74.56	8.1%
Officer (Grade 12)	77.00	79.96	3.8%

REGULATORY SERVICES	2016/17	2017/18	
	Charge (Before VAT) £	Charge (Before VAT) £	Percentage Increase %
<u>LICENSING ACT 2003 (Statutory Fee)</u>			
<u>PREMISES LICENCE</u>			
a) Annual Maintenance			
Rateable Value Band :-			
A - nil to £4300	70.00	70.00	0.0%
B - £4301 to £33000	180.00	180.00	0.0%
C - £33001 to £87000	295.00	295.00	0.0%
D - £87001 to £125000	320.00	320.00	0.0%
E - £125001 and above.	350.00	350.00	0.0%
b) Premises Primarily Serving Alcohol in :-			
Rateable Value Band :-			
D - annual maintenance fee * 2	640.00	640.00	0.0%
E - annual maintenance fee * 3	1,050.00	1,050.00	0.0%
c) Grant of Licence/variation			
Rateable Value Band :-			
A - nil to £4300	100.00	100.00	0.0%
B - £4301 to £33000	190.00	190.00	0.0%
C - £33001 to £87000	315.00	315.00	0.0%
D - £87001 to £125000	450.00	450.00	0.0%
E - £125001 and above.	635.00	635.00	0.0%
d) Grant/variation of premises Primarily Serving Alcohol in :-			
Rateable Value Band :-			
D - licence fee * 2	900.00	900.00	0.0%
E - licence fee * 3	1,905.00	1,905.00	0.0%
e) Minor Variations	89.00	89.00	0.0%
<u>PERSONAL LICENCES, TEMPORARY EVENTS AND OTHER FEES</u>			
a) Application for a grant or renewal of personal licence	37.00	37.00	0.0%
b) Temporary event notice	21.00	21.00	0.0%
c) Theft, loss, etc. of premises licence or summary	10.50	10.50	0.0%
d) Application for a provisional statement	315.00	315.00	0.0%
e) Notification of change of name or address prem lice	10.50	10.50	0.0%
f) Application to vary DPS	23.00	23.00	0.0%
g) Application for transfer of premises licence	23.00	23.00	0.0%
h) Interim authority notice following death, etc. of licence holder	23.00	23.00	0.0%
i) Theft, loss, etc. of certificate of summary	10.50	10.50	0.0%
j) Notification of change of name or alteration of rules of club	10.50	10.50	0.0%
k) Change of relevant registered address of club	10.50	10.50	0.0%
l) Theft, loss, etc. of temporary event notice	10.50	10.50	0.0%
m) Theft, loss, etc. of personal licence	10.50	10.50	0.0%
n) Duty to notify change of name and address personal lic	10.50	10.50	0.0%
o) Right of freeholder, etc. to be notified of licensing matters	10.50	10.50	0.0%
p) Supply of copies of information contained in register	10.50	10.50	0.0%
q) Mandatory alcohol condition for DPS to be disappled - new fee	23.00	23.00	0.0%
<u>EXCEPTIONALLY LARGE EVENTS</u>			
Number in attendance at any one time, additional fee :-			
5000 to 9999	1,000.00	1,000.00	0.0%
10000 to 14999	2,000.00	2,000.00	0.0%
15000 to 19999	4,000.00	4,000.00	0.0%
20000 to 29999	8,000.00	8,000.00	0.0%
30000 to 39999	16,000.00	16,000.00	0.0%
40000 to 49999	24,000.00	24,000.00	0.0%
50000 to 59999	32,000.00	32,000.00	0.0%
60000 to 69999	40,000.00	40,000.00	0.0%
70000 to 79999	48,000.00	48,000.00	0.0%
80000 to 89999	56,000.00	56,000.00	0.0%
90000 and over	64,000.00	64,000.00	0.0%

REGULATORY SERVICES	2016/17	2017/18	
	Charge (Before VAT)	Charge (Before VAT)	Percentage Increase
	£	£	%

REGULATORY SERVICES	2016/17	2017/18	
	Charge (Before VAT)	Charge (Before VAT)	Percentage Increase
	£	£	%
<u>GAMBLING ACT</u>			
a) Bingo			
Grant	2,800.00	2,800.00	0.0%
Variation	1,400.00	1,400.00	0.0%
Transfer	960.00	960.00	0.0%
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.0%
Provisional Statement	2,800.00	2,800.00	0.0%
Annual Charge	840.00	840.00	0.0%
b) Adult Gaming Centre			
Grant	1,600.00	1,600.00	0.0%
Variation	800.00	800.00	0.0%
Transfer	960.00	960.00	0.0%
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.0%
Provisional Statement	1,600.00	1,600.00	0.0%
Annual Charge	840.00	840.00	0.0%
c) Betting (track)			
Grant	2,000.00	2,000.00	0.0%
Variation	1,000.00	1,000.00	0.0%
Transfer	760.00	760.00	0.0%
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.0%
Provisional Statement	2,000.00	2,000.00	0.0%
Annual Charge	840.00	840.00	0.0%
d) Family Entertainment Centre			
Grant	1,600.00	1,600.00	0.0%
Variation	800.00	800.00	0.0%
Transfer	760.00	760.00	0.0%
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.0%
Provisional Statement	1,600.00	1,600.00	0.0%
Annual Charge	635.00	635.00	0.0%
e) Betting (Other)			
Grant	2,400.00	2,400.00	0.0%
Variation	1,200.00	1,200.00	0.0%
Transfer	960.00	960.00	0.0%
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.0%
Provisional Statement	2,400.00	2,400.00	0.0%
Annual Charge	515.00	515.00	0.0%
a) Gaming Machines in Alcohol Licensed Premises			
Automatic Entitlement	50.00	50.00	0.0%
b) Licensed Premises Gaming Machine Permits			
Grant	150.00	150.00	0.0%
Variation	150.00	150.00	0.0%
Transfer	25.00	25.00	0.0%
Annual Fee	50.00	50.00	0.0%
c) Club Gaming & Club Machine Permits			
Grant	200.00	200.00	0.0%
Renewal	200.00	200.00	0.0%
Renewal for holder of Club Prem Cert under Lic Act 03	100.00	100.00	0.0%
Annual Fee	50.00	50.00	0.0%
Copy of Permit	15.00	15.00	0.0%
Lotteries			
a) Registration	40.00	40.00	0.0%
b) Annual Fee	20.00	20.00	0.0%

REGULATORY SERVICES	2016/17	2017/18	
	Charge (Before VAT)	Charge (Before VAT)	Percentage Increase
	£	£	%
<u>STREET TRADING CONSENTS</u>			
INSIDE CITY WALLS			
Artists	2,100.00	2,100.00	0.0%
Buskers 1 day	20.00	20.00	0.0%
Buskers 5 days	60.00	60.00	0.0%
Buskers 10 days	100.00	100.00	0.0%
Buskers 1 month	198.00	198.00	0.0%
OUTSIDE CITY WALLS			
Ice Cream	1,680.00	1,680.00	0.0%
Food	1,575.00	1,575.00	0.0%
Non Food	750.00	750.00	0.0%
OCCASIONAL			
Food	55.00	55.00	0.0%
Non Food	40.00	40.00	0.0%
Charities	15.00	15.00	0.0%
INDIVIDUALLY ASSESSED SITES	140,000.00	140,000.00	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%
Charities	15.00	15.00	0.0%
<u>SEX ESTABLISHMENTS</u>			
Grant sex shop/cinema - application fee	911.00	617.00	-32.3%
Grant sex shop/cinema licence fee - grant	n/a	408.00	n/a
Grant sexual entertainment venue - application fee	1,457.00	1,016.00	-30.3%
Grant sex entertainment venue licence fee - grant	n/a	511.00	n/a
Renewal sex shop/cinema	613.00	536.00	-12.6%
Renewal sexual entertainment venue	1,080.00	924.00	-14.4%
Trans/Vary sex shop/cinema	613.00	617.00	0.7%
Trans/Vary sexual entertainment venue	1,080.00	1,016.00	-5.9%
<u>Scrap Metal Dealers - renewable 3 yearly</u>			
Grant / renewal site licence	460.00	460.00	0.0%
Grant / renewal site licence (2 sites)	612.00	612.00	0.0%
Grant / renewal site licence (3 sites)	770.00	770.00	0.0%
Grant / renewal collectors licence	255.00	255.00	0.0%
Variation	122.50	122.50	0.0%
Variation change of name / address	56.50	56.50	0.0%
<u>Miscellaneous - new charges</u>			
Hypnotism Licence	70.00	70.00	0.0%
Film Classification	85.00	85.00	0.0%
Replacement Charitable Collection Permit	10.50	10.50	0.0%

REGULATORY SERVICES	2016/17	2017/18	
	Charge (Before VAT)	Charge (Before VAT)	Percentage Increase
	£	£	%
<u>Consultancy and Court Cases (per hour)</u>			
Officer (Grade 5)	n/a	39.74	n/a
Officer (Grade 6)	n/a	42.76	n/a
Officer (Grade 7)	n/a	45.50	n/a
Officer (Grade 8)	n/a	49.20	n/a
Officer (Grade 9)	n/a	54.58	n/a
Officer (Grade 10)	n/a	60.93	n/a

TAXI LICENSING	2016/17	2017/18	
	Charge £	Charge £	Percentage Increase %
<u>PRIVATE HIRE LICENCE FEES</u>			
Driver's licence - new application (3 Year Licence)	255.00	263.00	3.1%
Knowledge test fee	18.00	18.00	0.0%
Driver's licence - renewal (3 Year Licence) and (applications over 3 months late charged at new app fee)	167.00	174.00	4.2%
Fee for holders of current H.C. drivers licence on first application - note: subsequent renewals are at the normal renewal cost	42.00	44.00	4.8%
Vehicle licence - new application	162.00	179.00	10.5%
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	128.00	141.00	10.2%
Vehicle licence - new plate renewal (change every 3 years)			
Vehicle inspection	45.00	47.00	4.4%
Vehicle re-test	30.00	31.00	3.3%
Change of vehicle fee	30.00	31.00	3.3%
Drivers badge - replacement charge	10.00	10.50	5.0%
Internal vehicle plate - replacement charge	8.00	8.00	0.0%
Vehicle plates - cost to new apps (includes internal plate)	48.00	50.00	4.2%
Vehicle plates - replacement charge (set of 2)	30.00	31.00	3.3%
Operator's licence - 1 - 10 vehicles (5 Year Licence)	131.00	134.00	2.3%
11 - 30 vehicles (5 Year Licence)	187.00	192.00	2.7%
31 - 50 vehicles (5 Year Licence)	243.00	249.00	2.5%
51 - 70 vehicles (5 Year Licence)	300.00	307.00	2.3%
71 - 90 vehicles (5 Year Licence)	356.00	365.00	2.5%
90+ vehicles (5 Year Licence)	413.00	423.00	2.4%
change of company name	25.00	26.00	4.0%
transfer of licence	25.00	26.00	4.0%
Vehicle licence transfer fee	25.00	26.00	4.0%
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	30.00	31.00	3.3%
HACKNEY CARRIAGE LICENCE FEES			
Driver's licence - new application (3 Year Licence)	255.00	263.00	3.1%
Knowledge test (new charge)	18.00	18.00	0.0%
Driver's licence - renewal (3 Year Licence) and (applications over 3 months late charged at new app fee)	167.00	174.00	4.2%
Hackney carriage fee for holders of current private hire driver's licence on first application - note: subsequent renewals are at the normal renewal cost	42.00	44.00	4.8%
Vehicle licence - new application	183.00	191.00	4.4%
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	140.00	153.00	9.3%
Horse drawn hackney carriage vehicle licence	128.00	131.00	2.3%
Vehicle inspection	45.00	47.00	4.4%
Vehicle re-test	30.00	31.00	3.3%
Change of vehicle fee	30.00	31.00	3.3%
Driver's badge - replacement charge	10.00	10.50	5.0%
Internal vehicle plate - replacement charge	8.00	8.00	0.0%
Vehicle plate - replacement charge	27.00	28.00	3.7%
Vehicle licence transfer fee	25.00	26.00	4.0%
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	30.00	31.00	3.3%

HOUSING		2016/17	2017/18	
		Current Charge	Charge	Percentage Increase
		£	£	%
Garages				
Normal	Council tenant	7.00	7.14	2.0%
	Private **	8.41	8.58	2.0%
High Demand	Council tenant	8.43	8.60	2.0%
	Private (local connection) **	19.69	20.08	2.0%
	Private (no local connection) **	24.75	25.25	2.0%
Low Demand	All tenures	3.54	3.61	2.0%
Cookers				
Charges are based on current prices plus a %. No new cookers are rented to tenants		2015/16 charge plus 0.9%	2016/17 charge plus 2%	

** Charges include VAT

SPORTS		2016/17	2017/18	
		Current Charge	Charge	Percentage Increase
Price Type		£	£	%
Open, Lane, Adult,	Adult	4.95	5.00	1.0%
Deep End, Women	Adult YorkCARD	3.95	4.00	1.3%
Waterfun & 50+	Concession	3.50	3.55	1.4%
Swim sessions	Conc YorkCARD	2.70	2.75	1.9%
Nestle Single Swim Price	Nestle	3.40	3.45	1.5%
Under 5 policy	Kids go free	free		
Holiday swim under 16 York Card /				
Yozone not including infaltable		1.00	1.00	0.0%
Family Saver	Yorkcard 2 adults 2 kids	10.40	10.55	1.4%
Family Sav. Plus	Yorkcard 1 adult 2 kids	6.65	6.75	1.5%
	non york 2 adults 2 kids	13.40	13.60	1.5%
	non york 1 adult 2 kids	8.45	8.55	1.2%
Swim lessons				
	Kids 30 mins	5.65	5.75	1.8%
	Kids 45 mins	7.00	7.10	1.4%
	Adults 30 mins	5.65	5.75	1.8%
	Adults 45 mins	7.00	7.10	1.4%
	1:1 course of 5	107.35	109.00	1.5%
	1:1 individual	22.60	22.95	1.5%
	Video Analysis (new)	95.00	95.00	0.0%
Aquafit & Aquanatal				
	Adult	5.85	5.95	1.7%
	Adult YorkCARD	4.85	4.90	1.0%
	Concession	4.65	4.70	1.1%
	Conc YorkCARD	3.85	3.90	1.3%
Loyalty Swim Card				
	Adult	39.60	40.00	1.0%
	Adult YorkCARD	31.60	32.00	1.3%
	Concession	28.00	28.40	1.4%
	Conc YorkCARD	21.60	22.00	1.9%
CORPORATE 10 Swim Card				
		25.30	25.70	1.6%
Loyalty Aquafit/ Work Out Card				
	Adult	46.80	47.60	1.7%
	Adult YorkCARD	38.80	39.20	1.0%
	Concession	37.20	37.60	1.1%
	Conc YorkCARD	30.80	31.20	1.3%
CLUB POOL HIRE RATES WHICH INCLUDE 2 LIFEGUARDS AS STANDARD				
Whole Pool Hire	excl vat 1 hour	102.40	104.00	1.6%
Whole Pool Hire	incl vat 1 hour	122.88	124.80	1.6%
Half Pool Hire	excl vat 1 hour	51.20	52.00	1.6%
Half Pool Hire	incl vat 1 hour	61.44	62.40	1.6%
Lane Hire Club, regular booking	excl vat 1 hour	17.10	17.35	1.5%
Lane Hire Club, regular booking	incl vat 1 hour	20.52	20.85	1.6%
Lane Hire, one off booking	excl vat 1 hour	25.60	26.00	1.6%
Lane Hire, one off booking	incl vat 1 hour	30.72	31.20	1.6%
SCHOOL POOL HIRE RATES WHICH INCLUDE 2 LIFEGUARDS & 2 TEACHERS AS STANDARD (based on 10 wks)				
School Pool Hire	1/2 hr Per term	725.00	735.00	1.4%
Additional Teacher per week per half hour		15.50	15.75	1.6%
BeActive				
	12 mth contract DD	33.00	33.00	0.0%
	3 mth contract DD	38.00	38.00	0.0%
	Corp/student mth	28.00	28.00	0.0%

TRANSPORT	2016/17	1st April 2017	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Percentage Increase %
Bus Stop			
Installation & removal of temporary bus stop	92.40	92.40	0.0%
Removal of permanent bus stop during work	174.00	174.00	0.0%
Damage to bus stop or unauthorised removal	174.00	174.00	0.0%
Road Safety			
Local Authority School Children: (cost per child)			
Pre Basic Cycle Training Level 1	3.40	3.40	0.0%
Basic Cycle Training Level 2	17.00	17.00	0.0%
Cycle Training Level 1 and 2 combined	20.00	20.00	0.0%
Advanced Cycle Training Level 3	8.40	8.40	0.0%
Adults (cost per person):			
1:1 adult training (first hour)	25.50	25.50	0.0%
1:1 adult training (90 minutes)	38.25	38.25	0.0%
Pedestrian Training:			
School training by class (2 x 1.5hr class)	76.50	76.50	0.0%
Replacement charge for YOzone card	7.50	7.50	0.0%
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	122.00	122.00	0.0%
Refreshment (to new and existing)	77.00	77.00	0.0%
Scaffold & Hoarding licences			
Initial consent and 1 month permission	89.00	89.00	0.0%
Each additional month or part thereof	58.00	58.00	0.0%
Late notification fee (less than 5 working days)	19.00	35.00	84.2%
Retrospective Application/Failure to comply with terms of licence	19.00	72.50	281.6%
Skip/ Container/ Building Materials licence for 14 days	37.00	47.50	28.4%
Late notification fee (less than 3 working days)	19.00	35.00	84.2%
Failure to comply with terms of licence	19.00	24.00	26.3%
Additional fee for dealing with unlicensed skips/ scaffolding	58.00	95.00	63.8%
Cherry picker licence - up to 1 day	70.00	70.00	0.0%
Cherry picker licence - more than 1 day	104.00	104.00	0.0%
Vehicle Crossing Fees (Assessment & Inspection Fee)	70.00	70.00	0.0%
Road Closures, dependant on scale (exc VAT and advertising costs) (Non-Commercial/ Charitable Events may be exempt or reduced, advertising costs will still be chargeable)	min 460 max 1,380	min 460 max 1,380	0.0%
Temporary Waiting Restrictions (exc cost of work, coning & advertising)	169.00	169.00	0.0%
Authority to contravene Moving Traffic Order	23.00	23.00	0.0%
Annual Parking Waiver	81.00	81.00	0.0%
Waiver to contravene a Parking Order			
1 day	23.00	23.00	0.0%
2 - 7 days	57.00	57.00	0.0%
8 - 14 days	112.00	112.00	0.0%
Brown Sign Applications			
1 sign	300.00	300.00	0.0%

TRANSPORT	2016/17	1st April 2017	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Percentage Increase %
2 signs	500.00	500.00	0.0%
Charge per sign for each additional sign over 2 signs	100.00	100.00	0.0%
Additional charge for signs on the trunk road network	750.00	750.00	0.0%
Any additional works costs per sign	per application	per application	n/a
Noticeboard/structure (in highway)	250.00	250.00	0.0%
Licence to plant	250.00	250.00	0.0%
Approval consent for House Builder signs			
4 signs or less	353.00	353.00	0.0%
5 to 8 signs	412.00	412.00	0.0%
9 signs or more	469.00	469.00	0.0%
Pavement Cafe Licences	628.00	628.00	0.0%
General Solicitor Highway Enquiries			
Simple	81.00	81.00	0.0%
Medium	107.00	107.00	0.0%
Complex	214.00	214.00	0.0%
NRSWA (Set Nationally)			
Section 50 Licence Administration	300.00	300.00	0.0%
Special Permission Inspections	300.00	300.00	0.0%
Utility sample fee	50.00	50.00	0.0%
Investigatory/ Third Party	68.00	68.00	0.0%
Defect Inspections fee	47.50	47.50	0.0%
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	35.00	38.50	10.0%
Single Junction and/or upto 600m	60.00	66.00	10.0%
Roundabouts upto 6 arms and 200m	85.00	93.50	10.0%
Roundabouts upto 6 arms and 1.6km	110.00	121.00	10.0%
Upto 16km e.g. A1237	170.00	187.00	10.0%
Upto 32km e.g. A64	220.00	242.00	10.0%
Whole of York	280.00	308.00	10.0%
Extra Plan by vehicle type pr pedestrian	35.00	38.50	10.0%
Standard Collision Requests			
Accident Request - upto 5 years			
Single Junction and/or upto 200m	70.00	77.00	10.0%
Single Junction and/or upto 600m	95.00	104.50	10.0%
Roundabouts upto 6 arms and 200m	130.00	143.00	10.0%
Roundabouts upto 6 arms and 1.6km	170.00	187.00	10.0%
Upto 16km e.g. A1237	220.00	242.00	10.0%
Upto 32km e.g. A64	280.00	308.00	10.0%
Whole of York	330.00	363.00	10.0%
Extra Plan by vehicle type or pedestrian	60.00	66.00	10.0%
Accident Request - upto 10 years			
Single Junction and/or upto 200m	110.00	121.00	10.0%
Single Junction and/or upto 600m	170.00	187.00	10.0%
Roundabouts upto 6 arms and 200m	220.00	242.00	10.0%
Roundabouts upto 6 arms and 1.6km	280.00	308.00	10.0%
Upto 16km e.g. A1237	330.00	363.00	10.0%
Upto 32km e.g. A64	390.00	429.00	10.0%
Whole of York	440.00	484.00	10.0%
Extra Plan by vehicle type pr pedestrian	110.00	121.00	10.0%
Traffic Survey Data			
Automatic traffic count data (ATC): per site for 1 years data broken down by date, direction and hour	100.00	100.00	0.0%
Classified count data	50% of the survey cost	50% of the survey cost	0.0%

WASTE SERVICES	2016/17	2017/18	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Percentage Increase
	£	£	%
Charges for Replacement Bins/Containers			
180L	40.00	42.00	5.0%
240L	45.00	47.00	4.4%
360L	50.00	52.00	4.0%
Recycling box	6.00	6.00	0.0%
Hazel Court - Household Waste Recycling Centre			
Material Charges:			
Brick/rubble per bag	2.00	2.00	0.0%
Bonded Asbestos per sheet (less than 1.8m by 0.6m)	6.00	6.00	0.0%
Bonded Asbestos per sheet (more than 1.8m by 0.6m)	12.00	12.00	0.0%
Bonded Asbestos per bag (able to be lifted by one person)	6.00	6.00	0.0%
Plasterboard per bag	6.00	6.00	0.0%
Gas bottles up to 10Kg	7.50	7.50	0.0%
Gas bottles up to 20Kg	12.00	12.00	0.0%
Gas bottles large (over 20kg) or specialised	38.50	38.50	0.0%
Garden Waste (additional bin collection charge)	37.00	37.00	0.0%

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

Category	Current Fee 2016/17 £	Proposed 2017/18 £	Percentage Increase %
Householder Enquiry (ie house extensions, garages/sheds, etc)	64.00	66.00	3.1%
Other Commercial Development (to establish if "development" or whether "permitted development" or not	64.00	66.00	3.1%

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

Proposed Development Type	Current Fee 2016/17 £	Proposed 2017/18 £	Percentage Increase %
Householder	64.00	66.00	3.1%
Advertisements	64.00	66.00	3.1%
Commercial (where no new floorspace)	95.00	98.00	3.2%
Change of Use	95.00	98.00	3.2%
Telecommunications	130.00	134.00	3.1%
Other (See note 3)	130.00	134.00	3.1%
Small Scale Commercial Development (Incl shops offices, other commercial uses)			
* Upto 500m2	330.00	340.00	3.0%
* 500-999m2	660.00	680.00	3.0%
Small Scale Residential			
* less than 4 Dwellings - fee per dwelling	130.00	134.00	3.1%
* 4-9 Dwellings	660.00	680.00	3.0%

Note 1 - All Fees 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 removal of condition, car parks and roads and certificates of lawfulness

Category - Major Developments

Proposed Development Type	Current Fee 2016/17 £	Proposed 2017/18 £	Percentage Increase %
Major new residential			
Student accommodation developments (10 or more students)			
* 10-25 Dwellings	1,160.00	1,190.00	2.6%
* 26-199 Dwellings - additional fee per dwelling	45.00	46.00	2.2%
Small Scale Commercial Development (inc shops, offices, other commercial uses)			
* 1,000 m2 to 3,000m2	2,000.00	2,050.00	2.5%

Note 1 - All Fees 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 2016/17 £	Proposed 2017/18 £	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 to be addressed in the pre-app process)	Minimum fee of £45 per dwelling	Minimum fee of £46 per dwelling	2.2%
* 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 £3,600	Fee to be negotiated with a minimum fee of £3,690	2.5%

Note 1 - All Fees are subject to VAT

Note 4 - With multiple meetings including a lead officer together with Development Management case officer and other specialist officer inputs as required for a period of upto 12 months

Note 5 - The fee for pre-application advise expected to be not less than 20% of anticipated planning fee for a full application for the development proposal

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 person
- * Advice on how to submit a planning application
- * Enquiries relating to Planning Enforcement

Section C - Section 106 Confirmation Letters

Category	Current Fee 2016/17 £	Proposed 2017/18 £	Percentage Increase %
Section 106 Confirmation Letter (Simple) (ie does not require site visit or document retrieval)	N/A	30.00	
Section 106 Confirmation Letter (Complex) (ie requires site visit and/or document retrieval)	N/A	100.00	

Section D - Building Control

Note : Vat is chargeable at the appropriate rate

SERVICE	2016/17	1st April 2017	
	Current Charge £	Proposed Charge £	Percentage Increase %
Building Control Letter of confirmation} Completion Certificates} Approvals}	45.00	46.00	2.2%

PARKING SERVICES		2016/17			2017/18		2017/18		2017/18	
		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 *	96.00	48.00	130.00	98.50	2.6%	49.25	2.6%	133.00	2.3%
	Quarterly charge *	29.50	14.75	39.00	30.00	1.7%	15.00	1.7%	40.00	2.6%
	-Second	172.50			177.00	2.6%				
	Quarterly charge	54.50			55.50	1.8%				
	-Third	345.00			355.00	2.9%				
	Quarterly charge	95.00			97.00	2.1%				
	-Fourth	690.00			710.00	2.9%				
	Quarterly charge	185.00			190.00	2.7%				
Visitor	-Standard	1.15			1.20	4.3%				
	-Concessionary	0.30			0.30	0.0%				
Special Control Permit	-Standard *	108.00	54.00	135.00	110.00	1.9%	55.00	1.9%	137.50	1.9%
	Quarterly charge *	32.00	16.00	41.00	32.50	1.6%	16.25	1.6%	42.00	2.4%
Special Additional Permit	-Standard *	108.00	54.00	135.00	110.00	1.9%	55.00	1.9%	137.50	1.9%
	Quarterly charge	32.00	16.00	41.00	32.50	1.6%	16.25	1.6%	42.00	2.4%
Business Permit *		400.00	200.00		400.00	0.0%	200.00	0.0%		
Guest House Authorisation Card		400.00			400.00	0.0%				
Multiple Occupancy Permit *	-Standard *	157.50	78.75		160.00	1.6%	80.00	1.6%		
	Quarterly charge *	40.00			45.00	12.5%				
Landlord's Permit *		157.50	78.75		160.00	1.6%	80.00	1.6%		
Community Permit *		53.00	26.50		54.50	2.8%	27.25	2.8%		
Day use Community Permit	- Standard	1.25			1.30	4.0%				
	- Charities	0.30			0.30	0.0%				
Authorisation Card without Permit		3.00			3.00	0.0%				
Property Renovation Permit	- Quarterly *	114.00	57.00		117.00	2.6%	58.50	2.6%		
	- Daily *	3.00	1.50		3.10	3.3%	1.55	3.3%		
Commercial Permit *		570.00	285.00		580.00	1.8%	290.00	1.8%		
Commercial Permit (Specific Zone) *		148.00	74.00		150.00	1.4%	75.00	1.4%		
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		105.00			107.50	2.4%				
Vehicle Storage Charge	Daily	12.00			12.00	0.0%				
Vehicle Disposal Charge		25.00			25.00	0.0%				
Admin Fee		50.00			50.00	0.0%				
Replacement Permit Respark	First Replacement									
	Second Replacement	172.50			177.00	2.6%				
Regular User Discount Permit		20.00			20.00	0.0%				

* 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

		2016/17 Current Charge £	2017/18	
			Proposed Charge £	Increase %
Annual Season Ticket*	Standard Car Parks	1,095.00	1,125.00	2.7%
	Discount vehicle rate	547.50	562.50	2.7%
Monthly Season Tickets				
Standard Stay car parks	Standard rate	145.00	150.00	3.4%
	Discount vehicle rate	72.50	75.00	3.4%
Weekly Season Tickets				
Preferential phone rate only				
Standard Stay car parks	Standard rate	60.00	61.50	2.5%
	Discount vehicle rate	30.00	30.75	2.5%
Contract Parking (Bulk) *				
Foss Bank - Annual		500.00	550.00	10.0%
Hotel Scratchards				
Standard Stay Car Parks	Per Book of 30	240.00	246.00	2.5%
Contract Parking (City Centre Resident 24 hour)				
Foss Bank - Monthly	Standard rate	77.00	79.00	2.6%
	Discount vehicle rate	35.00	36.00	2.9%
Foss Bank - Annual	Standard rate	800.00	820.00	2.5%
	Discount vehicle rate	370.00	380.00	2.7%
Surface - Monthly	Standard rate	71.00	73.00	2.8%
	Discount vehicle rate	30.00	31.00	3.3%
Surface - Annual	Standard rate	786.00	810.00	3.1%
	Discount vehicle rate	327.00	337.00	3.1%

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 2017

a) Off-Street Car Parks

Note			Daytime Charges (0800 - 18:00)							Evening	24 hour	
			< 30 Mins	Upto 1 hr	1-2 Hours	2-3 Hours	3-4 Hours	4-5 Hours	Over 5 hours	Note 4 6.00pm to 08.00am	Charge using mobile phone	
Short Stay	1	Discounted	Mob Phone	N/A	£2.20	£4.40	£6.60	£8.80	£11.00	£2.20 per addnl hour	free	
		Standard		N/A	£2.50	£5.00	£7.50	£10.00	£12.50	£2.50 per addnl hour	£2.00	
		Standard		N/A	£2.40	£4.80	£7.20	£9.60	£12.00	£2.40 per addnl hour	£2.00	
Standard Stay	2/4	Discounted	Mob Phone	N/A	£1.60	£3.20	£4.80	£6.40	£8.00	£12.50	free	£12.50
		Standard		N/A	£2.20	£4.40	£6.60	£8.80	£11.00	£12.50	£2.00	£12.50
		Standard		N/A	£2.10	£4.20	£6.30	£8.40	£10.50	£12.50	£2.00	£12.50
Foss Bank	3			£1.30 per hour								
			Mob Phone	£1.20 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	£4.40	£6.60	Parking for over 2 hours is only allowed after 3pm.			free	

Note 1 - Bootham Row, Esplanade, Castle and Piccadilly (Piccadilly closes at 6:30pm and so there is no evening charge)

Note 2 - Castle Mills, Marygate, Monk Bar, Nunnery Lane, St. Georges, Union Terrace. The £12.50 (over 5 hours fee) allows parking until 8am the next day.

Castle Mills closes at 8:30pm and charges only apply till 8:00pm.

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

b) Coach Parking

	Summer (1/4/17 - 31/10/17)			Winter (1/11/17 - 31/3/18)	
	<1 Hour	<3 Hours	Over 3 hrs	<1 Hour	Over 1 Hr
Union Terrace and St George's Field Coach Parks	£6.00	£10.00	£12.60	£6.00	£9.00

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	5	Discounted		N/A	£2.20	£4.40	£6.60	free	Carmelite St, Lawrence Street, Lord Mayor's Walk, North Street, Palmer Lane, Piccadilly, Skeldergate, Tanner's Moat, Toft Green, Walmgate.
		Standard		N/A	£2.20	£4.40	£6.60	£2.00	
Micklegate	5 & 6	Discounted		£0.40	£0.80	£4.40	£6.60	free	
	5 & 6	Standard		£0.40	£0.80	£4.40	£6.60	£2.00	
Priory Street	5 & 6	Discounted		N/A	£2.20	£4.40	£6.60	free	
	5 & 6	Standard		N/A	£2.20	£4.40	£6.60	£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 5 - 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 6 - 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	£4.00	£6.00	£10.00	£2.00

Burnholme Sports Facilities	2016/17	2017/18	
	Charge (excl VAT) £	Proposed Charge (excl VAT)* £	Percentage Increase %
Sports hall - Full hall	26.50	27.50	3.8%
Sports hall - 1 /2 hall	13.50	14.00	3.7%
School hall	26.50	27.50	3.8%
Gym	16.00	16.50	3.1%
3G 1/3	21.00	22.00	4.8%
Full 3G	51.50	54.00	4.9%
Grass pitches @ Burnholme (90 minutes)	8.00	8.50	6.3%
Training Room	16.00	16.50	3.1%
Tennis	7.00	7.50	7.1%
Knavesmire, Hempland Lane, Victoria Park and Chesney Field pitches			
- seasonal pitch hire	94.50	95.00	0.5%
- changing rooms per match	16.00	16.50	3.1%

Adult Social Care fees and charges

	2016/17	2017/18		Explanation
	Charge	Proposed Charge	Percentage Change	
	£	£	%	
Residential Care				
Older Person's Homes (per week)	600.95	649.07	8.0%	This is the second stage of moving to recovering the full cost of providing care in our own homes as agreed in the 2016/17 budget. Customers are financially assessed and only pay what they can afford. The proposed increase would increase the charge to approx 27 self funders in our homes.
22 The Avenue (Mental Health residential care) - emergency respite (per week)	589.84	626.35	6.2%	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)	195.28	195.23	0.0%	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 which has decreased in line with the Council Tenant's rent decrease (1%) although other elements such as utility bills have increased which collectively have resulted in a small fall in the weekly charge.
Community Support				
Home care support in CYC Extra care schemes (per hr)	16.32	16.81	3.0%	Inflated in line with likely external home care fee increases
Home care support provided by the overnight team (per hr)	24.48	25.21	3.0%	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)	6.33	14.35	126.7%	Increased to match external support hourly cost for Learning Disability customers. This keeps the charge in line with the budget we offer to customers organising their own care. The increase would only affect full fee payers, of which there are none currently using these services.

Adult Social Care fees and charges

	2016/17	2017/18		Explanation
	Charge	Proposed Charge	Percentage Change	
Income Services Team charges				
Full fee payers administration charge (per annum)	281.60	283.90	0.8%	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 £235 annual set up charge and an ongoing £48.90 administration charge.
Additional reconciliation charge for full fee payers (per reconciliation)	6.10	6.15	0.8%	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)	496.00	697.60	40.6%	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 element of the cost relating to Income Services has been increased in line with the proposed local authority pay increase for 2017/18. Legal Services have requested a 100% increase in their fees to reflect the amount of work/time involved with the setting up of deferred payments (from £200 in 2016/17 to £400 in 17/18). 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.
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			

Adult Social Care fees and charges

	2016/17	2017/18		Explanation
	Charge	Proposed Charge	Percentage Change	
Court of Protection				
Appointment of Deputy Fee	670.00	745.00	11.2%	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. The rates shown are the proposed rates
Year 1 Management Fee	700.00	775.00	10.7%	
Year 2 Management Fee	585.00	650.00	11.1%	
Year 3 Management Fee	585.00	650.00	11.1%	
Property Sale Fee	270.00	300.00	11.1%	
Estate Administration Fee	350.00	353.50	1.0%	
Annual Report Fee	195.00	216.00	10.8%	
Assets less than £16k	3%	3.5%	16.7%	
Basic HMRC Return	-	70.00	100.0%	
Complex HMRC Return	-	140.00	100.0%	
Travel rates ph	-	40.00	100.0%	
Corporate Appointee Charge	3% or £5 per week	3.5% or £5.50 per week	10.0%	

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BUDGET 2016/17 £'000	Expenditure:	BUDGET 2017/18 £'000
	Repairs & Maintenance	
4,934	Jobs General	4,931
1,080	Projects	1,055
257	Estate Improvements	30
51	Decoration Allowance	51
30	Rechargeable Repairs	30
6,352		6,097
	General Management	
61	Tenant Support and Information	61
2,608	Recharges	2,367
102	AD Housing and Public Protection	105
1,986	Landlord Services	2,003
1,002	Building Services	1,046
31	HRA Training	31
5,790		5,613
	Special Services	
863	Sheltered Housing	878
92	Energy Costs	78
544	Temporary Accommodation	546
379	Grounds Maintenance	379
250	Caretaking Costs	252
21	Cleaning Costs	21
41	Lifts	41
6	Contribution to Energy Efficiency	6
2,196		2,201
	Rents etc.	
20	Rent & Rates	43
206	Insurance	205
1	RTB Legal Fees	1
227		249
	Provision for Bad and Doubtful Debts	
479	Council Housing	469
479		469
	Capital Charges	
8,293	Depreciation	8,293
50	Debt Management	50
8,343		8,343
23,387	TOTAL EXPENDITURE	22,972

BUDGET 2016/17		BUDGET 2017/18
	Income:	
	Rents	
-31,703	Council Housing	-31,328
-305	Temporary Accommodation	-298
<u>-32,008</u>		<u>-31,626</u>
	Non Dwellings Rents	
-321	Council Garages	-322
-17	General Rents	-17
<u>-338</u>		<u>-339</u>
	Charges for Services and Facilities	
-63	Fees & Charges - Council Housing	-82
-85	- Legal Fees	-85
-704	- Sheltered Housing	-665
-2	- Temporary Accommodation	-2
-20	Cookers	-18
-90	Leaseholder Admin Charge	-90
<u>-964</u>		<u>-942</u>
	Contribution Towards Expenditure	
-11	- Sheltered Housing	-11
-25	- Rechargeable Repairs	-25
<u>-36</u>		<u>-36</u>
	Supporting People Income	
-339	- Temporary Accommodation	-339
<u>-339</u>		<u>-339</u>
<u>-33,685</u>	TOTAL INCOME	<u>-33,282</u>
<u>-10,298</u>	NET COST OF SERVICE	<u>-10,310</u>
4,575	Loan Interest Paid	4,575
-1	Mortgage Interest	-1
-265	Revenue Cash Interest Received	-265
436	Capital Expenditure financed from Revenue	3,124
-446	Contribution to/(from) MRR	-446
3,000	Contribution to/(from) Earmarked Reserves	0
<u>-2,999</u>	(SURPLUS) / DEFICIT IN YEAR	<u>-3,323</u>
-18,365	(SURPLUS) / DEFICIT BROUGHT FORWARD	-21,491
-2,999	(SURPLUS) / DEFICIT IN YEAR	-3,323
-21,364	(SURPLUS) / DEFICIT CARRIED FORWARD	-24,814

Annex 6 2017/18 HRA Savings Proposals

Ref	Proposal Description	2017/18 Impact £'000		18/19 Impact £'000	Total Saving Impact £'000
		Agreed last year	New Savings		
HRA1	Housing Repairs Reduced expenditure on subcontractors as a result of improved productivity within CYC workforce - linked to effective mobile working.	100			100
HRA2	Housing Repairs Reduce General Maintenance Budget	25			25
HRA3	Housing Environmental Improvement Programme The introduction of the Housing Environmental Improvement Programme delivers a £57k saving compared to the previous Estate Improvement Grant scheme		57		57
HRA4	Landlord Services Restructure Savings arising from revised structure across Landlord Services focussing on new area based provision		72	49	121
HRA5	Housing Registrations Reduce Housing registrations budget by £50k over two years		25	25	50
HRA6	West Offices HRA savings arising from reduced floor space occupied at West Offices		30		30
HRA7	Central Support Services Review of central support services charges resulting in saving to HRA.		124		124
HRA9	Ordnance Lane Saving on maintenance in line with reprovision of service		10	25	35
HRA10	Right to Buy Proposal to recover £1,500 administration costs from Right to Buy transactions.		62		62
Total		125	380	99	604

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SECTION 1: CIA SUMMARY



Community Impact Assessment: Summary

1. Name of service, policy, function or criteria being assessed:

Financial Strategy 2017/18

2. What are the main objectives or aims of the service/policy/function/criteria?

The Financial Strategy sets out the forecast revenue and capital expenditure plans. It identifies the need to make efficiencies / savings of £6m in 2017/18.

3. Name and Job Title of person completing assessment:

Debbie Mitchell

Corporate Finance & Commercial Procurement Manager

4. Have any impacts been Identified? (Yes/No)

Yes

Community of Identity affected:

All

Summary of impact:

The Council's 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 contains a wide range of proposals for both investment and savings. The proposals currently being considered could have a negative impact on the following communities;

- **Age**
- **Disability**
- **Carers**

This negative impact can be somewhat mitigated by investment targeted to these same communities through both capital and revenue investment.

5. Date CIA completed: December 2016**6. Signed off by: Ian Floyd****7. I am satisfied that this service/policy/function has been successfully impact assessed.****Name: Ian Floyd****Position:**

Date:		
8. Decision-making body: Council	Date: 23 February 2017	Decision Details:
Send the completed signed off document to ciasubmission@york.gov.uk It will be published on the intranet, as well as on the council website.		
Actions arising from the Assessments will be logged on Verto and progress updates will be required		

Community Impact Assessment (CIA)

Community Impact Assessment Title:
Financial Strategy 2017/18

What evidence is available to suggest that the proposed service, policy, function or criteria could have a negative (N), positive (P) or no (None) effect on quality of life outcomes? (Refer to guidance for further details)

Can negative impacts be justified? For example: improving community cohesion; complying with other legislation or enforcement duties; taking positive action to address imbalances or under-representation; needing to target a particular community or group e.g. older people. NB. Lack of financial resources alone is NOT justification!

Community of Identity: Age

Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
Resident and Customer data		Health Standard of Living Individual, family and social life	P & N	None
Details of Impact	Can negative impacts be justified?	Reason/Action	Lead Officer	Completion Date
Older People 1. A redesign of how the Council operates within Adult Social Care could impact on		Older People 1. Full CIA to be completed	1. Martin Farran	

<p>customers and staff. This should have a positive impact as resources are targeted to priority areas.</p> <p>2. Continued Investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support should have a positive impact on older people.</p> <p>3. Any increase in fees and charges could adversely impact on older people and their standard of living</p> <p>Young People</p> <p>4. A new operating model for Prevention and Early Intervention could impact on customers and staff. This should have a positive impact as resources are targeted to priority areas.</p> <p>5. Any reduction in the level of home to school transport could have a negative impact on young people.</p>		<p>2. None</p> <p>3. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute an amount they can afford. No further action required.</p> <p>Young People</p> <p>4. None</p> <p>5. Full CIA to be completed</p>	<p>2. n/a</p> <p>3. n/a</p> <p>4. n/a</p> <p>5. Jon Stonehouse</p>	
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Community of Identity: Carers of Older or Disabled People

Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
Resident and Customer data		Standard of Living Individual, family and social life Productive and valued activities	P & N	P & N
Details of Impact	<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date
<p>1. A redesign of how the Council operates within Adult Social Care could impact on carers. This should have a positive impact as resources are targeted to priority areas.</p> <p>2. Continued Investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support should have a positive impact on carers of older or disabled people.</p> <p>3. Any increase in fees and charges could adversely impact on carers and their standard of living.</p>		<p>1. Full CIA to be completed</p> <p>2. None</p> <p>3. Financial assessments are completed for Adult Social Care customers to ensure that people only contribute an amount they can afford. No further action required.</p>	<p>1. Martin Farran</p> <p>2. n/a</p> <p>3. n/a</p>	

Community of Identity: Disability

Community of Identity: Disability					
Evidence		Quality of Life Indicators		Customer Impact (N/P/None)	Staff Impact (N/P/None)
Resident and Customer data		Health Standard of Living Individual, family and social life Productive and valued activities		P & N	None
Details of Impact		<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date
1. A redesign of how the Council operates within Adult Social Care could impact on disabled people. This should have a positive impact as resources are targeted to priority areas. 2. Continued Investment in Adult Social Care, Telecare, Extra Care Sheltered Housing and Disability Support should have a positive impact on disabled people. 3. Any increase in fees and charges could			1. Full CIA to be completed 2. None 3. Financial assessments are completed for Adult Social Care customers to	1. Martin Farran 2. n/a 3. n/a	

adversely impact on disabled people and their standard of living.		ensure that people only contribute an amount they can afford. No further action required.		
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Community of Identity: Gender

Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
Resident and Customer data		Health Standard of Living Individual, family and social life Productive and valued activities	P & N	P & N
Details of Impact	<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date
Customer data shows that a higher proportion of females use social services, and that a higher proportion of carers are also female. Some of these carers will also be council staff. Therefore proposed investment will have a positive impact. However, this also means that females will be more adversely affected by any savings in these areas.		See individual items under age, carers and disability.	See individual items under age, carers and disability.	

Community of Identity: Gender Reassignment

Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
It is not expected that there will be any impact on this community.				
Details of Impact	<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date

Community of Identity: Marriage & Civil Partnership

Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
It is not expected that there will be any impact on this community.				
Details of Impact	<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date

Community of Identity: Pregnancy / Maternity

Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
It is not expected that there will be any impact on this community.				
Details of Impact	<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date

Community of Identity: Race

Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
It is not expected that there will be any impact on this community.				
Details of Impact	<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date

Community of Identity: Religion / Spirituality / Belief

Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)

It is not expected that there will be any impact on this community.				
Details of Impact	<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date

Community of Identity: Sexual Orientation				
Evidence		Quality of Life Indicators	Customer Impact (N/P/None)	Staff Impact (N/P/None)
It is not expected that there will be any impact on this community.				
Details of Impact	<i>Can negative impacts be justified?</i>	Reason/Action	Lead Officer	Completion Date

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

Risk	Likelihood	Seriousness	How we will manage the risk
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



CONSULTATION DOCUMENT

DfE EARLY YEARS NATIONAL FUNDING FORMULA AND YORK'S PROPOSALS FOR 2017/18

SUMMARY

- 1 Section 1 of this paper provides an overview of the Department for Education's (DfE) final arrangements for a new Early Years National Funding Formula (EYNFF) and related reforms, including an analysis of the overall implications for York.
- 2 Section 2 goes on to present the local authority's (LA) proposals for a revised Early Years Single Funding Formula (EYSFF) that would apply to all early years providers in York from April 2017. If you are only interested in the specific proposals for settings in York for 2017/18 then please skip straight to section 2 on page 4.

SECTION 1: DfE EYNFF ARRANGEMENTS FOR 2017/18 AND BEYOND

- 3 The DfE consultation took place during August and September, with the DfE response and final position published on 1 December. The final arrangements include:
 - Introducing a new EYNFF for 3 and 4 year olds to allocate funding to LAs.
 - Setting a guaranteed minimum hourly funding rate within the EYNFF for all LAs
 - Changing the way that LAs fund the early years providers in their area.
 - Targeting extra funding towards children with SEND.
- 4 The DfE's stated aims for the new arrangements is to:
 - Bring about transparency in the way money is allocated from the government to LAs using a new early years national funding formula,
 - Maximise the funding passed from LAs to childcare providers,
 - Bring about fairness in the distribution of funding to all types of childcare provider,
 - Create a better deal for SEND children.

National Overview

Early Years National Funding Formula (EYNFF)

- 5 A new national formula will be introduced to allocate 3 & 4 year old funding to LAs. The new formula will be applied to both the universal 15 hours, plus the additional 15 hours for working parents. The formula will consist of the following factors:
 - National Base Rate.
 - Additional Education Needs (AEN).
 - Area Cost Adjustment (ACA).

- 6 The Base Rate will account for 89.5% of the total available national funding and be set at £3.53 per hour.
- 7 AEN will be based on three elements and weighted accordingly:
 - Free Schools Meals (FSM): 8% and £2.13 per eligible hour
 - English as an additional Language (EAL): 1.5% and £0.29 per eligible hour
 - Disability Living Allowance (DLA): 1% and £0.74 per eligible hour
- 8 AEN proxy measures will be:
 - FSM: proportion of children at Key Stage 1 & 2 in the LA receiving free school meals.
 - EAL: proportion of EAL children at Key Stage 1 & 2 in the LA
 - DLA: a proxy measure for children with SEND as recommended in the Isos partnership report
- 9 The ACA is intended to reflect the cost differentials between LA areas, particularly staff costs. The formula will use the general labour market measure, adjusted for relative nursery premises costs based on rateable values. The basic ACA multiplier for the lowest cost LA area will be 1.0 (highest 1.9), with York's ACA multiplier set at 1.13. All of the hourly rates referred to above will be multiplied by the ACA to calculate the actual funding rate for each LA. Therefore the expected hourly rates for allocating funding to York at LA level will be:
 - Base Rate: £3.99
 - FSM: £2.41
 - EAL: £0.32
 - DLA: £0.84
- 10 At a national level the new EYNFF will ensure that the average hourly funding rate will increase from the current £4.50 to a proposed £4.78 for 3 & 4 year olds. It should be noted that the much publicised new average national rate of £4.88 also includes the early years pupil premium and funding for maintained nursery schools which will be allocated outside of the EYNFF.

Government Restrictions on Local Arrangements

- 11 There will be a number of restrictions and controls on how LAs are able to use and allocate the funding provided to them through the EYNFF:
 - Restricting the proportion of funding that LAs can retain to spend on central early years services to 7% of the total allocation in 2017/18, and 5% thereafter.
 - Requiring LAs to determine and administer a local Early Years Single Funding Formula (EYSFF) which must incorporate a "universal base rate" of funding for all providers from 2019/20 at the latest.
 - Restricting the proportion of funding that can be allocated via additional supplements to 10% of the total and to the following list of supplements:
 - Deprivation (remains the only mandatory supplement)
 - Rurality / Sparsity
 - Flexibility
 - Quality (to recognise workforce qualifications and system leadership)

- English as an Additional Language (EAL)
- Requiring LAs to build on existing best practice and create a central SEN Inclusion Fund to provide additional top-up funding to providers to improve outcomes for children with SEND.

Additional Funding Outside of the EYNFF

- 12 The Early Years Pupil Premium will continue at the current hourly rate of £0.53 for eligible pupils, and funded outside of the EYNFF and EYSFF.
- 13 The DfE will create a new Disability Access Fund totalling £12.5m nationally. This will be allocated via LAs to providers based on the number of children at each setting in receipt of the DLA. The funding rate per DLA child will be £615 per eligible child per year.
- 14 LAs will be provided with supplementary funding to support stand alone Maintained Nursery Schools (MNS) for three years to try and keep the transition to the universal base rate manageable.
- 15 Funding for eligible two year olds would continue to be based on the current system but at enhanced hourly funding rates. For York the rate would rise to £5.20 per hour in 2017/18 from the current rate of £4.85 per hour, an increase of 7.2%.

Implications for York of the Proposed EYNFF

- 16 Based on the new 3 & 4 year olds EYNFF, the DfE has calculated that the average hourly funding rate from government to the LA for York would be £4.27 in 2017/18. On its own this would be relatively good news as it represents a 17.8% increase from the current rate of £3.625 per hour, and would move York from 16th lowest funded LA (out of 150) to 42nd lowest funded. However in the final version of the proposals the DfE have now set a minimum floor rate of £4.30 per hour, representing an increase of 18.6%.
- 17 York's revised £4.30 per hour represents 90% of the £4.78 national average, compared to the current £3.625 per hour at 80% of the current £4.50 national average. The introduction of the £4.30 per hour floor means that whilst York is now technically joint lowest funded LA (along with 47 other LAs), York has also risen from 135th highest funded to 103rd highest funded along with North Yorkshire and East Riding, who were previously ranked well above York (50th & 59th highest / £4.49 & £4.40).
- 18 All of the new factors have helped move York up the funding league table to some degree, although the most important one is the area cost adjustment. Compared to our current rank of 16th lowest funded LA, our ranking for each of the new factors within the EYNFF is:
 - Deprivation (FSM): 20th lowest
 - DLA: 29th lowest
 - EAL: 47th lowest
 - ACA: 79th lowest (71st highest)

- 19 The ACA calculation is made up of two main elements; labour market costs (80% of ACA) and rateable values of nursery premises (10% of ACA). Using the same labour market cost for all LAs in the Yorkshire & Humber region leaves York in the lowest band for this element. However, York gains more funding under the nursery rateable values element where we rank 60th highest (90th lowest).
- 20 York's new hourly funding rate of £4.30 is broken down as follows:
- Base Rate: £3.53
 - FSM: £0.19
 - EAL: £0.02
 - DLA: £0.04
 - ACA: £0.50
 - Floor: £0.03
- 21 As the proposed new rate is in excess of the £4.07 per hour that the LA is receiving through the 30 hour working parents pilot, we have confirmed with the DfE that we will get the higher amounts for above 15 hours from April 2017 in advance of the national roll out.
- 22 The 5% (7% in 2017/18) limit on the proportion of funding that LAs can retain to spend on central early years services should not cause any problems. York currently retains 4.8% of the 2016/17 3 & 4 year olds allocation, and the working assumption is that the LA would continue to limit its central budget to no more than 5% from 2017/18 onwards.

SECTION 2: THE LA'S PROPOSALS FOR A REVISED EYSFF FOR YORK PROVIDERS FROM APRIL 2017

- 23 In view of the extremely tight timescales imposed by the DfE, the LA established an Early Years Single Funding Formula Reference Group (the reference group) in advance of the outcome of the DfE's consultation in order to start to consider how the York's EYSFF might be constructed for 2017/18. The reference group has met twice prior to the preparation of this paper. The group's comments and suggestions have been considered, however it should be noted that the proposals now being consulted on are the LA's proposals rather than the reference group's. There will be one further meeting of the group in January prior to the proposals being considered by the York Schools Forum and Councillors (who will make the final decision) in February.
- 24 The following paragraphs cover the issues considered by the reference group and the conclusions reached, along with further comments and proposals from the LA.

Universal Base Rate

- 25 Following earlier work in 2011 by the previous reference group and Schools Forum, all providers in the city have been funded at the same base hourly rate (£3.38) within the York EYSFF since 2014. This puts York in a strong place compared to most other LAs who will now be required to equalize their base rates by 2019/20 at the latest. The view of the review group was that as far as possible the base rate for all providers should be maximised under the revised EYSFF for 2017/18. The LA is

proposing a **base hourly rate of £3.70 for 2017/18**, however this needs to be considered in conjunction with the following proposals for additional supplements.

Formula Supplements

Mandatory Deprivation Supplement

- 26 The only supplement currently used in the York EYSFF is the mandatory deprivation supplement, allocating an additional £0.40 per hour for every child living in the 10% most deprived areas as defined by the Index of Deprivation Affecting Children Index (IDACI). Approximately 2.0% of the current total available funding is allocated through this indicator, equivalent to approximately £0.08 per hour, on average, within the EYSFF. The reference group considered, and modelled, a number of options for varying the level and method of allocation of York's deprivation funding.
- 27 An option to change the indicator for allocating deprivation funding from the current IDACI methodology to a free school meals (FSM) indicator was considered. On reviewing the modelling, the reference group felt that there were some difficulties with this revised approach. In particular there was a negative impact on a number of settings located in the most deprived areas of the city. In addition the majority of childminders were also adversely affected.
- 28 The review group also felt that moving to a FSM indicator would effectively duplicate funding for the type of deprivation already being supported through the early years pupil premium (EYPP), which uses a very similar indicator. Retaining the IDACI indicator in the EYSFF would therefore deliver a more balanced approach to supporting deprivation when combined with the funding allocated through the EYPP.
- 29 In conclusion the consensus from the reference group was that there were no clear benefits in moving to a FSM methodology as this would not benefit vulnerable families, and that the EYSFF should continue to use the existing IDACI indicator for the deprivation element. The LA supports this view and proposes no change to the current deprivation indicator.
- 30 The group also considered whether the proportion of the EYSFF funding currently allocated through the deprivation supplement was set at an appropriate level. Some members of the group felt that the current deprivation proportion of 2% was too high and proposed a reduction. The rationale for this was that when the original EYSFF was established a number of years ago the EYPP did not exist. The group therefore considered an option that modelled a reduction in the EYSFF deprivation element to 0.6% of total funding, representing the level of additional deprivation funding now being received through the EYPP.
- 31 This modelling again showed a negative impact on childminders and settings located in the most deprived areas of the city. In addition there was some concern expressed that going too far below 2% for the mandatory deprivation supplement may be difficult to justify given that this is already the lowest of any LA in the country. The range being from 2% to 10.8%, with a national average of 4%.
- 32 The group concluded that their preference would be for no change to the current proportion of funding allocated via the deprivation supplement. The LA supports this

view and therefore proposes that **the current deprivation supplement of £0.40 per eligible hour under the IDACI indicator is retained in the EYSFF for 2017/18.**

Other Discretionary Supplements

- 33 There was no strong desire within the review group to introduce any of the discretionary supplements allowed by the DfE in the proposed EYSFF. However, the LA is minded to introduce a new flexibility supplement. The intention would be to link this supplement to the draft model agreement currently being developed by the DfE. In order to receive the flexibility supplement funding, providers would simply have to sign up to the model agreement. This would help ensure that early education places were delivered in line with DfE guidance, i.e. free at the point of delivery, without conditions of access or the introduction of a two tier system.
- 34 Members of the review group had some concerns about the flexibility supplement, particularly as the model agreement had yet to be finalised by the DfE. They felt it was difficult to form a judgement until a proper understanding of the requirements of the model agreement could be ascertained. The LA recognises this concern and proposes that the supplement would only be implemented when a generally accepted model agreement was in place, i.e. an agreement that was supported by the national provider associations. This would mean that there should be no significant barrier to providers signing up to the agreement, and in these circumstances it would be anticipated that all providers would be able to access the flexibility supplement funding.
- 35 The LA's preferred position therefore would be to allocate around 8% of the EYSFF funding via the flexibility supplement. This would equate to **a flexibility rate of £0.30 for every hour taken up** and would be paid to all providers in addition to the base rate.

Maintained Nursery Schools

- 36 Within the proposals there is a potential issue for York's only stand alone maintained nursery school (St Paul's). We currently fund St Paul's Nursery under the same formula as all other providers but then allocate an additional lump sum of £135k to ensure their continued viability. The DfE's proposals recognise the unique position of stand alone maintained nurseries and guarantee the additional lump sum protection for 3 years. It is proposed that further work in respect of St Paul's Nursery is undertaken separately and outside the scope of this consultation.

SEND Inclusion Fund

- 37 This is now a compulsory element of the new arrangements, and the DfE is requiring that LAs establish an inclusion fund (citing York as an example of best practice in this area). The York inclusion fund already provides £100k of funding to help providers struggling with exceptional levels of SEND in their settings. This £100k currently sits outside of the Early Years budget as it was established with the support of mainstream schools from a top-slice from their primary and secondary funding allocations. The cash limited budget has been significantly oversubscribed in recent years, so the proposed overall increase in resources offers an opportunity to consider increasing the fund.

- 38 The review group spent some time considering whether the inclusion fund should be increased from 2017/18. Views were mixed, as might be expected, as individual providers had differing experiences of the issues and costs involved in supporting high needs children. In the end the majority view was not to support an increase in the inclusion fund at the expense of the base hourly rate.
- 39 Whilst understanding the views of the review group, the LA is still concerned about the pressures being experienced within the inclusion fund, particularly as we move to extend the free entitlement for working parents to 30 hours per week. The LA is therefore proposing that **for 2017/18 the inclusion fund is increased by £20,000** to £120,000. This would require 1.37p (£0.0137) of the available £4.30 per hour.

Summary of EYSFF Proposal

- 40 In summary, the LA's proposed use of the £4.30 per hour available, and proposed EYSFF for 2017/18 would comprise of the following elements:

	£ / per hour
Amount allocated to the LA by the DfE	£4.3000
Less 5% retained to support LA central EY services	- £0.2150
Less amount required to increase SEND inclusion fund by £20,000	- £0.0137
Amount available to support the EYSFF in 2017/18	£4.0713
Basic hourly rate for all providers in 2017/18	£3.7000
Flexibility Supplement that all providers should be able to access	£0.3000
Total Hourly Rate (inc. up to 30 hours / week for working parents)	£4.0000
Plus a deprivation supplement paid at £0.40 per eligible hour based on the existing IDACI indicator	£0.0713

- 41 In addition to the proposed funding allocated through the EYSFF for 3 and 4 year olds, providers will also be able to access the following funding in 2017/18:
- Early Years Pupil Premium at £0.53 per eligible hour (as now)
 - Funding for disadvantaged 2 year olds at £5.20 per hour (currently £4.85)
 - New Disability Access Funding, allocated via LAs to providers based on the number of children at each setting in receipt of the Disability Living Allowance. The funding rate will be £615 per eligible child per year.

How to Respond

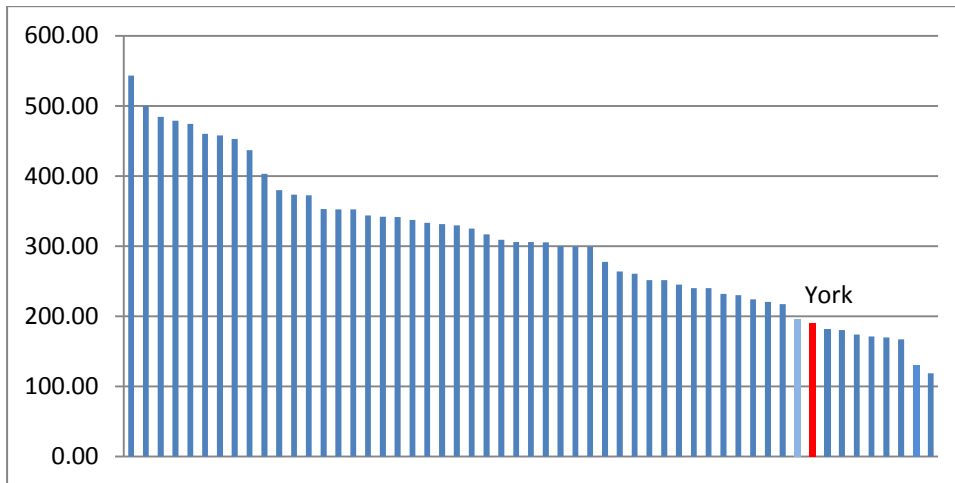
- 42 Providers views are sought on the LA's proposals as set out in section 2 of this paper and summarised at paragraph 40. Due to the tight timescales involved we would ask that comments are submitted in the first instance to your sector representative or alternatively please respond to eyesff@york.gov.uk by Thursday 12 January.
- 43 All comments received will be considered by the Early Years Single Funding Formula Reference Group at it's meeting on 24 January and by the York Schools Forum, with final decisions to be made by elected members as part of the council's 2017/18 budget process.

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Background Information

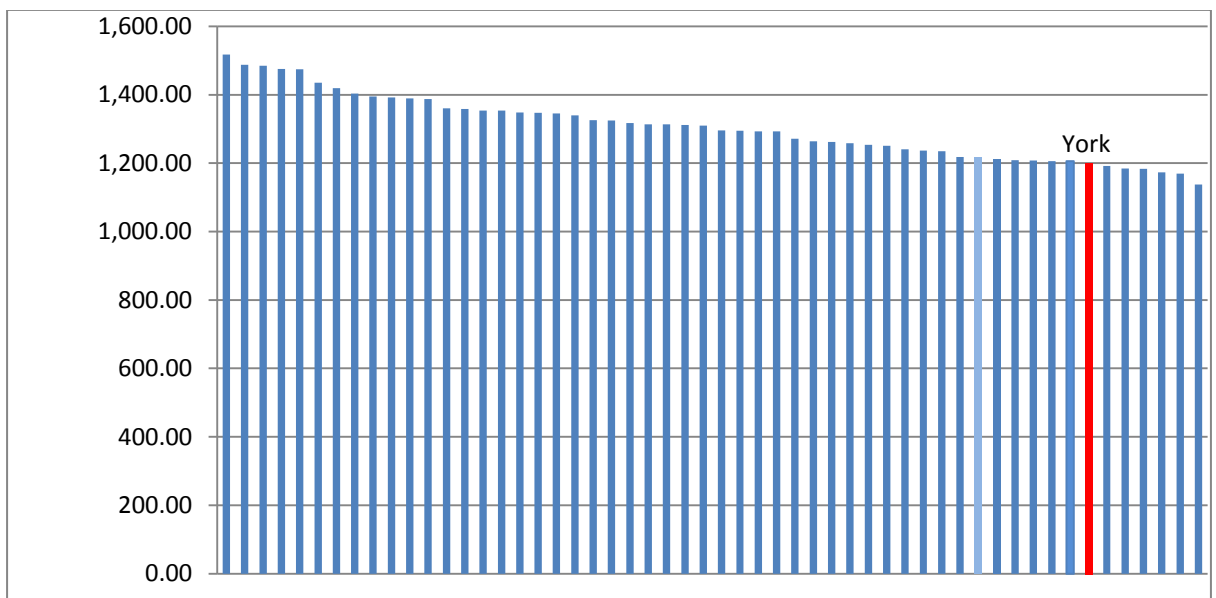
2017/18 Settlement Funding Assessment (SFA) Per Head

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 as per the 2017/18 announcement.



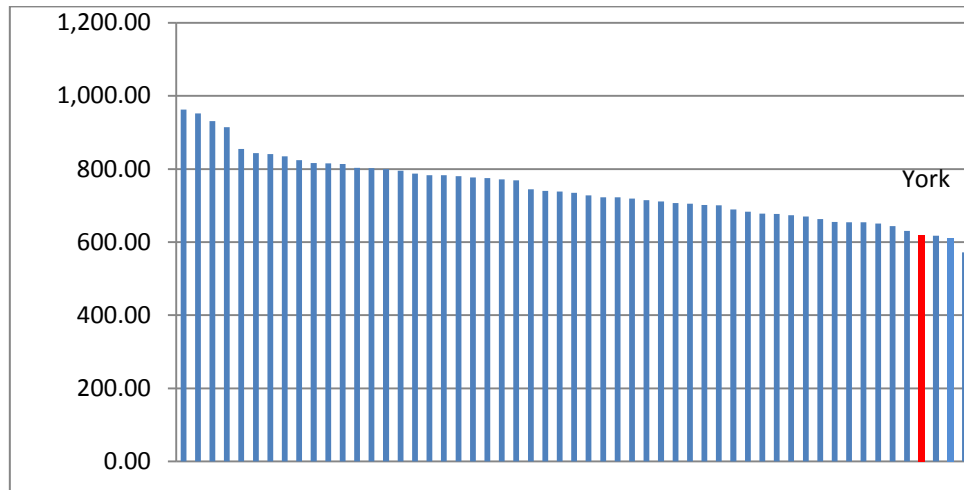
2016/17 Basic Band D Council Tax

The following graph shows York has the 7th lowest basic Band D Council Tax in comparison to other unitary authorities. This uses the approved 2016/17 levels.



2016/17 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 2016/17 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.

2017/18 Settlement Funding Assessment (SFA) Per Head

	<u>Population</u>	<u>2017/18 SFA (£k)</u>	<u>SFA/Hd (£)</u>
Blackpool	139,578	75,845	543
Middlesbrough	139,509	69,759	500
Kingston upon Hull	258,995	125,387	484
Hartlepool	92,493	44,281	479
Blackburn with Darwen	146,846	69,640	474
Nottingham	318,901	146,766	460
Stoke-on-Trent	251,648	115,232	458
Leicester	342,627	155,131	453
Halton	126,528	55,292	437
Redcar and Cleveland	135,275	54,548	403
North East Lincolnshire	159,570	60,627	380
Torbay	133,373	49,836	374
Durham	519,695	193,647	373
Portsmouth	211,758	74,769	353
Isle of Wight Council	139,395	49,161	353
Telford and the Wrekin	171,159	60,354	353
Derby	254,251	87,441	344
Bristol	449,328	153,715	342
Luton	214,710	73,370	342
Peterborough	193,980	65,430	337
Southampton	249,537	83,199	333
Northumberland	315,263	104,529	332
Plymouth	262,712	86,599	330
Darlington	105,389	34,250	325
Slough	145,734	46,190	317
Thurrock	165,184	51,063	309
Brighton & Hove	285,276	87,245	306
Bedford	166,252	50,832	306
Cornwall	549,404	167,922	306
Southend-on-Sea	178,702	53,639	300
North Lincolnshire	169,820	50,869	300
Stockton-on-Tees	194,803	58,265	299
Reading	161,739	44,917	278
Milton Keynes	261,762	69,034	264
Medway	276,492	72,156	261
Herefordshire	188,099	47,347	252
Shropshire	311,380	78,313	252
Bournemouth	194,516	47,663	245
East Riding of Yorkshire	336,685	80,887	240
Cheshire West and Chester	333,917	80,209	240
Swindon	217,160	50,375	232
North Somerset	209,944	48,286	230
Bracknell Forest	118,982	26,687	224

Warrington	207,695	45,865	221
South Gloucestershire	274,661	59,755	218
Bath & North East Somerset	184,874	36,102	195
York	206,856	39,195	189
Central Bedfordshire	274,022	49,596	181
Wiltshire	486,093	87,705	180
Cheshire East	375,392	65,268	174
Poole	150,577	25,822	171
Rutland	38,046	6,469	170
West Berkshire	156,020	26,095	167
Windsor and Maidenhead	147,708	19,269	130
Wokingham	160,409	19,069	119

Unitary Authority Band D council tax figures 2016/17

	<u>Basic</u> <u>Band D</u> <u>2016/17</u> <u>(£)</u>
Nottingham	1,517.32
Rutland	1,487.59
Northumberland	1,484.59
Bristol	1,475.06
Hartlepool	1,474.03
Middlesbrough	1,435.10
Reading	1,419.59
Redcar & Cleveland	1,403.64
Isle of Wight Council	1,395.17
Brighton & Hove	1,392.34
Stockton-on-Tees	1,389.77
Durham	1,387.67
Central Bedfordshire	1,360.01
Blackpool	1,358.05
Leicester	1,354.01
Bedford	1,353.42
North East Lincolnshire	1,348.14
Plymouth	1,346.99
Cornwall	1,345.29
Southampton	1,339.82
Cheshire West and Chester	1,326.11
Herefordshire	1,324.83
Blackburn with Darwen	1,317.40
West Berkshire	1,313.85
Darlington	1,313.75
Torbay	1,311.49
North Lincolnshire	1,309.70
Wokingham	1,295.31
South Gloucestershire	1,295.00
Bournemouth	1,293.30
Luton	1,292.49
Wiltshire	1,271.20
East Riding of Yorkshire	1,264.14
Cheshire East	1,261.95
Poole	1,257.84

Warrington	1,253.48
Halton	1,250.97
Bath & North East Somerset	1,240.90
Derby	1,236.47
Medway	1,234.89
Portsmouth	1,218.33
Slough	1,217.21
Shropshire	1,211.19
North Somerset	1,208.40
Kingston-upon-Hull	1,207.90
Milton Keynes	1,206.05
Southend-on-Sea	1,205.82
York	1,200.51
Swindon	1,191.82
Telford & Wrekin	1,184.21
Stoke-on-Trent	1,183.46
Peterborough	1,173.04
Thurrock	1,169.46
Bracknell Forest	1,137.60

Unitary Authority 2016/17 spend per head

	<u>Population</u>	<u>2016/17 Net Budget (£k)</u>	<u>Spend/ Hd (£)</u>
Blackpool	139,578	134,307	962.24
Hartlepool	92,493	88,033	951.78
Stoke-on-Trent	251,648	234,354	931.28
Isle of Wight	139,395	127,519	914.80
Northumberland	315,263	269,585	855.11
Middlesbrough	139,509	117,714	843.77
Kingston upon Hull, City of	258,995	217,680	840.48
Leicester	342,627	285,974	834.65
Torbay	133,373	109,933	824.25
North East Lincolnshire	159,570	130,232	816.14
Redcar and Cleveland	135,275	110,362	815.83
Blackburn with Darwen	146,846	119,511	813.85
Halton	126,528	101,664	803.49
Darlington	105,389	84,531	802.09
Bedford	166,252	132,958	799.74
Cornwall	549,404	437,068	795.53
County Durham	519,695	409,007	787.01
Brighton and Hove	285,276	223,467	783.34
Rutland	38,046	29,786	782.89
Stockton-on-Tees	194,803	152,092	780.75
Nottingham	318,901	247,615	776.46
Bristol, City of	449,328	348,297	775.15
Reading	161,739	124,749	771.30
East Riding of Yorkshire	336,685	258,971	769.18
Bracknell Forest	118,982	88,631	744.91
Cheshire West and Chester	333,917	247,042	739.83
Herefordshire, County of	188,099	138,868	738.27
Portsmouth	211,758	155,630	734.94
West Berkshire	156,020	113,545	727.76
North Lincolnshire	169,820	122,764	722.91
Telford and Wrekin	171,159	123,680	722.60
Southend-on-Sea	178,702	128,573	719.48
Plymouth	262,712	187,811	714.89
North Somerset	209,944	149,230	710.81
Derby	254,251	179,642	706.55
Bournemouth	194,516	137,179	705.23
Poole	150,577	105,676	701.81
Peterborough	193,980	135,915	700.67
Central Bedfordshire	274,022	188,867	689.24
Shropshire	311,380	212,652	682.93
Slough	145,734	98,830	678.15
Wiltshire	486,093	329,002	676.83
Wokingham	160,409	108,086	673.82
Cheshire East	375,392	251,482	669.92
Thurrock	165,184	109,520	663.02

Southampton	249,537	163,506	655.24
South Gloucestershire	274,661	179,723	654.34
Medway	276,492	180,890	654.23
Swindon	217,160	141,326	650.79
Bath and North East			
Somerset	184,874	118,987	643.61
Milton Keynes	261,762	165,101	630.73
York	206,856	128,254	620.02
Luton	214,710	132,642	617.77
Warrington	207,695	126,864	610.82
Windsor and Maidenhead	147,708	84,447	571.72



Executive

9 February 2017

Report of the Deputy Chief Executive/ Director of Customer and Corporate Services (Portfolio of the Leader and Deputy Leader of the Council)

Capital Strategy 2017/18 to 2021/22

Summary

1. This report set out the Capital Strategy for 2017/18 to 2021/22, 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, drainage and street lighting, alongside making affordable investment in the developing the economy of York through major regeneration schemes. This report sets out £36.140m of new investment over the 5 year period, of which £6.764m is externally funded, and £10.112m met from the Housing Revenue Account, with £19.264 to be funded by the Council Key priority areas of investment include:

- Highways - Increased investment of £10.179m resulting in a total investment of £20.7m over the next 5 years
 - Housing - new investment of £10.112m with a total investment of £43.114m over the next 5 years
 - Street lighting - Increased investment of £2.890m
 - Heritage and Culture – Increased investment in York City Walls of £2.350m, and Provision for a replacement library in Haxby
 - Drainage – Increased investment of £800k
 - Museums – Increased investment of £1.5m
 - Disabled Facilities Grants – Increased investment of £1.478m
 - Schools – Increased investment of £554k
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 Guildhall, York Castle Gateway, and York Central Access Road and Station Gateway/ York Outer Ring Road as set out at paragraphs 82-87)

Recommendations

5. The Executive is requested to recommend that Council:
- Agree to the revised capital programme of **£215.036m** that reflects a net overall increase of **£36.140m** (as set out in paragraph 54 table 9 and in Annex B). Key elements of this include
 - Extension of prudential borrowing funded Rolling Programme schemes totalling £8.240m as set out in table 3 and summarised in table 9;
 - New schemes totalling £11.024m including an increase in prudential borrowing of £11.024m as set out in tables 4 & 5 and summarised in table 9;
 - Extension of externally funded Rolling Programme schemes totalling £6.764m as set out in table 5 and summarised in table 9;
 - An increase in HRA funded schemes totalling £10.112m funded from a combination HRA balances/Right to Buy receipts as set out in table 6 and summarised in table 9

- Approve the full restated programme as summarised in Annex A totalling **£215.036** cover financial years 2017/18 to 2021/22 as set out in table 10 and Annex A
- Approve the proposal to allow wards, if required to bring forward their share of the 2018/19 Highways Resurfacing allocation (£250k in total per annum) to allow the potential for higher impact schemes as set out at paragraph 31.

Reason: To set a balanced capital programme as required by the Local Government Act 2003

Background

6. The current 2016/17 –2020/21 capital programme was approved by Council on 25 February 2016. Since then a number of amendments have taken place as reported to the Executive up to and including the 2016/17 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 2016/17 – 2020/21 of £231.324m, financed by £134.499m of external funding and Council controlled resources of £96.825m. Table 1 illustrates the current approved capital programme profile from 2016/17 – 2020/21 as of capital monitor 3 2016/17.

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	52.428	110.160	26.496	20.710	21.530	231.324
Funded by:						
External Funding	24.565	65.177	15.640	13.554	15.563	134.499
Council Controlled Resources	27.863	44.983	10.856	7.156	5.967	96.825
Total Funding	52.428	110.160	26.496	20.710	21.530	231.324

Table 1 – Capital Programme Funding and Receipts Position

Funding Position of approved 2016/17 – 2020/21 programme

7. The capital programme places no reliance on general capital receipts to support its funding going forward, as the level of capital receipts required has now been achieved. There are however some specific earmarked receipts that are critical, in particular in relation to the older persons programme. Should further general capital receipts be realised, these could be utilised to reduce the borrowing costs assumed in the capital programme, and in turn generate revenue savings. This will be reported as part of the normal capital monitoring process.

Options

8. This report sets out the new capital investment proposals for the 5 year period covering 2017/18 to 2021/22. Members can consider the proposals to make additions and amendments to the existing capital programme contained within the report and choose to approve or reject them.. 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 (2017/18) 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 34 proposals going forward 25 are asking for direct Council funding, this is comprised of 14 proposals for extensions to existing rolling programme schemes and 11 proposals for new schemes.
10. In total, proposals have been made that would increase the existing 17/18 – 21/22 Capital Programme by **£36.140m**. The proposals are comprised as follows:
 - General Fund schemes requiring financing by Council borrowing **£19.264m**
 - General Fund Schemes financed entirely by external funds **£6.764m** (**£6.764m** Government grant)
 - Housing Revenue Account schemes financed by HRA funds **£10.112m** (**£10.112m** HRA funds)

Key scheme proposals

11. The table below summarises the key proposals that result in a new increase of **£36.140m** by type. Further details of the individual schemes can be found later in the report at the following references:

Type	Total Value	Further Details
	£m	
Rolling Programme – Prudentially Borrowed	8.240	Table 3
New Schemes – Prudentially Borrowed	11.024	Table 4
Existing Schemes – Externally Funded	6,764	Table 6
Housing Revenue Account (HRA) Schemes – Funded by HRA balances	10.112	Table 7
Total Increase in Capital Programme	36.140	

Table 2 – Summary of New Proposals and Increase in Capital Programme

12. Overall this report proposes new capital schemes totalling **£36.140m** 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 9.

Detailed Consideration of Proposed Investment, and Financial Implications

Rolling Programme Schemes – Prudential Borrowing

13. The 2016/17 – 2020/21 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2021/22 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	17/18
Asbestos Removal	250	17/18 - 21/22
Asset Maintenance & Critical Repairs	300	17/18 - 21/22
Concrete Street Lighting Column replacement	2,890	17/18 – 21/22
Project Support Fund	600	17/18 – 21/22
City Fibre Network	100	19/20 – 20/21
Highways Drainage Works	200	21/22
Disability Support Budget	210	21/22
Major Equipment for Disabled Customers	125	21/22

Telecare Equipment	230	21/22
Disabled Facilities Grant	475	21/22
IT Development Plan	1,770	21/22
York City Walls – Repair & Renewal	90	21/22
Highways Resurfacing & Reconstruction	750	21/22
Total Rolling Programme Schemes	8,240	

Table 3 – Summary of Rolling Programme Proposals Requiring Prudential Borrowing Funding

14. All of the £8.240m of rolling programme schemes will require revenue growth to fund (to support the prudential borrowing), the revenue implications are contained in the Financial Strategy 17/18 – 21/22 report on this agenda.
15. An overview of each scheme being proposed is set out in the following paragraphs:
16. **Capital Contingency (£250k 17/18)** – 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 2016/17 as detailed in the Capital Monitor 3 report also on this Agenda is 323k.
17. **Asbestos Removal (£250k 17/18 – 21/22)** – To continue to fund the removal of any asbestos materials that are identified and deteriorating within CYC premises.
18. **Asset Maintenance & Critical Repairs (£300k 17/18 – 21/22)** – Increase of £20k per year 17/18 – 20/21 and extension of £220k in 21/22 to

increase the rolling programme budget to £220k each year going forward 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

19. **Concrete Street Lighting Column Replacement Programme (£2.890m 17/18-21/22)** - Additional funding 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. Condition data from inspections during 2017/18 will be used to prioritise the replacement of those columns at greatest risk in 2017/18 followed by an ongoing programme of upgrade.
20. **Project Support Fund (£600k 17/18 – 21/22)** – Increase existing Rolling Programme budget by £100k 17/18 to 20/21 and extension of £200k in 21/22. This funding is to allow the continuation of the capacity to provide professional advice to support the Capital programme, and in particular major complex regeneration/building schemes. This includes York Central, Castle Gateway, and the Older Persons Accommodation Programme.
21. The increase will also be used to provide ongoing funding for corporate project management assurance to build on the good work to date to further strengthen assurance around project management and delivery. This has been lead by the Corporate project assurance lead and shaped in the last year through by Council Management Team, Executive and the Audit and Governance committee and there is now a solid foundation in terms of Corporate Programme assurance. To ensure that this is maintained and driven through, particularly with respect to Large and medium sized capital projects, additional resource is required to support the work of the Corporate Programme Assurance group and project teams in ensuing that the reporting process is robust and that as projects progress the necessary governance, risk management, planning and documentation is in place and gateways are observed
22. **City Fibre Network (£100k 19/20 – 20/21)** – To continue to support the city wide roll out of the Dark Fibre network. It was previously anticipated the scheme would take 3 years to install the required infrastructure, however a further provider has now commenced installation of their

infrastructure along the cities footway assets. The provider ensures the footpath assets are restored to their current condition, however where the assets are close to the end of their life the Council is requesting they are improved, This budget will fund the material cost of the upgraded assets while the provider will carry out the work.

23. **Highways Drainage Works (£200k 21/22)** – 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.
24. **Disability Support Budget (£210k 21/22)** – 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
25. **Major Equipment for Disabled Customers (£125k 21/22)** - 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.
26. **Telecare Equipment (£230k 21/22)** – 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 but CYC will retain ownership of the assets
27. **Disabled Facilities Grant (£475k 21/22)** - 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
28. **IT Development Plan (£1.770m 21/22)** – The continuation of the rolling programme IT development plan for an additional year. The funding will support a strong and coordinated approach to the change programme and the fundamental review and redesign of processes and systems to ensure that its services meet the needs of its customers

29. **York City Walls Rolling Repair Programme £90k 21/22)** - Ensuring that continuing essential repairs and restoration are undertaken on York City Walls.
30. **Highways R&R (£750k 21/22)** – 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.
31. Within the Highways Resurfacing & Reconstruction allocation there is £250k per annum for ward committee schemes. It is proposed that in order to allow the potential for higher impact schemes, that the wards will be allowed, if required, to bring forward their share of the 2018/19 allocation to allow for this to happen. If and when this occurs it would be reported to Members through the normal capital monitoring process.

New Schemes – Prudential Borrowing

32. 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 4** below.

Scheme Type / Description	Total Value	Financial Year
	£000	
Silver Street and Coppergate Toilets	70	17/18
York City Walls Restoration Programme	1,600	17/18 – 21/22
Targeted Investment for Highways Improvement	500	17/18-21-22
Drainage Investigation and Renewal	600	17/18-19/20
Highway, Footway & Cycleway Improvement Acceleration	5,000	17/18-21/22

Capital Maintenance Work to Schools – Ventilation & Electrical	554	17/18
Haxby Library Re provision	500	17/18
Litter Bin Replacement Programme	525	17/18-19/20
Registrars	115	17/18
Osbalwick Beck Maintenance	60	17/18
Castle Museum Development Project	700	17/18- 19/20
York Museums Trust Visitor Facilities and Product Development	800	17/18
New Proposals Requiring Prudential Borrowing	11.024	

Table 4 – Summary of New Proposals Requiring Prudential Borrowing Funding

33. An overview of each new scheme being proposed is set out in the following paragraphs:
34. **Silver Street & Coppergate Toilets (£70k in 17/18)** – This proposal would fund improvements to the Toilets at both the Silver Street and Coppergate sites.
- The Silver street site was last refurbished in 2012. This proposal would fund new low maintenance units with a larger flush capacity to replace the existing units which are at the end of their life and have had previous issues caused by their limited flush capacity. The proposal would also fund new urinals and redecoration.

- The Coppergate Toilets site requires remodelling due to the existing layout and low prospects of surveillance attracting antisocial behaviour. The scheme would fund remodelling to reduce these problems and improve the reliability for legitimate users.

35. **York City Walls Restoration Programme (£1.6m total, 300k each year 17/18, 19/20, 20/21 & 21/22, £400k 18/19)** – This funding which is in addition to the budget for repairs already contained within the rolling programme in order to address structural defects . The monitoring programme has identified 10 locations where repair and restoration works are required including:

- Mickelgate Bar Roof
- Monk Bar steps
- Tower 32 structural repairs
- Tower 2 Structural repairs design
- Bootham Bar to Robin hoods Tower,
- St Marys Abbey Walls:
- Road Arch Station Rise:
- Mint Yard:
- Greys Court Pier:

36. **Targeted Investment for Highways Improvement (£500k in 17/18 – 21/22)** – This funding which is in addition to the existing rolling programme budget is required to enable further works to be completed and slow the deterioration of the Cities highway network particularly in the city centre where it has been identified that infrastructure has deteriorated significantly since the last major investment. The additional funding will be utilised to maintain street appearance, targeting areas where asset renewal is required in a planned and proactive way. A further report will be taken to the Executive Member setting out further details in relation to this scheme.

37. **Drainage Investigation & Renewal (£600k in 17/18 – 19/20)** – This funding which is in addition to Highways drainage works already in the rolling programme is required as it has been identified that more than 50% of the gully and receiving pipework network in the City is heavily blocked or damaged meaning these gullys cannot be made operational even with extensive cleaning. Significant engineering works is therefore

required to restore the network to ensure it is draining effectively. A detailed report was presented to the Executive Member in September 2016 outlining details of works required.

38. **Highway, Footway & Cycleway Improvement Acceleration (£5m total, £1m each year 17/18 – 21/22)** – This funding which is in addition to the existing rolling programme budget is required in order to address emerging highway asset defects and fund proactive works to slow deterioration of the cities highway network. The works will be based on the outcome of the new GAIST surveys. An overview of the GAIST data has been produced and identifies potential schemes based on traffic flow, pedestrian flow, schools proximity, population and work densities, defect categorisation, subsidence and impact of defective condition grading over a percentage of the street/ area. This can be used to prioritise scheme delivery to have the greatest impact on the highway network
39. As part of the total funding the service will ensure targeting of footways that also serve as part of the cycle network, in addition to carriageways and footways improvements identified by the GAIST surveys.
40. This additional funding, in addition to existing funds will result in total highways investment over the next 5 years of £20.7 million (including £11.4m of external grant funding).
41. **Capital Maintenance Works to schools – Ventilation & Electrical (£554k in 17/18)** – This proposal is to fund a scheme to:
 - Increase the levels of ventilation to reduce CO2 in seven school kitchens. Temporary measures are currently in place and need to be replaced by permanent solutions.
 - Carry out electrical work in eight schools, comprising of supply upgrades and improvements to fire alarms and emergency lighting. This work continues the good progress made from the utilisation of the previous two year scheme funded by LA capital resources in 2015/16 and 2016/17, approved as part of the capital budget in February 2015.
42. Additional resources are required to fund these works as the existing capital maintenance grant which has fallen significantly in the last 6 years from £2.7m to £1.7m is no longer sufficient to deal with the issues the Council is experiencing in the school estate. Existing Maintenance

funding is being prioritised toward larger schemes to deal with major building fabric issues such as roof replacements and boiler repairs. The Council

43. **Haxby Library Reprovision (£500k in 17/18)** – The permanent library building and service had to close in July 2016 due to structural failure of the current premises. A temporary short term solution has been to fund a mobile library to continue to meet the needs of residents while a permanent solution is sought.
44. A number of different options are being developed, however all options would require capital funding of £500k from the Council to implement. A further report will be brought to Executive setting out the preferred option.
45. **Litter Bin Replacement Programme (£525k in total, £175k each year 17/18 – 19/20)** – The Council currently has approximately 1500 litter and dog waste bins across the city, many of which are more than 10 years old and are starting to attract negative comments due to the poor appearance and poor functionality. Poor appearance in itself discourages people from using the bins, therefore leading to increased litter levels
46. The lifespan of a bin under normal use is approximately five years so the Councils bins are overdue replacement. This proposal is to improve the appearance and functionality of the cities 1,500 litter bins over a 3 year period. This scheme does not propose any new bins.
47. **Registrars (£115k in 17/18)** – This proposal is to fund a scheme to refurbish the existing reception and waiting area within the existing Registrars Building which has a number of problems including the need for separate waiting areas for wedding parties and people registering births and deaths, poor CCTV and Access control systems on doors and general refurbishment needed.
48. A number of solutions have been proposed to respond to these problems including an additional waiting area, upgrades to CCTV, the Door Access system and refurbishment of a number of rooms.
49. This scheme would also allow the potential for further income generation in the future.

50. **Osballdwick Beck Maintenance (£60k in 17/18)** – The condition of Osballdwick Beck through Hull Road Park has caused a number of complaints over recent years due to stagnant water and mud/ silt being an eyesore in the park detracting from the users quality of experience. The Beck Infrastructure is now overdue maintenance and in order to carry out this work an extensive programme of silt removal is required. This proposal will fund works to deliver a range of measures including improving hydrology and removing the potential for sedimentation. This will contribute positively to the requirements of the Water Framework Directive. A further report will be taken to the Executive Member setting out further details in relation to this scheme.

51. **Castle Museum Development Project (£700k in total, £300k in 17/18 and £200k 18/19, 19/20)** – Within this total proposal £600k relates to the provision of a Capital Grant to York Museum Trust (YMT) over 3 years to develop a major capital refurbishment scheme. It is currently estimated that the scheme will be approx £18m in total. If the scheme progresses, the Council may be required to contribute a relatively small proportion of the total cost of the scheme. This would be considered further by Members at a later date. The initial development phase will be to take the scheme to funding application stage. The scheme will provide for major improvement of the Castle Museum including visitor facilities and full disabled access. The scheme is an important element in YMT achieving greater financial independence from the Council through increased income generation allowing reduced revenue contribution from the Council.

52. In addition a further sum of £100k is required in 17/18 to enable CYC to work with a cultural partnership of organisations who have landholdings surrounding the eye of York as part of the Southern Gateway project, including YMT. The funding would enable the development of early concept designs for the connecting public spaces. This work will sit alongside and shape future proposals for commercial development in the area to ensure an integrated design of both open spaces and built environment.

53. A further report will be taken to the Executive Member setting out further details in relation to this scheme

54. **York Museums Trust Visitor Facilities (£800k in 17/18)** – This proposal is to provide a Capital grant to support York Museums Trust (YMT) in developing its visitor facilities and products across its sites from 2017/18 onwards in order to further develop its income streams and reduce its future reliance on Council revenue support. Expenditure will continue to be monitored by the Council to seek assurance funds spent on capital purposes.

Additional Schemes - Externally Funded + HRA Funded

55. In addition to those schemes set out in tables 2 and 3, 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	2,567	21/22
Local Transport Plan - Integrated Transport	1,570	21/22
Disabled Facilities Grant	1,265	21/22
National Productivity Improvement Fund	626	21/22
Potholes	736	17/18 – 20/21
<u>Total Existing General Fund Schemes</u> <u>New External Funding</u>	6,764	

Table 5 – Summary of New External Funding

56. An overview of the new schemes being proposed is set out in the following paragraphs:
57. **Highways Resurfacing & Reconstruction (£2.567m)** – indicative funding settlement 2017/18 to 21/22
58. **Local Transport Plan – Integrated Transport (£1.570m)** –indicative funding in 21/22
59. **Disabled Facilities Grant (£1.265m)** - indicative funding settlement.
60. **National Productivity Improvement Fund (£626k)** – indicative funding for 21/22. This DfT funding is for local highway and other local transport improvements which aim to reduce congestion at key locations or upgrade or improve the maintenance of local highway assets to improve access to employment and housing, to develop economic and job creation opportunities. Details of proposals for this funding will be brought to the Executive Member at a future meeting.
61. **Potholes (Total of £736k made up of £184k each year 17/18 – 20/21)** – indicative funding from 17/18 to 21/22 to specifically prevent or repair potholes.
62. The latest **Housing Revenue Account (HRA) Business plan 2015 to 2045** 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. Table 7 updates the capital investment strategy and shows the overall movement (growth) against the existing approved expenditure plans.

Scheme Type / Description	Total Scheme Value	HRA/ Reserve Funding Value	Financial Year
	£000	£000	
<u>New Investment for the HRA</u>			
Major Repairs Allowance Schemes	8.979	8.979	17/18 – 21/22
Modernisation of Local Authority Homes	1,596	1,596	17/18 – 21/22
Assistance to Older and Disabled People	400	400	17/18 – 21/22
Water Mains Upgrades	(1,143)	(1,143)	17/18 – 21/22
IT Infrastructure	(570)	(570)	17/18 – 20/21
Housing Environmental Improvement Programme	850	850	17/18 – 21/22
<u>New Investment for the HRA Total</u>	10,112	10,112	

Table 6 – Summary of HRA investment

63. The key investment areas are shown in table 6 and shows new investment of over £10.112m that will see key schemes delivered including:
64. **Major Repairs Allowance (£8.979m in total 17/18 – 21/22)** - 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 17/18 is provided below

65.

	2017/18 budget £'000	Description of works 17/18
Tenants Choice (incl voids)	3,204	Replacement kitchen, bathroom and rewire to 280 properties per year
Heating/Boilers	1,406	Replacement boiler and central heating system to 650 properties per year
Roof Replacements	505	Replacement roofs and removal of asbestos-containing fascias / soffits to c 100 properties
External Doors	309	Replacement of c375 external doors with high performance door sets – the programme will shadow those areas that are included in the painting programme
Other	266	One- off kitchen or bathroom refurbishments, various programmes of repair to the external structure of dwellings and communal areas

Table 7 – Breakdown of MRA scheme types

66. **Modernisation of Local Authority Homes (£1.596m in total 17/18 – 21/22)** – This will see investment in a number of different projects, including:

- Structural damp remediation works to c100 properties in 17/18, with a further couple of hundred properties requiring treatment over the life of the 5 year proposal; Soundproofing to eliminate sound nuisance between flats; Renewal of door access systems and communal corridor lighting to flatted blocks; Various external works to improve such as parking, boundary walls and fences and upgrading drying areas; Health and safety works such as remedial works arising from Fire Risk Assessments and Asbestos surveys
- This budget 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

- 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

67. **Assistance to Older and Disabled People (£400k 17/18 – 21/22)** – 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.
68. **Water Mains Upgrade (Reduction of - £1.13m in total 17/18 -21/22)** - Work is currently on going to ascertain the likely costs associated with this complex project. Analysis shows that c75% of the properties affected by this project are owner occupiers who have bought under the RTB scheme, with responsibility for maintenance of the pipes remaining with the Council and owners being obliged to pay for any repairs. The budget figures included represent the Council's liability, as the assumption is that the vast majority of costs will be funded from owner occupiers financial contribution to the works however estimates will require further revision
69. **IT Infrastructure (Reduction of - £570k in 17/18 – 20/21)** – The ICT infrastructure improvements programmed total £1.722m over the period 2017/18 to 2021/22. A major review of the current systems has been undertaken and it is recommended that the current Housing systems are replaced by an integrated housing service that incorporates housing management asset management and repairs. The reduced overall capital budget proposed reflects the initial results of the review
70. The majority of the funding will be allocated towards the acquisition of an integrated housing system would enable the Council to achieve significant opportunities to improve performance and customer satisfaction whilst reducing costs. These include: delivering corporate and strategic objectives, transforming customer service, eliminating waste and duplication, increasing income and cash flow, better informed decision making and planning for the future, using scarce resources wisely and making sound investment choices, targeting people in most need,

partnership working and supporting future initiatives. With careful resource planning and project management implementation costs and churn could be kept to a minimum allowing the benefits to be realised as early as 2018

71. **Housing Environmental Improvement Programme (850k in total, £170k each year 17/18 – 21/22)** – This scheme replaces 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
72. None of the schemes detailed in table 7 have an impact on prudential borrowing.

Funding Position – Council Prudential Borrowing

73. The budget proposals in terms of CYC prudential borrowing adds to existing rolling programme schemes totalling £8.240m (of which £8.240m impacts Council Tax) and adds new schemes totalling £10.224m (of which the £10.224, impact 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 £18.464 over the 5 year programme. Table 8 shows the financial impact on a year by year basis and over the 5 year period.

	17/18 £m	18/19 £m	19/20 £m	20/21 £m	21/22 £m	Total £m
Rolling Programme	0.998	0.748	0.798	0.798	4.898	8.240
New Schemes	4.174	2.075	1.975	1.400	1.400	11.024
Net Increase in PB	5.172	2.823	2.773	2.198	6.298	19.264

Table 8 – Net Funding Position of Prudential Borrowing Schemes

74. The revenue costs of the new schemes funded by prudential borrowing is estimated at £1.348m over the 5 year budget period, assuming borrowing of £19.264m. Actual borrowing is likely to not be taken during 2017/18 and therefore costs are unlikely to affect the revenue budget until at the earliest 18/19 therefore no Treasury Management growth is required for 17/18.

Summary of Analysis

75. 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 £36.140m.**

	17/18 £m	18/19 £m	19/20 £m	20/21 £m	21/22 £m	Total £m
1) Rolling Programme Schemes Funded by CYC Pru Brrow (table 3)	0.998	0.748	0.798	0.798	4.898	8.240
2) Existing Schemes Funded Externally by External Grant (table 5)	1.233	653	5777	(99)	4.400	6.764
3) New CYC Schemes Funded by CYC Pru Brrow (table 4)	4.174	2.075	1.975	1.400	1.400	11.024
6) HRA Schemes (table 7) Funded by HRA	0.714	0.336	0.504	0.224	8.334	10.112
Total Net Increase to Capital Programme	7.119	3.812	3.854	2.323	19.032	36.140

Table 9 – Summary of Expenditure and Funding Movements 17/18 – 21/22

76. 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	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£m	£m	£m	£m	£m	£m
Children, Education & Communities	26.421	6.187	4.037	5.081	0	41.726
Health, Housing & Adult Social Care – Adult Social Care	4.885	3.781	0.565	0.565	0.565	10.361
Health, Housing & Adult Social Care – Housing & Community Safety	20.921	10.086	10.108	9.689	9.812	60.616
Economy & Place – Transport, Highways and Environment	17.417	7.590	7.414	6.963	6.415	45.799
Economy & Place – Regeneration & Asset Management	7.077	0.220	0.220	0.220	0.220	7.957
Community Stadium	35.898	0	0	0	0	35.898
Corporate Schemes	2.169	0.419	0.250	0.250	0.250	3.338
IT development plan	2.491	2.025	1.970	1.085	1.770	9.341
Total Capital Programme	117.279	30.308	24.564	23.853	19.032	215.036

Table 10 – Proposed Capital Programme 2017 – 2022

Other Capital Issues

77. There are a range of other major schemes within the Capital programme 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 2017
78. **Built Environment Fund** - There remains a balance of £2.022m on the fund for 2017/18 and it is currently proposed this funding will be used in the following areas:
- **Fossgate Improvements (£500k)** - a scheme to improve the pedestrian environment in Fossgate. There may be possible amendments to the traffic restrictions for the area which have the potential to reduce traffic levels allowing enhancements to be made to the street layout/construction – subject to consultation.
 - **Upgraded Belisha Beacons (£65k)** - to improve safety at Zebra Crossings
 - **White Lining (£70k)** - to renew and replace white line road markings across the strategic entrance roads into the city to improve the safety of road users and to provide a refreshed and updated road network for the benefit of residents, businesses and visitors to the city
 - **Public Realm Improvement Works (1.387m)** - It is proposed that the balance is taken forward as investment to review public realm in the city centre and secondary shopping areas at Haxby and Acomb and complete identified improvement works. A further report will be commissioned for the Executive Member (Economic Development) on the economic renewal of the Public Realm.
79. A further report will be brought to Executive in March/ April for formal approval, setting out further details of proposed allocations.
80. **Older Persons Accommodation Programme** - The Council's Executive on 30th July 2015 approved the Business Case for the Older Persons' Accommodation Programme (the Programme) to:
- fund 24/7 care at Auden House, Glen Lodge & Marjorie Waite Court Extra Care schemes;
 - build a 27 home extension to the Glen Lodge Extra Care scheme;

- build a new Extra Care scheme at Oakhaven in Acomb;
- procure a new residential care facility as part of the wider Health & Wellbeing Campus at Burnholme; and
- encourage the development of additional residential care capacity in York including block-purchase of beds to meet the Council's needs.

81. Executive on 14th July 2016 agreed additions to the programme:

- the development of a care home on the Lowfield School site as part of a wider redevelopment of the site; and
- examination of options for the future of Haxby Hall older persons' home as an alternative to closure

82. A number of further decisions have been approved by Executive at recent meetings in November and December 2016. These are reflected in the Capital Monitor 3 Report also on this agenda and include:

- Investment of £ 4.73m in the new community & library facility at Burnholme and a further £200k on essential and urgent works to the sports facilities.
- Funding for the necessary enabling investment of £993k for Lowfield Green
- Closure of Willow House older persons home and agreement to sell the site

83. Further reports will be brought back to Executive in 2017 to provide an update on this programme.

84. **Community Stadium** – In December 2016 Executive received an update report on progress made and the latest position of the project. A further report will be brought to the Executive in March 2017 in relation to the Yearsley Swimming Pool review. Within this report a brief update on the wider Stadium project will also be given, providing appropriate updates on the progress made following the favourable planning Judicial Review Claim verdict received on the 18th January 2017 and outline future timescales for delivery of the New Stadium Leisure Complex.

Other Major Projects under consideration

85. In addition to the schemes set out in this report, and existing capital projects, there are a number of other projects which will come forward as individual reports, and which contribute significantly to developing the Economic prosperity of the City. These include:-
86. **York Castle Gateway** - At the Executive meeting on 26th January 2017 Members were presented with a report setting out the vision for the regeneration of the York Castle Gateway area, including a potential commercial partnership to deliver the redevelopment of Council land and property assets surrounding development sites and the strategy and resources required to deliver this. Further reports will be brought back to Executive as this project progresses.
87. **Guildhall** - At the Executive meeting on 14th July 2016 Members received a report presenting the latest designs and business case for the development of the Guildhall complex, highlighting the potential for a world class venue for business, alongside retained Council use in one of York's most historic buildings. Executive Members agreed to proceed with the detailed design and planning / listed building consent applications for the scheme, to create a business club / serviced office venue, with supporting commercial development on the riverside. Further reports will be brought back to Executive as this project progresses
88. **York Central Access Road and Station Gateway/ York Outer Ring Road** – In November 2016 the Executive formally decided to join the West Yorkshire Transport Fund to enable Capital Funds to be released to undertake delivery of York's two primary strategic major Transport Projects namely roundabout improvements on York Outer Ring Road and York Central Access Road and Station Gateway. The report identified the risks of joining the fund but also set out a number of mitigations that have been proposed. It also sets out the need to set funds aside to fund the levy that will support the cost of the investment
89. The Council agreed on 15 December 2016 to formally agree to join the West Yorkshire Transport Fund.
90. The York Central Partnership are currently engaged in developing a master plan for the site with a view to launching further consultation later this year. Work to assemble land and clear operational use is ongoing

and the Enterprise Zone is due to be established in April 17. A transport project manager has been appointed and detailed work on the access scheme (funded from WYTF+ moneys) will commence when the master planning is concluded and the consultation exercise has taken place.

91. Further reports will be brought back to Executive in 2017 to provide further updates on this programme.

Future Considerations

92. In addition, some longer term issues that Members should note include :-
93. **Castle Museum Development Project** – If the scheme progresses, the Council may be required to contribute a relatively small proportion of the total cost of the scheme. This would be considered further by Members at a later date.
94. **Flood Risk – York Five Year Plan** – Whilst no financial contribution to the Environment Agency will be required in 2017/18, there may be potential proposals in subsequent years in relation to the construction phrase 2018/19 – 2020/21. Further reports will be brought back to Members through the Capital Monitoring process when further details are received, and the Capital Programme will be updated accordingly.

Council Plan

95. 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

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

Human Resources Implications

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

Equalities Implications

98. 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

99. 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

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

Information Technology

101. The information technology implications are contained in the main body of this report.

Property

102. 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

103. 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.
104. Additional risk exists in relation to new 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. New schemes within this report with this risk include
- Castle Museum Development Project

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
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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

Wards Affected:

All

For further information please contact the author of the report

Annexes

Annex A – Capital Programme 2017/18 – 2021/22

Annex B – Growth Summary 2017/18 – 2021/22

	2017/18 Budget £000	2017/18 Revised Budget £000	2017/18 Budget £000	2018/19 Revised Budget £000	2017/18 Budget £000	2019/20 Revised Budget £000	2017/18 Budget £000	2020/21 Revised Budget £000	2017/18 Budget £000	2021/22 Budget £000	Gross Capital Programme To be Funded 17/18- 21/22 £000
CEC - Children, Education & Communities											
CEC - Children & Education											
NDS Devolved Capital		389		370		351		431			1,541
- External Funding		389		370		351		431			1,541
- Internal Funding		0		0		0		0			0
DIE Maintenance		1,625		1,373		1,236		2,400			6,634
- External Funding		1,625		1,373		1,236		2,400			6,634
Basic Need		18,978		4,244		2,250		2,250			27,722
- External Funding		18,978		4,244		2,250		2,250			27,722
- Internal Funding		0		0		0		0			0
Fulford School Expansion		100		0		0		0			100
- External Funding		100		0		0		0			100
- Internal Funding		0		0		0		0			0
Family Drug & Alcohol Assess/Recovery Facility		100		0		0		0			100
- External Funding		0		0		0		0			0
- Internal Funding		100		0		0		0			100
Knavesmire Classroom Expansion		0		0		0		0			0
- External Funding		0		0		0		0			0
- Internal Funding		0		0		0		0			0
Enhanced Resource Provision - SEN		525		0		0		0			525
- External Funding		0		0		0		0			0
- Internal Funding		525		0		0		0			525
Children & Young Peoples services & Building based provision review		100		0		0		0			100
- External Funding		0		0		0		0			0
- Internal Funding		100		0		0		0			100
Southbank Expansion		2,450		0		0		0			2,450
- External Funding		2,450		0		0		0			2,450
- Internal Funding		0		0		0		0			0
Capital Maintenance Works to Schools - Ventilation & Electrical	554	554		0		0		0			554
- External Funding		0		0		0		0			0
- Internal Funding	554	554		0		0		0			554
CEC - Communities											
Haxby Library Reprovision	500	500		0		0		0			500
- External Funding		0		0		0		0			0
- Internal Funding	500	500		0		0		0			500
Castle Museum Development Project	300	300	200	200	200	200		0	0		700
- External Funding		0		0		0		0		0	0
- Internal Funding	300	300	200	200	200	200		0			700
York Museums Trust Visitor Facilities and Product Development	800	800		0		0		0	0		800
- External Funding		0		0		0		0			0
- Internal Funding	800	800	0	0	0	0		0			800
York Theatre Royal		0		0		0		0			0
- External Funding		0		0		0		0			0
- Internal Funding		0		0		0		0			0
TOTAL GROSS EXPENDITURE	2,154	26,421	200	6,187	200	4,037	0	5,081			41,726
TOTAL EXTERNAL FUNDING	0	23,542	0	5,987	0	3,837		5,081			38,447
TOTAL INTERNAL FUNDING	2,154	2,879	200	200	200	200		0			3,279
HH&ASC - Adult Social Care & Adult Services Commissioning											
Joint Equipment Store		125		125		125		125	125	125	625
- External Funding		0		0		0		0	0	0	0
- Internal Funding		125		125		125		125	125	125	625
Disabled Support Grant		190		200		210		210	210	210	1,020
- External Funding		0		0		0		0	0	0	0
- Internal Funding		190		200		210		210	210	210	1,020
Telecare Equipment		307		230		230		230	230	230	1,227
- External Funding		0		0		0		0	0	0	0
- Internal Funding		307		230		230		230	230	230	1,227
OPH Infrastructure Works		9		0		0		0			9
- External Funding		0		0		0		0			0
- Internal Funding		9		0		0		0			9
Older Person's Accommodation Review		4,254		3,226		0		0			7,480
- External Funding		0		0		0		0			0
- Internal Funding		4,254		3,226		0		0			7,480
TOTAL GROSS EXPENDITURE	0	4,885	0	3,781	0	565	0	565	565	565	10,361
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	4,885	0	3,781	0	565	0	565	565	565	10,361
HH&ASC - Housing & Community Safety											
Modernisation of Local Authority Homes (HRA)	619	2,876	-65	1,629	-136	1,116	-177	1,113	1,355	1,355	8,089
- External Funding		452		0		0		0			452
- Internal Funding	619	2,424	-65	1,629	-136	1,116	-177	1,113	1,355	1,355	7,637
Assistance to Older & Disabled People (HRA)	-12	400	-12	412	-13	424	-13	437	450	450	2,123
- External Funding		0		0		0		0			0
- Internal Funding	-12	400	-12	412	-13	424	-13	437	450	450	2,123
MRA Schemes (HRA)	486	6,310	887	6,247	859	6,379	524	6,209	6,223	6,223	31,368
- External Funding		6,310		6,247		6,379		6,209	6,223	6,223	31,368
- Internal Funding		0		0		0		0			0
Local Authority Homes - Phase 1 (HRA)		7,694		0		0		0			7,694
- External Funding		0		0		0		0			0
- Internal Funding		7,694		0		0		0			7,694
Water Mains Upgrade	-479	721	-444	0	-226	231	-130	132	136	136	1,220
- External Funding		0		0		0		0			0
- Internal Funding	-479	721	-444	0	-226	231	-130	132	136	136	1,220
Building Insulation Programme (HRA)		0		0		160		0			160
- External Funding		0		0		0		0			0
- Internal Funding		0		0		160		0			160
Disabled Facilities Grant (Gfund)	253	1,478	203	1,478	203	1,478	-397	1,478	1,478	1,478	7,390
- External Funding		1,003		1,003		1,003		1,003	1,003	1,003	5,015
- Internal Funding		475		475		475		475	475	475	2,375
IT Infrastructure (HRA)	-70	1,272	-200	150	-150	150	-150	150	0	0	1,722
- External Funding		0		0		0		0			0
- Internal Funding	-70	1,272	-200	150	-150	150	-150	150	0	0	1,722
Housing Environmental Improvement Programme (HRA)		170		170		170		170	170	170	850
- External Funding		0		0		0		0			0
- Internal Funding		170		170		170		170	170	170	850
TOTAL GROSS EXPENDITURE	967	20,921	539	10,086	707	10,108	-173	9,689	9,812	9,812	60,616
TOTAL EXTERNAL FUNDING	739	7,765	1,090	7,250	1,062	7,382	127	7,212	7,226	7,226	36,835
TOTAL INTERNAL FUNDING	228	13,156	-551	2,836	-355	2,726	-300	2,477	2,586	2,586	23,781
Economy & Place - Transport, Highways & Environment											
Highway Resurfacing & Reconstruction (Struct Maint)	170	2,938	266	2,843	190	2,767	114	2,691	2,577	2,577	13,816
- External Funding		170		2,093		1,901		1,941	1,827	1,827	10,066

	2017/18 Budget £000	2017/18 Revised Budget £000	2017/18 Budget £000	2018/19 Revised Budget £000	2017/18 Budget £000	2019/20 Revised Budget £000	2017/18 Budget £000	2020/21 Revised Budget £000	2017/18 Budget £000	2021/22 Budget £000	Gross Capital Programme To be Funded 17/18- 21/22 £000
-Internal Funding		750		750		750		750		750	3,750
Targeted Investment for Highways Improvement	100	100	100	100	100	100	100	100	100	100	500
- External Funding											
- Internal Funding	100	100	100	100	100	100	100	100	100	100	500
Highway, Footway & Cycleway Improvement Acceleration	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000
- External Funding											
- Internal Funding	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	5,000
Special Bridge Maintenance (Struct maint)		639		200		200		200			1,239
- External Funding											
- Internal Funding		639		200		200		200			1,239
Replacement of Unsound Lighting Columns	578	578	578	578	578	578	578	578	578	578	2,890
- External Funding											
- Internal Funding	578	578	578	578	578	578	578	578	578	578	2,890
Highways Drainage Works		270		200		200		200		200	1,070
- External Funding											
- Internal Funding		270		200		200		200		200	1,070
Drainage Investigation & Renewal	200	200	200	200	200	200	200	200	200	200	600
- External Funding											
- Internal Funding	200	200	200	200	200	200	200	200	200	200	600
Built Environment Fund		2,022		0		0		0			2,022
- External Funding											
- Internal Funding		2,022		0		0		0			2,022
Better Play Areas		220		0		0		0			220
- External Funding											
- Internal Funding		220		0		0		0			220
Public Conveniens Facilities		0		0		0		0			0
- External Funding											
- Internal Funding		0		0		0		0			0
River Safety		0		0		0		0			0
- External Funding											
- Internal Funding		0		0		0		0			0
Litter Bin Replacement Programmer	175	175	175	175	175	175	0	0	0	0	525
- External Funding											
- Internal Funding	175	175	175	175	175	175	0	0	0	0	525
Corporate Prudential Borrowing	175	175	175	175	175	175	0	0	0	0	525
- Internal Funding	175	175	175	175	175	175	0	0	0	0	525
Knavesmire Culverts		0		0		0		0			0
- External Funding											
- Internal Funding		0		0		0		0			0
Better Bus Area Fund		520		0		0		0			520
- External Funding											
- Internal Funding		520		0		0		0			520
Local Transport Plan (LTP) *		4,223		1,570		1,570		1,570	1,570	1,570	10,503
- External Funding											
- Internal Funding		4,223		1,570		1,570		1,570	1,570	1,570	10,503
York City Walls - Repairs & Renewals (City Walls)		90		90		90		90	90	90	450
- External Funding											
- Internal Funding		90		90		90		90	90	90	450
York City Walls Restoration Programme	300	300	400	400	300	300	300	300	300	300	1,600
- External Funding											
- Internal Funding	300	300	400	400	300	300	300	300	300	300	1,600
Flood Defences		317		0		0		0			317
- External Funding											
- Internal Funding		317		0		0		0			317
Scarborough Bridge		2,835		0		0		0			2,835
- External Funding											
- Internal Funding		2,835		0		0		0			2,835
National Productivity Improvement Fund	626	626		0		0		0			626
- External Funding	626	626		0		0		0			626
- Internal Funding		0		0		0		0			0
Potholes	184	184	184	184	184	184	184	184	0	0	736
- External Funding	184	184	184	184	184	184	184	184	0	0	736
- Internal Funding		0		0		0		0			0
Silver Street & Coppergate Toilets	70	70		0		0		0		0	70
- External Funding											
- Internal Funding	70	70		0		0		0			70
Osbalwick Beck Maintenance	60	60		0		0		0		0	60
- External Funding											
- Internal Funding	60	60		0		0		0			60
City Fibre Network	0	50	0	50	50	50	50	50			200
- External Funding											
- Internal Funding		50		50	50	50	50	50			200
Corporate Prudential Borrowing											
- Internal Funding		50		50	50	50	50	50			200
TOTAL GROSS EXPENDITURE	3,463	17,417	2,903	7,590	2,777	7,414	2,326	6,963	6,415	6,415	45,799
TOTAL EXTERNAL FUNDING	980	9,586	450	3,847	374	3,771	298	3,695	3,397	3,397	24,296
TOTAL INTERNAL FUNDING	2,483	7,831	2,453	3,743	2,403	3,643	2,028	3,268	3,018	3,018	21,503
Economy & Place - Regeneration & Asset Management											
LCR Revolving Investment Fund		540		0		0		0			540
- External Funding											
- Internal Funding		540		0		0		0			540
York Central		4,450		0		0		0			4,450
- External Funding											
- Internal Funding		4,450		0		0		0			4,450
Photovoltaic Energy Programme		346		0		0		0			346
- External Funding											
- Internal Funding		346		0		0		0			346
29 Castlegate Repairs		33		0		0		0			33
- External Funding											
- Internal Funding		33		0		0		0			33
Fishergate Postern		18		0		0		0			18
- External Funding											
- Internal Funding		18		0		0		0			18
Holgate Park Land – York Central Land and Clearance		397		0		0		0			397
- External Funding											
- Corporate Prudential Borrowing											
- Internal Funding		397		0		0		0			397
Asset Maintenance + Critical H&S Repairs	20	220	20	220	20	220	20	220	220	220	1,100
- External Funding											
- Internal Funding	20	220	20	220	20	220	20	220	220	220	1,100
Community Asset Transfer		175		0		0		0			175
- External Funding											
- Internal Funding		175		0		0		0			175
River Bank repairs		182		0		0		0			182
- External Funding											
- Internal Funding		182		0		0		0			182
Small Business Workshops		47		0		0		0			47
- External Funding											
- Internal Funding		47		0		0		0			47

	2017/18 Budget £000	2017/18 Revised Budget £000	2017/18 Budget £000	2018/19 Revised Budget £000	2017/18 Budget £000	2019/20 Revised Budget £000	2017/18 Budget £000	2020/21 Revised Budget £000	2017/18 Budget £000	2021/22 Budget £000	Gross Capital Programme To be Funded 17/18- 21/22 £000
-Internal Funding		47		0		0		0			47
Picadilly Regeneration		180		0		0		0			180
- External Funding		0		0		0		0			0
-Internal Funding		180		0		0		0			180
Guildhall		402		0		0		0			402
- External Funding		0		0		0		0			0
-Internal Funding		402		0		0		0			402
Air Quality Monitoring (Gfund)		87		0		0		0			87
- External Funding		0		0		0		0			0
-Internal Funding		87		0		0		0			87
TOTAL GROSS EXPENDITURE	20	7,077	20	220	20	220	20	220	220	220	7,957
TOTAL EXTERNAL FUNDING	0	87	0	0	0	0	0	0	0	0	87
TOTAL INTERNAL FUNDING	20	6,990	20	220	20	220	20	220	220	220	7,870
Customer & Corporate Services - Community Stadium											
Community Stadium		35,898		0		0		0			35,898
- External Funding		25,339		0		0		0			25,339
-Internal Funding		10,559		0		0		0			10,559
TOTAL GROSS EXPENDITURE		35,898		0		0		0			35,898
TOTAL EXTERNAL FUNDING		25,339		0		0		0			25,339
TOTAL INTERNAL FUNDING		10,559		0		0		0			10,559
Customer & Corporate Services											
Removal of Asbestos	50	50	50	50	50	50	50	50	50	50	250
- External Funding		0		0		0		0		0	0
-Internal Funding	50	50	50	50	50	50	50	50	50	50	250
Mansion House Restoration		1,287		169		0		0		0	1,456
- External Funding		577		96		0		0		0	673
-Internal Funding		710		73		0		0		0	783
Project Support Fund	100	200	100	200	100	200	100	200	200	200	1,000
- External Funding		0		0		0		0		0	0
-Internal Funding	100	200	100	200	100	200	100	200	200	200	1,000
Registrars	115	115		0		0		0		0	115
- External Funding		0		0		0		0		0	0
-Internal Funding	115	115		0		0		0		0	115
West Offices - Admin Accom		267		0		0		0		0	267
- External Funding		0		0		0		0		0	0
-Internal Funding		267		0		0		0		0	267
Capital Contingency		250		0		0		0		0	250
- External Funding		0		0		0		0		0	0
-Internal Funding	250	250		0		0		0		0	250
TOTAL GROSS EXPENDITURE	515	2,169	150	419	150	250	150	250	250	250	3,338
TOTAL EXTERNAL FUNDING	0	577	0	96	0	0	0	0	0	0	673
TOTAL INTERNAL FUNDING	515	1,592	150	323	150	250	150	250	250	250	2,665
Customer & Corporate Services - IT											
IT Development plan		2,491		2,025		1,970		1,085	1,770	1,770	9,341
- External Funding		0		0		0		0	0	0	0
-Internal Funding		2,491		2,025		1,970		1,085	1,770	1,770	9,341
TOTAL GROSS EXPENDITURE	0	2,491	0	2,025	0	1,970	0	1,085	1,770	1,770	9,341
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	2,491	0	2,025	0	1,970	0	1,085	1,770	1,770	9,341
Gross Expenditure by Department											
CEC - Children, Education & Communities	2,154	26,421	200	6,187	200	4,037	0	5,081	0	0	41,726
HH&ASC - Adult Social Care & Adult Services Commissioning	0	4,885	0	3,781	0	565	0	565	565	565	10,361
HH&ASC - Housing & Community Safety	967	20,921	539	10,086	707	10,108	-173	9,689	9,812	9,812	60,616
Economy & Place - Transport, Highways & Environment	3,463	17,417	2,903	7,590	2,777	7,414	2,326	6,963	6,415	6,415	45,799
Economy & Place - Regeneration & Asset Management	20	7,077	20	220	20	220	20	220	220	220	7,957
Customer & Corporate Services - Community Stadium	0	35,898	0	0	0	0	0	0	0	0	35,898
Customer & Corporate Services	515	2,169	150	419	150	250	150	250	250	250	3,338
Customer & Corporate Services - IT	0	2,491	0	2,025	0	1,970	0	1,085	1,770	1,770	9,341
Total by Department	7,119	117,279	3,812	30,308	3,854	24,564	2,323	23,853	19,032	19,032	215,036
Total External Funds by Department											
CEC - Children, Education & Communities	0	23,542	0	5,987	0	3,837	0	5,081	0	0	38,447
HH&ASC - Adult Social Care & Adult Services Commissioning	0	0	0	0	0	0	0	0	0	0	0
HH&ASC - Housing & Community Safety	739	7,765	1,090	7,250	1,062	7,382	127	7,212	7,226	7,226	36,835
Economy & Place - Transport, Highways & Environment	980	9,586	450	3,847	374	3,771	298	3,695	3,397	3,397	24,296
Economy & Place - Regeneration & Asset Management	0	87	0	0	0	0	0	0	0	0	87
Customer & Corporate Services - Community Stadium	0	25,339	0	0	0	0	0	0	0	0	25,339
Customer & Corporate Services	0	577	0	96	0	0	0	0	0	0	673
Customer & Corporate Services - IT	0	0	0	0	0	0	0	0	0	0	0
Total External Funds by Department	1,719	66,896	1,540	17,180	1,436	14,990	425	15,988	10,623	10,623	125,677
Total CYC Funding required by Department											
CEC - Children, Education & Communities	2,154	2,879	200	200	200	200	0	0	0	0	3,279
HH&ASC - Adult Social Care & Adult Services Commissioning	0	4,885	0	3,781	0	565	0	565	565	565	10,361
HH&ASC - Housing & Community Safety	228	13,156	-551	2,836	-355	2,726	-300	2,477	2,586	2,586	23,781
Economy & Place - Transport, Highways & Environment	2,483	7,831	2,453	3,743	2,403	3,643	2,028	3,268	3,018	3,018	21,503
Economy & Place - Regeneration & Asset Management	20	6,990	20	220	20	220	20	220	220	220	7,870
Customer & Corporate Services - Community Stadium	0	10,559	0	0	0	0	0	0	0	0	10,559
Customer & Corporate Services	515	1,592	150	323	150	250	150	250	250	250	2,665
Customer & Corporate Services - IT	0	2,491	0	2,025	0	1,970	0	1,085	1,770	1,770	9,341
Total CYC Funding required	5,400	50,383	2,272	13,128	2,418	9,574	1,898	7,865	8,409	8,409	89,359

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Capital Budget Process 2017/18 - 2021/22
Growth Only

Table 1

Directorate	Portfolio	Council Priority	Rolling Programme Schemes - Additional Years/Amendments Funded by CYC Borrowing
Place	T&P	A focus on frontline services	City Fibre Network
Place	Env	A focus on frontline services	Highway Drainage Works
H&W	ASC & H	A focus on frontline services	Disability Support Budget
H&W	ASC & H	A focus on frontline services	Major items of Disablilty 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	Asbestos removal
Place	F&P	A focus on frontline services	Asset Maintenance + Critical H&S Repairs
Place	T&P	A focus on frontline services	Concrete Street lighting column replacement program
Place	T&P	A prosperous city for all	York City Walls - Repair and Renewal
Place	T&P	A prosperous city for all	Highways Resurfacing & Reconstruction (CYC element only) *
Corporate	F&P	A prosperous city for all	Project Support Fund
Corporate	F&P	A council that listens to residents	Contingency

TOTAL - Funded by CYC Prudential Borrowing

Incremental Revenue Growth

Growth above existing approved budget

17/18 £000	18/19 £000	19/20 £000	20/21 £000	21/22 £000	Total £000
		50	50		100
				200	200
				210	210
				125	125
				230	230
				475	475
				1,770	1,770
50	50	50	50	50	250
20	20	20	20	220	300
578	578	578	578	578	2,890
				90	90
				750	750
100	100	100	100	200	600
250					250
998	748	798	798	4,898	8,240

70 52 56 56 343 577

Table 2

Directorate	Portfolio	Council Priority	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)
Place	T&P	A focus on frontline services	National Productivity Improvement Fund
Place	T&P	A focus on frontline services	Potholes

TOTAL - Funded Externally

Incremental Revenue Growth

£000	£000	£000	£000	£000	£000
170	266	190	114	1,827	2,567
				1,570	1,570
253	203	203	(397)	1,003	1,265
626					626
184	184	184	184		736
1,233	653	577	(99)	4,400	6,764

n/a n/a n/a n/a n/a n/a

Table 3

Directorate	Portfolio	Council Priority	New Schemes - CYC Funded
Place	Envir	A prosperous city for all	Silver Street and Coppergate Toilets
Place	T&P	A prosperous city for all	York City Walls Restoration Programme
Place	T&P	A focus on frontline services	Targeted Investment for Highways Improvement
Place	Envir	A focus on frontline services	Drainage investigation and renewal
Place	T&P	A focus on frontline services	Highway, Footway & Cycleway Improvement Acceleration
Childrens	EC&YP	A focus on frontline services	Capital Maintenance Work to Schools - Ventilation and Electrical
Childrens	EC&YP	A focus on frontline services	Haxby Library Reprovision
Place	Envir	A focus on frontline services	Litter Bin replacement programme
Corporate	F&P	A focus on frontline services	Registrars
Place	Envir	A council that listens to residents	Osbalwick Beck Maintenance
Childrens	EC&YP	A focus on frontline services	Castle Museum Development Project
Childrens	EC&YP	A focus on frontline services	York Museums Trust Visitor Facilities and Product Development

TOTAL - Funded by CYC Prudential Borrowing

Incremental Revenue Growth

£000	£000	£000	£000	£000	£000
70					70
300	400	300	300	300	1,600
100	100	100	100	100	500
200	200	200			600
1,000	1,000	1,000	1,000	1,000	5,000
554					554
500					500
175	175	175			525
115					115
60					60
300	200	200			700
800					800
4,174	2,075	1,975	1,400	1,400	11,024

292 145 138 98 98 772

Table 5

Directorate	Portfolio	Council Priority	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

£000	£000	£000	£000	£000	£000
486	887	859	524	6,223	8,979
619	(65)	(136)	(177)	1,355	1,596

H&W	HSN	A focus on frontline services	Water Mains Upgrades
H&W	HSN	A focus on frontline services	Asst to Older and Disabled People
H&W	HSN	A focus on frontline services	IT infrastructure
H&W	HSN	A focus on frontline services	Housing Environmental Improvement Programme
			TOTAL - HRA Funded

(479)	(444)	(226)	(130)	136	(1,143)
(12)	(12)	(13)	(13)	450	400
(70)	(200)	(150)	(150)	-	(570)
170	170	170	170	170	850
714	336	504	224	8,334	10,112

Table 6

Funded Split
Total CYC Prudential Borrowing
Other Internal Funding
Total External Funding
Total HRA Funding
Overall Increase in Capital Programme

17/18	18/19	19/20	20/21	21/22	Total
£000	£000	£000	£000	£000	£000
5,172	2,823	2,773	2,198	6,298	19,264
-	-	-	-	-	-
1,233	653	577	(99)	4,400	6,764
714	336	504	224	8,334	10,112
7,119	3,812	3,854	2,323	19,032	36,140

Table 7

Revenue Impact
Incremental Revenue Growth of CYC Prudential Borrowing
Overall Revenue Impact (Cost to CYC)

362	198	194	154	441	1,348
362	198	194	154	441	1,348



Executive

9 February 2017

**Report of the Director of Customer and Corporate Services
Portfolio of the Executive Member for Finance and Performance**

**Treasury Management Strategy Statement and Prudential Indicators for
2017/18 to 2021/22**

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 2017/18 financial year.

Recommendations

2. Executive are asked to recommend that Council approve:
 - The proposed Treasury Management Strategy for 2017/18 including the annual investment strategy and the minimum revenue provision policy statement;
 - The prudential indicators for 2017/18 to 2021/22 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. 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.”

Reporting requirements

6. The Council is 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.
7. These reports are required to be adequately scrutinised by committee before being recommended to the Council. This scrutiny role is undertaken by Audit & Governance Committee.
8. 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 2017/18

9. The treasury management strategy for 2017/18 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

10. These elements cover the statutory and regulatory requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Communities and Local Government (CLG) Minimum Revenue Provision (MRP) Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

The capital prudential indicators 2017/18 – 2021/22

11. 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.

12. 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 4a&b: Incremental impact of capital investment decisions on council tax and housing rent
- PI 5: External debt

- PI 6a: Authorised limit for external debt
- PI 6b: Operational boundary for external debt
- PI 6c: Housing revenue account (HRA) debt limit
- PI 7: Interest rate exposure for fixed and variable rated debt
- PI 8: Maturity structure of debt
- PI 9: Surplus funds invested >364 days

13. Prudential indicator 1 - capital expenditure. This prudential Indicator is a summary of the Council's capital expenditure plans forming part of this budget cycle. 2016/17 is included as a comparator. Detailed information on the individual schemes is provided in the capital monitor 3 and capital strategy report.

Capital Expenditure	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
General fund (Non HRA)	38.2	97.8	21.7	15.9	15.6	10.7
Housing revenue account	14.2	19.4	8.6	8.6	8.2	8.3
Total	52.4	117.3	30.3	24.5	23.8	19.0

Table 1: Capital expenditure

14. 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 2017/18.

15. 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.

16. The CFR does not increase indefinitely, because the minimum revenue provision (MRP) is a statutory annual revenue charge, which broadly reduces the borrowing need in line with each assets life. Therefore, the CFR is reduced by this provision to repay debt.

17. 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.

The Council currently has a limit to cover such schemes of £20m included within the CFR. As set out in paragraph 40 table 7 the projected level of debt is significantly below the CFR over the 5 year period.

18. Table 2 below, shows the capital financing requirement, excluding other long term liabilities:

Capital Financing Requirement	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Non housing CFR	188.6	213.2	212.3	211.8	210.1	208.8
HRA pre settlement	18.8	18.8	18.8	18.8	18.8	18.8
HRA settlement	121.5	121.5	121.5	121.5	121.5	121.5
HRA CFR	140.3	140.3	140.3	140.3	140.3	140.3
Total CFR	328.9	353.5	352.6	352.1	350.4	349.1

Table 2: Capital financing requirement (CFR)

Minimum revenue provision (MRP) policy statement

19. The Council is required to pay off an element of the accumulated general fund (non-HRA) 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).
20. CLG regulations require full Council to approve an MRP statement in advance of each year. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period that is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. Councils are also able to adopt local approaches, provided that their MRP is still deemed to be prudent.
21. It is proposed that the Council amends its MRP policy for 2017/18 in relation to supported borrowing, or pre 2008 debt. This element of MRP provision is currently calculated using a 4% charge on a reducing balance each year.
22. The change proposed is to reduce the annual percentage MRP charge from 4% to 3% and apply the new contribution rate on a fixed, straight line basis. This is, in effect, the asset life method with an average of 33 years being applied based on an overall average of the asset base.

23. This approach would have the effect of reducing the debt liability to a fixed life of 33 years and would be considered a more prudent provision than the current approach, as it introduces a more certain period for spreading the cost of this element of debt liability. This is in line with one of the main MRP guidance principles, whilst achieving an overall faster level of debt redemption over the equivalent period as would have arisen under the 4% reducing balance approach. It also spreads the cost more evenly amongst taxpayers that will benefit from the capital expenditure.
24. Full Council is requested to approve the following MRP statement: For capital expenditure incurred before 1 April 2008 or which in the future will be supported capital expenditure, 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.
25. This provides for a 3% reduction in the borrowing need (CFR) each year.
26. From 1 April 2008 for all unsupported 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);
27. 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 the debt should be repaid over a shorter period. Estimated asset life periods will be determined under delegated powers. It should be noted that with all debts, the longer the repayment period the higher the amount of interest incurred over the period of the loan accordingly, it is deemed as prudent to reduce the period over which the repayments are made.
28. 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).
29. Repayments included in annual PFI or finance leases are also applied as MRP.

Affordability prudential indicators

30. 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.

31. 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	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
Non-HRA	11.74	12.01	12.96	12.04	11.86	11.82
HRA	13.14	13.14	13.14	13.14	13.14	13.14

Table 3: Ratio of financing costs to net revenue stream

32. The estimates of financing costs include current commitments and the proposals in the capital budget report also on this agenda.

33. Prudential indicator 4a - incremental impact of capital investment decisions on council tax.

This indicator identifies the revenue costs associated with proposed changes to the five-year capital programme recommended in the budget report compared to existing approved commitments and plans. Assumptions are based on the budget figures as set out in the capital and financial strategy reports on this agenda.

Incremental Impact on Council tax – band D	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £	2021/22 Estimate £
Incremental impact	14.49	24.35	31.50	9.90	9.24	7.98

Table 4 - Incremental impact of capital investment decisions on the band D council tax

34. Prudential indicator 4b - Incremental impact of capital investment decisions on housing rent levels.

Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in the capital strategy report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels. This indicator is zero as the housing rent levels are set by Government and therefore not directly impacted by the Council's capital plans.

Incremental Impact	2015/16 Estimate £	2016/17 Estimate £	2017/18 Estimate £	2018/19 Estimate £	2019/20 Estimate £	2020/21 Estimate £
Weekly Housing Rents	0.00	0.00	0.00	0.00	0.00	0.00

Table 5 - Incremental impact of capital investment decisions on housing rent levels

35. 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.

36. 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

37. The Council's treasury portfolio position at 30th January 2017 is detailed below in table 6:

Institution Type	Principal	Average Rate
<u>Public Works Loan Board (PWLB)</u> – Money borrowed from the Debt Mgt Office (Treasury Agency)	£240.1m	3.63%
<u>Market Loans</u>		
Club loan – A loan taken in conjunction with 2 other authorities	£10.0m	7.15%
LOBO Loans (2) – Lender Option Borrower Option	£10.0m	3.74%
Total Gross Borrowing (GF & HRA)	£260.1m	3.77%
Total Investments	£115.9m	0.50%

Table 6: Current position at 30th January 2017

38. The Council had £260.1m of fixed interest rate debt, of which £140.3m was HRA and £119.8m general fund. The cash balance available for investment was £115.9m. This relatively high level of cash balances is due to timing

issues with some significant receipts that are received in advance of expenditure being incurred, as well as holding specific balances to meet an identified need or risk. It is expected that the average balance will start to reduce in coming years.

39. 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 2017/18 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.

40. **Prudential indicator 5 – external debt** Table 7 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.

	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Gross projected debt	275.1	290.1	285.1	284.1	284.1	280.1
Total CFR	328.9	353.5	352.6	352.1	350.4	349.1
Under/(over) borrowed	Under	Under	Under	Under	Under	Under

Table 7: External debt < capital financing requirement

41. Table 7 shows a gap between actual 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 over the 5 year period based on current estimates, 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

42. **Prudential indicator 6A – 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	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	275.1	290.1	285.1	284.1	284.1	280.1
Operational Boundary	355.3	363.5	362.7	362.1	360.4	359.2
Other long term liabilities	30.0	30.0	30.0	30.0	30.0	30.0
Total	385.3	393.5	392.7	392.1	390.4	389.2

Table 8: Authorised borrowing limit

43. **Prudential indicator 6B – 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	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Borrowing	275.1	290.1	285.1	284.1	284.1	280.1
Other long term liabilities	10.0	10.0	10.0	10.0	10.0	10.0
Total	355.3	363.5	362.7	362.1	360.4	359.2

Table 9: Operational boundary

44. Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime, known as the HRA debt limit or debt cap. This limit is currently:

HRA Debt Limit	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Total HRA	145.97	145.97	145.97	145.97	145.97	145.97

Table 10: HRA debt limit

Prospects for interest rates

45. 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 contracts Capita Asset Services as its treasury adviser. Part of their service is to assist the Council in formulating a view on interest rates. Table 11 below gives Capita's central view:

	Bank rate %	PWLB borrowing rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2016	0.25	1.60	2.90	2.70
Mar 2017	0.25	1.60	2.90	2.70
Jun 2017	0.25	1.60	2.90	2.70
Sep 2017	0.25	1.60	2.90	2.70
Dec 2017	0.25	1.60	3.00	2.80
Mar 2018	0.25	1.70	3.00	2.80
Jun 2018	0.25	1.70	3.00	2.80
Sep 2018	0.25	1.70	3.10	2.90
Dec 2018	0.25	1.80	3.10	2.90
Mar 2019	0.25	1.80	3.20	3.00
Jun 2019	0.50	1.90	3.20	3.00
Sep 2019	0.50	1.90	3.30	3.10
Dec 2019	0.75	2.00	3.30	3.10
Mar 2020	0.75	2.00	3.40	3.20

Table 11 – Capita's interest rate forecast

46. The Monetary Policy Committee, (MPC), cut Bank Rate from 0.50% to 0.25% on 4th August in order to counteract what it forecast was going to be a sharp slowdown in growth in the second half of 2016. It also gave a strong steer that it was likely to cut Bank Rate again by the end of the year. However, economic data since August has indicated much stronger growth in the second half 2016 than that forecast; also, inflation forecasts have risen substantially as a result of a continuation of the sharp fall in the value of sterling since early August. Consequently, Bank Rate was not cut again in November and, on current trends, it now appears unlikely that there will be another cut, although that cannot be completely ruled out if there was a significant dip downwards in economic growth.

47. During the two-year period 2017 – 2019, when the UK is negotiating the terms for withdrawal from the EU, it is likely that the MPC will do nothing to dampen growth prospects, (i.e. by raising Bank Rate), which will already be adversely impacted by the uncertainties of what form Brexit will eventually take. Accordingly, a first increase to 0.50% is not tentatively pencilled in, as in the table above, until quarter 2 2019, after those negotiations have been concluded, (though the period for negotiations could be extended). However, if strong domestically generated inflation, (e.g. from wage increases within the UK), were to emerge, then the pace and timing of increases in Bank Rate could be brought forward.
48. 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.
49. The overall longer run trend is for gilt yields and PWLB rates to rise, albeit gently. It has long been expected that at some point, there would be a start to a switch back from bonds to equities after a historic long term trend over about the last twenty five years of falling bond yields. The action of central banks since the financial crash of 2008, in implementing substantial quantitative easing purchases of bonds, added further impetus to this downward trend in bond yields and rising prices of bonds. The opposite side of this coin has been a rise in equity values as investors searched for higher returns and took on riskier assets. The sharp rise in bond yields since the US Presidential election, has called into question whether, or when, this trend has, or may, reverse, especially when America is likely to lead the way in reversing monetary policy. Until 2015, monetary policy was focused on providing stimulus to economic growth but has since started to refocus on countering the threat of rising inflationary pressures as strong economic growth becomes more firmly established. The expected substantial rise in the Fed. rate over the next few years may make holding US bonds much less attractive and cause their prices to fall, and therefore bond yields to rise. Rising bond yields in the US would be likely to exert some upward pressure on bond yields in other developed countries but the degree of that upward pressure is likely to be dampened by how strong, or weak, the prospects for economic growth and rising inflation are in each country, and on the degree of progress in the reversal of monetary policy away from quantitative easing and other credit stimulus measures.
50. PWLB rates and gilt yields have been experiencing exceptional levels of volatility that have been highly correlated to geo-political, sovereign debt

crisis and emerging market developments. It is likely that these exceptional levels of volatility could continue to occur for the foreseeable future.

51. The overall balance of risks to economic recovery in the UK is to the downside, particularly in view of the current uncertainty over the final terms of Brexit and the timetable for its implementation.

52. Apart from the above uncertainties, downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Monetary policy action by the central banks of major economies reaching its limit of effectiveness and failing to stimulate significant sustainable growth, combat the threat of deflation and reduce high levels of debt in some countries, combined with a lack of adequate action from national governments to promote growth through structural reforms, fiscal policy and investment expenditure.
- Major national polls:
 - Italian constitutional referendum 4.12.16;
 - Spain has a minority government with only 137 seats out of 350 after already having had two inconclusive general elections in 2015 and 2016. This is potentially highly unstable.
 - Dutch general election 15.3.17;
 - French presidential election April/May 2017;
 - French National Assembly election June 2017;
 - German Federal election August – October 2017.
- A resurgence of the Eurozone sovereign debt crisis, with Greece being a particular problem, and stress arising from disagreement between EU countries on free movement of people and how to handle a huge influx of immigrants and terrorist threats
- Weak capitalisation of some European banks, especially Italian.
- Geopolitical risks in Europe, the Middle East and Asia, causing a significant increase in safe haven flows.
- UK economic growth and increases in inflation are weaker than we currently anticipate.
- Weak growth or recession in the UK's main trading partners - the EU and US.

53. The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates, include: -

- UK inflation rising to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium in gilt yields.
- A rise in US Treasury yields as a result of Fed. funds rate increases and rising inflation expectations in the USA, dragging UK gilt yields upwards.
- The pace and timing of increases in the Fed. funds rate causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities and leading to a major flight from bonds to equities.
- A downward revision to the UK's sovereign credit rating undermining investor confidence in holding sovereign debt (gilts).

Investment and borrowing rates

54. Investment returns are likely to remain relatively low during 2017/18 and beyond. Borrowing interest rates have been on a generally downward trend during most of 2016 up to mid August when they fell sharply to historically phenomenally low levels after the referendum and then even further after the MPC meeting of 4th August when a new package of quantitative easing purchasing of gilts was announced. Gilt yields have since risen sharply due to a rise in concerns around a “hard Brexit”, the fall in the value of sterling and an increase in inflation expectations. 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 later years when the Council will not be able to avoid new borrowing to finance capital expenditure.
55. There will remain a cost of carry to any new borrowing causing an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

Borrowing strategy

56. The overall 5 year capital programme could require additional net borrowing of £7m over the next 5 years. However, we do not currently envisage taking any new borrowing within the next 2 to 3 years due to our strong positive cash flow position. As cash flow can change due to specific transactions, this will need to be kept under review. The CFR (the Council's actual need to borrow) does not necessarily increase by this same amount as a minimum amount of revenue provision is set aside every year in accordance with statutory requirement and this therefore reduces the actual amount that is required to be borrowed.

57. 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.
58. 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.
59. 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.
60. 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.
61. All decisions will be reported to the appropriate decision making body (Executive and Audit and Governance Committee) at the next available opportunity.

Prudential indicators – limits on borrowing activity

62. There are three debt related prudential indicators. The purpose of these are to restrain the activity of the treasury function within certain limits,

thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:

- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
- Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates

Interest rate exposure	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %	2021/22 Estimate %
	Upper	Upper	Upper	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	127	114	108	108	108	108
Limits on variable interest rates based on net debt	-27	-14	-8	-8	-8	-8

Table 12: Limits on Interest rate exposure

- Maturity structure of borrowing. 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 2016/17				
	Lower	Upper	Debt	Debt (£)
Under 12 months	0%	30%	4%	£10.0m
12 months to 2 years	0%	30%	4%	£10.0m
2 years to 5 years	0%	40%	11%	£28.0m
5 years to 10 years	0%	40%	20%	£51.4m
10 years and above	30%	90%	61%	£160.7m
Total Borrowing			100%	£260.1m

Table 13: Maturity structure of borrowing

Policy on borrowing in advance of need

63. Under the Local Authorities (Capital Finance and Accounting) (England) Regulations 2008, the Council can borrow in advance of need in line with its future borrowing requirements in accordance with the Capital Financing Requirement. Any decision to borrow in advance of need is considered carefully to ensure that value for money can be demonstrated, it is affordable, sustainable & prudent, that the treasury management revenue budget can support the borrowing finance costs in the longer term and that the Council can ensure the security of such funds if invested.

64. Borrowing in advance will be made within the constraints of the CIPFA Prudential Code that ensures total gross debt, does not, except in the short term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for the following two financial years.

65. 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

66. 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).

67. 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).

68. 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.

69. All rescheduling will be reported to the Executive / Audit & Governance Committee at the earliest meeting following its action.

Municipal Bond Agency

70. 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

71. The Council's investment policy has regard to the CLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.
72. In accordance with the above guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council applies minimum acceptable credit criteria in order to generate a list of highly creditworthy counterparties which also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short term and long term ratings.
73. 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 this end 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.
74. 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.
75. Investment instruments identified for use in the financial year are listed in annex B under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices.
76. The Council continues to take a prudent approach to investing funds as set out in the creditworthiness policy below.

Creditworthiness policy

77. This Council applies the creditworthiness service provided by Capita 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

78. 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*

79. The Capita 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.

80. Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) 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.

81. 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 Capita's 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.

82. 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 Capita.
83. 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

84. 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).
85. For 2017/18 the average balance is forecast to be between a low point of £35m and high point of £95m. The matrix stipulates use of level 6 (maximum cash balance of between £50m - £60m, note this is the highest matrix Treasury officers feel is prudent to use) that results in a limit of £8m for counterparties with a durational band of 100 days and £15m for counterparties with a durational band of longer than 100 days.
86. Bank rate is forecast to remain unchanged at 0.25% until quarter 2 2019 and not rise above 0.75% by quarter 1 2020. Bank rate forecasts for financial year ends (March) are:

2017/18	0.25%
2018/19	0.25%
2019/20	0.50%

87. 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.

88. The suggested budgeted investment earnings rates for returns on investments placed for periods up to 100 days during each financial year for the next four years are as follows:

2016/17	0.25%
2017/18	0.25%
2018/19	0.25%
2019/20	0.50%

89. Therefore for 2017/18, the Council has budgeted for an investment return target of 0.25% on investments placed during the financial year and uses the 7 day LIBID rate as a benchmark for the rate of return on investment.

90. **Prudential indicator 9** - 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.

	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m	2019/20 Estimate £m	2020/21 Estimate £m	2021/22 Estimate £m
Maximum limit per year for Investments > 364 days	0.00	15.0	15.0	15.0	15.0	15.0

Table 14: Maturity structure of borrowing

91. 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.

Policy on the use of external service providers

92. The Council uses Capita Asset Services as its external treasury management advisors.

93. 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.

94. 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.

Scheme of delegation and the role of the section 151 officer

95. Those charged with governance are responsible for the treasury management activities and are clearly defined within the organisation. Attached at Annex D are the treasury management scheme of delegation and also the treasury management role of the section 151 officer (Director of Customer & Corporate Services).

Consultation and options

96. 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, Capita Asset Services. Capita 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.

97. 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.

98. 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

99. 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 Councils 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

100. The revenue implications of the treasury strategy are set out in the revenue budget report also on this agenda. The capital implications that drive the CFR are set out in the capital programme budget report.

Human Resources (HR)

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

Equalities

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

Legal Implications

103. 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

104. There are no crime and disorder, information technology or property implications as a result of this report

Risk management

105. 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.

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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

Annex A - Interest Rate Forecast 2016-2020

Capita Asset Services Interest Rate View													
	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Dec-19	Mar-20
Bank Rate View	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.75%	0.75%
3 Month LIBID	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.30%	0.40%	0.50%	0.60%	0.80%	0.90%
6 Month LIBID	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.40%	0.50%	0.60%	0.70%	0.90%	1.00%
12 Month LIBID	0.70%	0.70%	0.70%	0.70%	0.70%	0.70%	0.80%	0.80%	0.90%	1.00%	1.10%	1.30%	1.40%
5yr PWLB Rate	1.60%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	2.00%	2.00%
10yr PWLB Rate	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.70%
25yr PWLB Rate	2.90%	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%
50yr PWLB Rate	2.70%	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%
Bank Rate													
Capita Asset Services	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.75%	0.75%
Capital Economics	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.25%	0.50%	0.75%
5yr PWLB Rate													
Capita Asset Services	1.60%	1.60%	1.60%	1.60%	1.60%	1.70%	1.70%	1.70%	1.80%	1.80%	1.90%	2.00%	2.00%
Capital Economics	1.60%	1.70%	1.80%	1.90%	1.95%	2.05%	2.20%	2.30%	2.40%	2.60%	2.80%	3.20%	3.30%
10yr PWLB Rate													
Capita Asset Services	2.30%	2.30%	2.30%	2.30%	2.30%	2.30%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.70%
Capital Economics	2.30%	2.35%	2.45%	2.50%	2.55%	2.60%	2.70%	2.70%	2.80%	3.00%	3.20%	3.60%	3.70%
25yr PWLB Rate													
Capita Asset Services	2.90%	2.90%	2.90%	2.90%	3.00%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.40%
Capital Economics	2.90%	3.00%	3.05%	3.10%	3.15%	3.25%	3.30%	3.35%	3.45%	3.55%	3.75%	4.15%	4.35%
50yr PWLB Rate													
Capita Asset Services	2.70%	2.70%	2.70%	2.70%	2.80%	2.80%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.20%
Capital Economics	2.80%	2.85%	2.95%	3.00%	3.05%	3.10%	3.15%	3.20%	3.30%	3.50%	3.70%	4.10%	4.20%

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	1 year
UK Government Treasury Bills	UK sovereign rating	£15m	6 months
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. Government liquidity Funds	AAA	£15m	Liquid
2. Money Market Funds	AAA	£15m	Liquid
3. Enhanced Cash Funds	AAA	£15m	Liquid
4. Bond Funds	AAA	£15m	Liquid

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
- U.S.A.

AA+

- Finland

AA

- Abu Dhabi (UAE)
- France
- Qatar
- U.K.

AA-

- Belgium

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.



Executive

9 February 2017

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

Portfolio of the Executive Member for Finance and Performance

Capital Programme – Monitor 3 2016/17

Summary

- 1 The purpose of this report is to set out the projected outturn position for 2016/17 including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
- 2 The 2016/17 capital programme approved by Council on 25 February 2016, updated for amendments reported to Executive and Council is £71.066m.

Recommendations

- 3 Executive is asked to:
 - Recommend to Full Council the adjustments resulting in a decrease in the 2016/17 programme of £18.638m as detailed in the report and contained in Annex A.
 - Note the 2016/17 revised budget of £52.428m as set out in paragraph 6 and Table 1.
 - Note the restated capital programme for 2016/17 – 2020/21 as set out in paragraph 53, Table 2 and detailed in Annex A.
 - Approve the use of £270k from Capital contingency to the Mansion House scheme as set out in paragraph 50.

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

Consultation

- 4 The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 25 February 2016. 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 decrease of £18.638m is detailed in this monitor resulting in a revised capital programme of £52.428m. £20.003m of this decrease is due to re-profiling of budgets to future years. Offsetting this is a net increase of £1.365m mainly due to an increase of £1.145m in relation to the 22 and 36 Hospital Fields Road scheme in Regeneration and Asset Management as set out at paragraph 45.
- 6 Table 1 outlines the variances reported against each area. It should be noted the Capital programme headers have been amended to reflect the new council directorate structure.

Department	Current Approved Budget £m	Projected Outturn £m	Variance £m	Paragraph Ref
Children, Education & Communities	9.006	7.871	(1.135)	8-14
Health, Housing & Adult Social Care – Adult Social Care	3.593	2.862	(731)	15-19
Health, Housing & Adult Social Care – Housing & Community Safety	24.900	15.810	(9.090)	20-28
Economy & Place – Transport, Highways & Environment	17.627	12.600	(5.027)	29-34
Economy & Place – Regeneration & Asset Management	8.595	7.848	(747)	35-44
Community Stadium	1.000	1.000	-	
Corporate Schemes	3.363	1.640	(1.723)	45-50
IT Development Plan	2.981	2.797	(185)	51-52
Total	71.066	52.428	(18.638)	

Table 1 Capital Programme Forecast Outturn 2016/17

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 £1.135k in 16/17. Key variances are summarised in the table below, referenced to further narrative

Scheme	Amendment	Amount 16/17 £m	Amount 17/18 – 20/21 £m	Further Details – Paragraph ref
DfE Maintenance	Re-profile	(0.100)	0.100	9
Fulford School Expansion	Re-profile	(0.100)	0.100	10
Family Drug & Alcohol Assess	Re-profile	(0.100)	0.100	11
Enhanced Resource Provision	Re-profile	(0.350)	0.350	12
Review of Building Based Provision	Re-profile	(0.100)	0.100	13
Southbank Expansion	Re-profile	(0.450)	0.450	14

- 9 The DfE Maintenance scheme requires funds of £100k to be transferred from 16/17 into 17/18. This is to fund retentions on contracts which are complete but where final payment will not be due until after 31st March 2017.
- 10 The Fulford School Expansion Scheme required funds of £100k to be transferred from 16/17 into 17/18. The remaining works carried out during 2016/17 on this major expansion consist of kitchen and dining-room refurbishment, some re-roofing works to parts of the school, and other smaller improvements. These works are now complete and only minor snagging issues remain. The remaining contract payments are in the process of being finalised. It is therefore proposed to re-profile £100k of this budget into 2017/18, as not all payments are expected to be made in this financial year.
- 11 The Family Drug & Alcohol Assessment and Recovery Facility scheme requires funds of £100k to be transferred from 16/17 into 17/18. This development, linked to existing housing development plans, is intended to

respond to national Family Drug and Alcohol Court (FDAC) requirements. The full budget now needs to be re-profiled into 2017/18 as there has been a delay in commencing this scheme due to the intention to use this budget to match fund with bids for external funding, the results of which are not yet known

- 12 The Enhanced Resource Provision Scheme requires funds of £350k to be transferred from 16/17 into 17/18. Schemes currently planned from within this budget include the creation of additional specialist autism provision and the development of sub-regional specialist residential intervention services for children with severe and complex autism and Aspergers syndrome. Again, the full budget needs to be re-profiled into 2017/18, awaiting the outcome of external funding bids
- 13 The Review of Building Based provision scheme requires funds of £100k to be transferred from 16/17 into 17/18. This scheme is linked to the re-organisation of the Early Help Services in CEC into the new Local Area Teams, and provides an amount of capital to invest in making changes to premises to accommodate these teams. The staffing re-organisation has now been carried out, with the new service operational from 1st January 2017. As the main focus to date has been on delivering the new staffing structure, the new service is only now able to focus on the best use of current building space and any requirements for changes. Therefore the budget needs to be re-profiled into 2017/18 in full.
- 14 The Southbank Expansion scheme requires funds of £450k to be transferred from 16/17 into 17/18. Since this scheme was approved some of the pupil demand pressures have changed in the area. In addition, significant consultation has taken place with all stakeholders. As a result, the scheme has not yet commenced, therefore it is proposed that almost all the budget currently in 2016/17 is re-profiled into 2017/18, leaving £50k to fund any initial fees. A more detailed report on the changes now proposed for this scheme is scheduled to be considered by the Executive on 16th March 2017.

Health, Housing & Adult Social Care – Adult Social Care & Adult Services Commissioning

- 15 There have been adjustments to one scheme in this area resulting in a net decrease to the capital programme of £0.731m in 16/17, and a net increase of £5.314m to the programme in 17/18 – 18/19.

Scheme	Amendment	Amount 16/17 £m	Amount 17/18 £m	Amount 18/19 £m	Further Details – Paragraph ref
Older Persons Accommodation Review	Re-profile	(0.722)	0.722		<i>16-18</i>
Older Persons Accommodation Review	Adjustment		1.900	2.692	<i>19</i>

- 16 The budget for the Older Person's Accommodation review has been updated to ensure scheme reflects a number of recommendations from Executive reports and adjusted for latest profiling expectations as set out below.
- 17 A decision was taken by Executive on 7th December that £4.727m be added to the Capital Programme for community and library facilities at Burnholme. At the same meeting Executive also recommended £200k be added to the programme for urgent repairs and works to the sports facilities at the site. These costs are to be funded by capital receipts generated from the disposal of surplus development land on the site.
- 18 Executive also decided at the same meeting to add £993k to the programme to allow necessary enabling fees at Lowfield Green.
- 19 Funds of £722 requires transferring from 16/17 into 17/18 to reflect the latest expenditure profiling expectations for the project.

Health, Housing & Adult Social Care – Housing & Community Safety

- 20 A number of re-profiling amendments have been made as part of this report resulting in a net decrease to the capital programme of £9.384m in 16/17

Scheme	Amendment	Amount 16/17 £m	Amount 17/18 – 20/21 £m	Further Details – Paragraph ref
Modernisation of Local Authority Homes	Re-profile	(0.258)	0.258	21
MRA Schemes	Re-profile	(0.320)	0.320	22
MRA Schemes	Adjustment	0.195		23
Local Authority Homes – Phase 1	Re-profile	(7.694)	7.694	24-27
IT Infrastructure	Re-profile	(0.932)	0.932	28

- 21 The Modernisation of Local Authority Homes scheme requires funds of £258k to be transferred from 16/17 into 17/18. This is in relation to a project to address more than 200 properties affected by defective damp membranes and rising water tables. Due to the high number of properties affected and the need for tenants to be temporarily decanted into alternative accommodation the project has not proceeded at the pace previously planned. To date 24 properties have been completed with a further 20 completions due by the end of the year with the remaining properties scheduled during 17/18 and 18/19
- 22 The Major Repairs Scheme requires funds of £320k to be transferred from 16/17 into 17/18. This is due to delays in the procurement process along with a high number of tenant refusals, major damp issues and right to buy applications which has lead to a delay in this year's tenants choice programme and therefore approximately 56 properties will now be completed ion the following financial year.
- 23 There is also an adjustment to the Major Repairs scheme in 2016/17 to reflect a predicted overspend of £195k. The majority of this is in relation to Housing capital repairs due to the December 2015 floods which has now been completed. There are also a number of smaller variances including increased expenditure on external door replacement programme and a number of high value void repairs.

- 24 The Local Authority Homes – Phase 1 scheme requires funds of £7.694m to be transferred from 16/17 into 17/18. This is made up of a number of smaller new build schemes including Ordnance Lane, Newbury Avenue and Chaloners Road as set out below.
- 25 Ordnance Lane hostel and housing requires funds of £5.592m to be transferred into 17/18. This to reflect that in late 2016 the contractor entered administration prior to planning consent on the proposed development being received. The scheme design is therefore being revised ahead of a revised or new planning application and procurement of a contractor to build the scheme. The retained budget of £184k for 2016/17 is for costs incurred to date and for architect and planning fees for the revised design. A report will be brought back to Executive at a later date with further details for a decision to be made regarding the revised scheme and new procurement
- 26 Newbury Avenue requires funds of £900k to be transferred into 17/18. The original proposal for flats received planning approval but was subsequently withdrawn following further consultation with local residents and Members. An alternative scheme is being worked for either bungalows or houses on the site and will be submitted for planning approval in early 2017. Accordingly £84,500 is retained in 2016/17 for architect, planning and other fees with the remaining budget transferred into next year
- 27 Chaloners Road requires funds of £1.2m to be transferred into 17/18. This is due to the original contractor pulling out of this scheme, meaning a start on site will be delayed due to the need to re-tender. Consideration is also being given to amending the current scheme from predominantly flats to a development of two bedroom houses. Accordingly £84k budget is retained for architect, planning and other fees and the remainder will be slipped into next financial year
- 28 The IT Infrastructure Scheme requires funds of £932k to be transferred into 17/18. An IT project manager has been working with housing and building services to draw up the detailed requirements for a replacement housing IT system and other IT infrastructure improvements. This work is now complete and a business case has been approved by the IT board. Work will now begin to initiate the tender process but expenditure is now likely to be incurred in the next financial year

Economy & Place – Transport, Highways & Environment

29 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £4.468m in 16/17. Key variances are summarised in the table below, referenced to further narrative

Scheme	Amendment	Amount 16/17 £m	Amount 17/18 – 20/21 £m	Further Details – Paragraph ref
Special Bridge Maintenance	Re-profile	(0.439)	0.439	30
Built Environment Fund	Re-profile	(2.022)	2.022	31
Better Bus Area Fund	Re-profile	(0.520)	0.520	32
Local Transport Plan	Re-profile	(1.653)	1.653	33
Flood Defences	Re-profile	(0.317)	0.317	34

30 The Special Bridge Maintenance Scheme requires funds of £0.439m to be transferred from 16/17 to 17/18. Planning for the programme of bridge works is still ongoing, and funds will be required as part of significant expenditure required in future years.

31 The Built Environment Fund scheme requires funds of £2.022m to be transferred into 17/18. Proposals are being put together for this fund however no significant works are expected to be completed in this financial year (Strategy)

32 The Better Bus area scheme requires funds of £520k to be transferred into 17/18. £212k relates to work on the replacement of the Rougier Street bus shelter being delayed as the new shelter cannot be installed until the developer of Roman House has completed work on the building. A further £308k of this is in relation to the Clean Bud Technology Grant. Due to delays to the new Schools transport contract the conversion work on the school buses will now not start until the summer of 2017.

33 The Local Transport Plan scheme requires £1.653m of funds to be transferred from 16/17 into 17/18. Within this £1.063m of this relates to the A19 Pinch point scheme. Following the completion of Phase 1 of the A19 Pinchpoint scheme in summer 2015, options to increase capacity at the Crockey Hill junction to improve outbound traffic flow on the A19 (South) are now being investigated. Due to the length of time needed to complete feasibility and design work and carry out consultation on the proposed scheme this funding will now be required in 2017/18.

- 34 A further £200k within this relates to Park & Ride ULEV Infrastructure, which is a scheme to install charging equipment at Park & Ride sites. This has been delayed following the extension of the P&R contract with First York, and will be progressed in 17/18 once the new Park & Ride contract has been let. A further £100k has been deferred into 17/18 in relation to Rapid Charger Hubs. The Power Supply work planned for early 2017 has now been deferred until 2017/18 as the feasibility and design work has taken longer than originally estimated. Finally a further sum of £290k funding for the St James link road has been delayed into 2017/18. Once the developer has completed their work the Council will make their contribution.
- 35 Funds of £317k in relation to Flood Defences is required to be transferred into 2017/18. These funds have been identified to support Environment Agency led schemes in the area. This funding will be required to prime any wider funding that could be used to progress these however this will not progress further until 2017/18..

Economy & Place – Regeneration & Asset Management

- 36 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £1.892m in 16/17. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 16/17 £m	Amount 17/18 – 20/21 £m	Further Details – Paragraph ref
LCR Revolving Investment Fund	Re-profile	(0.540)	0.540	36-38
Photovoltaic Energy Programme	Re-profile	(0.346)	0.346	39
Holgate Park Land – York Central Land & Clearance	Re-profile	(0.397)	0.397	40
Community Asset Transfer	Re-profile	(0.175)	0.175	41
Piccadilly Regeneration	Re-Profile	(0.180)	0.180	42
Guildhall	Re-Profile	(0.102)	0.102	43
22 & 36 Hospital Fields Road	Adjustment	1.145	-	44

- 37 The Leeds City Region (LCR) Revolving Investment Fund requires funds of £540k to be transferred from 2016/17 into 17/18 to allow further loans to be made in 2017/18.
- 38 Executive approval was given in 2013 for City of York to enter into a limited partnership with other local authorities to establish the Leeds City Region Revolving Investment Fund (RIF). The purpose of the RIF is to support commercially viable projects in the Leeds City Region by way of loan finance. Repayments will be made back into the fund and will be available for future loans.
- 39 City of York's commitment was £1.632m of which £1.615m budget has been carried forward. In 2016/17 City of York has already advanced £654k to the Fund to fund projects and a further three advances totalling £421k may also be required before the end of the year. This would leave £540k available for future loans which needs to be transferred into 2017/18.
- 40 The Photovoltaic Energy Programme scheme requires funds of £346k to be transferred from 16/17 into 17/18. This budget has been set aside to potentially match-fund an ELENA bid in 2017/18
- 41 Funds of £397k require transferring from 16/17 into 17/18 in relation to Land Clearance at Holgate Park at the York Central site. This is due to the planned demolition of the canteen being delayed until 2017/18.
- 42 The Community Asset Transfer Scheme requires its total budget of £175k to be transferred from 16/17 into 17/18 as no projects have been approved to date.
- 43 The Piccadilly Regeneration Scheme required funds of £180k to be transferred from 16/17 into 17/18. The project is proceeding as planned however expenditure is not expected to commence until 2017/18.
- 44 The Guildhall project requires funds of £102k to be transferred from 16/17 into 2017/18. This is required due to a delay in receiving required planning permission and therefore further expenditure will not commence until 2017/18.
- 45 At their meeting on 13 October 2016 Executive recommended to full council to create a capital budget of £1.145m to secure assets at 23 and 36 Hospital Fields Road to unlock the development potential of these sites in the future. It was agreed this would be funded from the capital receipts from Stonebow House and Redeness Street totalling £1.006m with the remaining £138.5k funded from borrowing, with the associated interest

and repayment of the debt being met from additional revenue income generated by the new acquisitions.

Corporate Schemes

- 46 A number of amendments have been made as part of this report resulting in a net decrease to the capital programme of £1.453m in 16/17. Key variances are summarised in the table below, referenced to further narrative.

Scheme	Amendment	Amount 16/17 £m	Amount 17/18 – 18/19 £m	Further Details – Paragraph ref
Mansion House Restoration	Re-profile	(1.456)	1.456	<i>47-48</i>
Mansion House Restoration	Adjustment	0.270	-	<i>49</i>
Capital Contingency	Adjustment	(0.270)	-	<i>49</i>
West Offices – Admin Accom	Re-profile	(0.267)	0.267	<i>50</i>

- 47 The Mansion House restoration scheme requires funds of £1.456m to be transferred from 16/17 into 17/18 as a result of the timeframe for completion being shifted, as set out below.
- 48 As reported at Monitor 2, a competitive procurement process to appoint a new Principal Contractor was carried out during October/November 2016. The new Principle Contractor was appointed on the 29 November 2016 and subsequently took over the Mansion House site on the 3 January 2017. The impact of this has been to delay the expected completion date of the project to June 2017.
- 49 Due to the administration of the previous Principle Contractor the cost to the Council of completing the restoration has increased by £270k. At the point the previous contractor went into administration the Council became responsible for additional costs including site security, scaffolding and hoarding. It is proposed to allocate funds from Capital Contingency to cover the additional costs anticipated.
- 50 Taking into account the above adjustment there remains a balance of £323k in the Capital Contingency Fund for 2016/17. This Fund is held to address any unexpected capital pressures in year. Any use of this Fund will be highlighted to Members as above.

51 The West Offices Admin Accommodation scheme requires funds of £267k to be transferred from 16/17 into 17/18. The penultimate payment to the developers for West Offices has been paid, however the final payment is being retained until 2017/18 to ensure required repairs are made to roof defects including rain water downpipes.

Customer & Corporate Services - IT

52 There has been one amendment in this area resulting in a net decrease to the Capital Programme of £185k in 16/17.

53 The IT Development plan requires funds of £185k to be transferred from 16/17 into 17/18. This is to reflect latest profiling expectations for work including the Integrated Care and Wellness service to take place in the next financial year due to project slippage in relation to necessary reprioritisation of ICT staff in 16/17 onto essential works including delivery of the CRM and Mosaic projects and essential team reorganisation, both of which have resulted in less time critical project work planned for the year.

Summary

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

Gross Capital Programme	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Children, Education & Communities	7.871	24.267	5.987	3.837	5.081	47.043
Health, Housing & Adult Social Care – Adult Social Care	2.862	4.885	3.781	0.565	0.565	12.658
Health, Housing & Adult Social Care – Housing & Community Safety	15.810	20.248	9.547	9.401	9.862	64.574
Economy & Place – Transport, Highways & Environment	12.600	13.954	4.687	4.637	4.637	40.515
Economy & Place – Regeneration & Asset Management	7.848	7.057	0.200	0.200	0.200	15.505
Community Stadium	1.000	35.898	0	0	0	36.898
Corporate Schemes	1.640	1.654	0.269	0.100	0.100	3.763
IT Development Plan	2.797	2.491	2.025	1.970	1.085	10.368
Revised Programme	52.428	110.160	26.496	20.710	21.530	231.324

Table 2 Revised 5 Year Capital Programme

Funding the 2016/17 – 2020/21 Capital Programme

55 The revised 2016/17 capital programme of £52.963m is funded from £24.869m of external funding and £28.094 of internal funding. Table 3 shows the projected call on resources going forward.

	2016/17	2017/18	2018/19	2019/20	2020/21	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	52.428	110.160	26.496	20.710	21.530	231.324
Funded by:						
External Funding	24.565	65.177	15.640	13.554	15.563	134.499
Council Controlled Resources	27.863	44.983	10.856	7.156	5.563	96.825
Total Funding	52.428	110.160	26.496	20.710	21.530	231.324

Table 3 – 2016/17 –2020/21 Capital Programme Financing

56 The Council controlled figure is comprised of a number of resources that the Council has ultimate control over how it chooses to apply them, these include Right to Buy receipts, Revenue Contributions, Supported (government awarded) Borrowing, Prudential (Council funded) Borrowing, Reserves and Capital Receipts.

57 The capital programme has now achieved all the assumed capital receipts, and looking ahead into 17/18 and beyond, any capital receipts (other than those earmarked receipts for the older person programme) will be additional resource for the council. There are a number of potentially significant capital receipts that may be generated in the future. Where these receipts are realised they will be presented to members as part of the regular budgetary reports in terms of options for the most prudent use of such receipts. It should be noted however that there is already an assumption within the revenue budget savings plans for some of these potential receipts to be used to generate future revenue savings.

58 In financing the overall capital programme the Director of Customer & Corporate Services will use the optimum mix of funding sources available to achieve the best financial position for the Council. Therefore an option for any new capital receipts would be to use these to replace assumed borrowing, thereby reducing the Councils' borrowing levels and associated revenue costs.

Council Plan

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

Implications

Financial Implications

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

Human Resources Implications

61 There are no HR implications as a result of this report

Equalities Implications

62 There are no equalities implications as a result of this report

Legal Implications

63 There are no legal implications as a result of this report

Crime and Disorder

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

Information Technology

65 The information technology implications are contained in the main body of the report.

Property

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

Risk Management

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

Contact Details

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Debbie Mitchell Corporate Finance Manager 01904 554161	Report Approved	✓	Date 27/01/16
Wards Affected: <i>All</i>			
<i>For further information please contact the author of the report</i>			

<i>Specialist Implications:</i>
<i>Legal – Not Applicable</i>
<i>Property – Not Applicable</i>
<i>Information Technology – Not Applicable</i>

Annexes

Annex A – Capital Programme 2016/17 to 2020/21

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	2016/17 Mon 3	2016/17 Mon 3	2016/17 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2017/18 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2018/19 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2019/20 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2020/21 Revised Mon 3	Gross Capital Programme To be Funded
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	16/17- 20/21
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
CEC - Children, Education & Communities																
CEC - Children & Education																
NDS Devolved Capital			399			389			370			351			431	1,940
- External Funding			399			389			370			351			431	1,940
- Internal Funding			0			0			0			0			0	0
DIE Maintenance		-100	3,349		100	1,625			1,373			1,236			2,400	9,983
- External Funding		-100	3,349		100	1,625			1,373			1,236			2,400	9,983
Basic Need	52		703			18,978			4,244			2,250			2,250	28,425
- External Funding	52		703			18,978			4,244			2,250			2,250	28,425
- Internal Funding			0			0			0			0			0	0
Huntington Secondary School - New Block			0			0			0			0			0	0
- External Funding			0			0			0			0			0	0
- Internal Funding			0			0			0			0			0	0
Universal Infant Free School Meals			82			0			0			0			0	82
- External Funding			82			0			0			0			0	82
- Internal Funding			0			0			0			0			0	0
Fulford School Expansion		-100	1,841		100	100			0			0			0	1,941
- External Funding		-100	1,841		100	100			0			0			0	1,941
- Internal Funding			0			0			0			0			0	0
Carr Junior Expansion			39			0			0			0			0	39
- External Funding			39			0			0			0			0	39
- Internal Funding			0			0			0			0			0	0
St Barnabas Primary Expansion	-52		0			0			0			0			0	0
- External Funding	-52		0			0			0			0			0	0
- Internal Funding			0			0			0			0			0	0
Schools Electrical Supply Upgrade			315			0			0			0			0	315
- External Funding			100			0			0			0			0	100
Corporate Capital Receipt			215			0			0			0			0	215
- Internal Funding			215			0			0			0			0	215
Family Drug & Alcohol Assess/Recovery Facility		-100	0		100	100			0			0			0	100
- External Funding		-100	0		100	100			0			0			0	100
- Internal Funding			0			0			0			0			0	0
Knivesmire Classroom Expansion			0			0			0			0			0	0
- External Funding			0			0			0			0			0	0
- Internal Funding			0			0			0			0			0	0
Enhanced Resource Provision - SEN		-350	0		350	525			0			0			0	525
- External Funding		-350	0		350	525			0			0			0	525
- Internal Funding			0			0			0			0			0	0
Investment in Community Based Premises	65		230			0			0			0			0	230
DCLG Grant	65		65			0			0			0			0	65
- External Funding	65		65			0			0			0			0	65
- Internal Funding			165			0			0			0			0	165
Children & Young Peoples services & Building based provision review		-100	0		100	100			0			0			0	100
- External Funding		-100	0		100	100			0			0			0	100
- Internal Funding			0			0			0			0			0	0
Southbank Expansion		-450	50		450	2,450			0			0			0	2,500
- External Funding		-450	50		450	2,450			0			0			0	2,500
- Internal Funding			0			0			0			0			0	0
CEC - Communities			0			0			0			0			0	0
York Explore Phase 2			13			0			0			0			0	13
- External Funding			0			0			0			0			0	0
- Internal Funding			13			0			0			0			0	13
York Explore - Haxby Library			80			0			0			0			0	80
- External Funding			0			0			0			0			0	0
- Internal Funding			80			0			0			0			0	80
York Theatre Royal			770			0			0			0			0	770
- External Funding			0			0			0			0			0	0
- Internal Funding			770			0			0			0			0	770
TOTAL GROSS EXPENDITURE	65	-1,200	7,871	0	1,200	24,267	0	0	5,987	0	0	3,837	0	0	5,081	46,978
TOTAL EXTERNAL FUNDING	65	-650	6,628	0	650	23,542	0	0	5,987	0	0	3,837	0	0	5,081	45,010
TOTAL INTERNAL FUNDING	0	-550	1,243	0	550	725	0	0	0	0	0	0	0	0	0	1,968
HH&ASC - Adult Social Care & Adult Services Commissioning																
Joint Equipment Store			125			125			125			125			125	625
- External Funding			0			0			0			0			0	0
- Internal Funding			125			125			125			125			125	625
Disabled Support Grant			180			190			200			210			210	990
- External Funding			0			0			0			0			0	0
- Internal Funding			180			190			200			210			210	990
Telecare Equipment		-15	289		15	307			230			230			230	1,286
- External Funding		-15	289		15	307			230			230			230	1,286
- Internal Funding			0			0			0			0			0	0
OPH Infrastructure Works		4	83		-4	9			0			0			0	92
- External Funding		4	83		-4	9			0			0			0	92
- Internal Funding			0			0			0			0			0	0
Changing Lives Grant + Autism Grants			5			0			0			0			0	5
- External Funding			5			0			0			0			0	5
- Internal Funding			0			0			0			0			0	0
Older Person's Accommodation Review		-722	1,534		1,900	4,254		2,692	3,226			0			0	9,014
- External Funding		-722	1,074		1,900	0		2,692	0			0			0	1,074
- Internal Funding			460		722	4,254		0	3,226			0			0	7,940
Burton Stone Community Centre	2		91			0			0			0			0	91
- External Funding			44			0			0			0			0	44
- Internal Funding	2		47			0			0			0			0	47
Little Knavesmire Pavilion			555			0			0			0			0	555
- External Funding			555			0			0			0			0	555
- Internal Funding			0			0			0			0			0	0
TOTAL GROSS EXPENDITURE	2	-733	2,862	1,900	733	4,885	0	2,692	3,781	0	0	565	0	0	565	12,658
TOTAL EXTERNAL FUNDING	0	0	1,678	0	0	0	0	0	0	0	0	0	0	0	0	1,678
TOTAL INTERNAL FUNDING	2	-733	1,184	1,900	733	4,885	0	2,692	3,781	0	0	565	0	0	565	10,980
HH&ASC - Housing & Community Safety																
Modernisation of Local Authority Homes	-83	-258	2,051		258	2,257			1,694			1,252			1,290	8,544
- External Funding	-83	-258	1,486		258	452			0			0			0	1,938
- Internal Funding			565			1,805			1,694			1,252			1,290	6,606
Assistance to Older & Disabled People			500			412			424			437			450	2,223
- External Funding			0			0			0			0			0	0
- Internal Funding			500			412			424			437			450	2,223
MRA Schemes	195	-320	4,600		320	5,824			5,360			5,520			5,685	26,989
- External Funding	195	-320	4,600		320	5,824			5,360			5,520			5,685	26,989
- Internal Funding			0			0			0			0			0	0
Local Authority Homes - Phase 1		-7,694	2,831		7,694	7,694			0			0			0	10,525

	2016/17 Mon 3	2016/17 Mon 3	2016/17 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2017/18 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2018/19 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2019/20 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2020/21 Revised Mon 3	Gross Capital Programme To be Funded
	Adj £000	Reprofile £000	Budget £000	Adj £000	Reprofile £000	Budget £000	Adj £000	Reprofile £000	Budget £000	Adj £000	Reprofile £000	Budget £000	Adj £000	Reprofile £000	Budget £000	16/17- 20/21 £000
- External Funding			0			0			0			0			0	0
- Internal Funding		-7,694	2,831		7,694	7,694			0			0			0	10,525
Water Mains Upgrade			10			1,200			444			457			262	2,373
- External Funding			0			0			0			0			0	0
- Internal Funding			10			1,200			444			457			262	2,373
Building Insulation Programme		2	71			0			0			160			0	231
- External Funding			0			0			0			0			0	0
- Internal Funding		2	71			0			0			160			0	231
Disabled Facilities Grant (Gfund)			1,478			1,225			1,275			1,275			1,875	7,128
- External Funding			1,003			750			800			800			1,400	4,753
- Internal Funding			475		932	475			475			475			475	2,375
IT Infrastructure		-932	18		932	1,342			350			300			300	2,310
- External Funding			0			0			0			0			0	0
- Internal Funding		-932	18		932	1,342			350			300			300	2,310
Empty Homes (Gfund)			100			0			0			0			0	100
- External Funding			0			0			0			0			0	0
- Internal Funding			100			0			0			0			0	100
Extension to Glen Lodge			4,151			0			0			0			0	4,151
- External Funding			836			0			0			0			0	836
- Internal Funding			3,315			0			0			0			0	3,315
TOTAL GROSS EXPENDITURE	114	-9,204	15,810	0	9,204	19,954	0	0	9,547	0	0	9,401	0	0	9,862	64,574
TOTAL EXTERNAL FUNDING	112	-578	7,925	0	578	7,026	0	0	6,160	0	0	6,320	0	0	7,085	34,516
TOTAL INTERNAL FUNDING	2	-8,626	7,885	0	8,626	12,928	0	0	3,387	0	0	3,081	0	0	2,777	30,058
Economy & Place - Transport, Highways & Environment																
Highway Resurfacing & Reconstruction (Struct Maint) *			3,748			2,768			2,577			2,577			2,577	14,247
- External Funding			2,328			2,018			1,827			1,827			1,827	9,827
- Internal Funding			1,420		439	750			750			750			750	4,420
Special Bridge Maintenance (Struct maint)		-439	100		439	639			200			200			200	1,339
- External Funding			0			0			0			0			0	0
- Internal Funding		-439	100		439	639			200			200			200	1,339
Replacement of Unsound Lighting Columns			330			0			0			0			0	330
- External Funding			0			0			0			0			0	0
- Internal Funding			330			0			0			0			0	330
LED Lighting Replacement Programme			440			0			0			0			0	440
- External Funding			0			0			0			0			0	0
- Internal Funding			440			0			0			0			0	440
Watercourse Restoration			80			0			0			0			0	80
- External Funding			0			0			0			0			0	0
- Internal Funding			80			0			0			0			0	80
Highways Drainage Works		-70	130		70	270			200			200			200	1,000
Contributions			0			0			0			0			0	0
Revenue Contribution Corporate			0			0			0			0			0	0
Departmental Prudential Borrowing			0			0			0			0			0	0
- Internal Funding		-70	130		70	270			200			200			200	1,000
Highways, Road Adoption and Drainage Fund			250			0			0			0			0	250
- External Funding			0			0			0			0			0	0
- Internal Funding			250			0			0			0			0	250
Wheeled Bins in Back Lane and Terraced Areas			106			0			0			0			0	106
- External Funding			0			0			0			0			0	0
- Internal Funding			106			0			0			0			0	106
Built Environment Fund		-2,022	100		2,022	2,022			0			0			0	2,122
- External Funding			90			0			0			0			0	90
- Internal Funding		-2,022	10		2,022	2,022			0			0			0	2,032
Harewood Whin Transfer Station			1,111			0			0			0			0	1,111
- External Funding			0			0			0			0			0	0
- Internal Funding			1,111			0			0			0			0	1,111
Parks and Open Spaces Development			200			0			0			0			0	200
- External Funding			200			0			0			0			0	200
- Internal Funding			0			0			0			0			0	0
War Memorial			67			0			0			0			0	67
- External Funding			50			0			0			0			0	50
- Internal Funding			17			0			0			0			0	17
Better Play Areas			75			220			0			0			0	295
- External Funding			75			20			20			0			0	95
- Internal Funding			0			200			0			0			0	200
Public Conveniene Facilities			77			0			0			0			0	77
- External Funding			0			0			0			0			0	0
- Internal Funding			77			0			0			0			0	77
River Safety			30			0			0			0			0	30
- External Funding			21			0			0			0			0	21
- Internal Funding			9			0			0			0			0	9
Litter Bin Upgrade (solar powered)			54			0			0			0			0	54
- External Funding			0			0			0			0			0	0
- Internal Funding			54			0			0			0			0	54
Knavesmire Culverts			275			0			0			0			0	275
- External Funding			0			0			0			0			0	0
- Internal Funding			275			0			0			0			0	275
Better Bus Area Fund		39	-520	1,152		520			0			0			0	1,672
- External Funding			920			0			0			0			0	920
- Internal Funding		39	-212	540		212			0			0			0	752
Local Transport Plan (LTP) *			2,256		1,653	4,223			1,570			1,570			1,570	11,189
- External Funding			1,433		1,653	4,223			1,570			1,570			1,570	10,366
- Internal Funding			1,113			0			0			0			0	1,113
York City Walls - Repairs & Renewals (City Walls)			350			90			90			90			90	710
- External Funding			0			0			0			0			0	0
- Internal Funding			350			90			90			90			90	710
Access York			447			0			0			0			0	447
- External Funding			447			0			0			0			0	447
- Internal Funding			0			0			0			0			0	0
Flood Defences		-317	0		317	317			0			0			0	317
- External Funding			0			0			0			0			0	0
- Internal Funding		-317	0		317	317			0			0			0	317
Highways Improvements			822													

	2016/17	2016/17	2016/17	2016/17	2016/17	2017/18	2016/17	2016/17	2018/19	2016/17	2016/17	2019/20	2016/17	2016/17	2020/21	Gross Capital Programme To be Funded
	Mon 3	Mon 3	Revised Mon 3	Mon 3	Mon 3	Revised Mon 3	Mon 3	Mon 3	Revised Mon 3	Mon 3	Mon 3	Revised Mon 3	Mon 3	Mon 3	Revised Mon 3	16/17- 20/21
	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	Adj	Reprofile	Budget	£000
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
- External Funding			0			0			0			0			0	0
- Internal Funding			0			0			0			0			0	0
City Fibre Network			50			50			50			50			50	150
- External Funding			0			0			0			0			0	0
- Internal Funding			50			50			50			50			50	150
TOTAL GROSS EXPENDITURE	39	-5,066	12,600	0	5,066	13,954	0	0	4,687	0	0	4,637	0	0	4,637	40,515
TOTAL EXTERNAL FUNDING	0	-1,961	4,966	0	1,961	8,606	0	0	3,397	0	0	3,397	0	0	3,397	23,763
TOTAL INTERNAL FUNDING	39	-3,105	7,634	0	3,105	5,348	0	0	1,290	0	0	1,240	0	0	1,240	16,752
Economy & Place - Regeneration & Asset Management																
LCR Revolving Investment Fund			-540		540	540			0			0			0	1,615
- External Funding			0		0	0			0			0			0	0
- Internal Funding			-540		540	540			0			0			0	1,615
York Central			4,550		4,450	4,450			0			0			0	9,000
- External Funding			2,550		0	0			0			0			0	2,550
- Internal Funding			2,000		4,450	4,450			0			0			0	6,450
Low Carbon and Solar Panels Investment			50		0	0			0			0			0	50
- External Funding			0		0	0			0			0			0	0
- Internal Funding			50		0	0			0			0			0	50
Photovoltaic Energy Programme			-346		346	346			0			0			0	346
- External Funding			0		0	0			0			0			0	0
- Corporate Prudential Borrowing			-346		346	346			0			0			0	346
- Internal Funding			0		346	346			0			0			0	346
29 Castlegate Repairs			0		33	33			0			0			0	33
- External Funding			0		0	0			0			0			0	0
- Internal Funding			0		33	33			0			0			0	33
Decent Home Standards Works			9		0	0			0			0			0	9
- External Funding			0		0	0			0			0			0	0
- Internal Funding			9		0	0			0			0			0	9
Fishergate Postern			-18		18	18			0			0			0	18
- External Funding			0		0	0			0			0			0	0
- Corporate Prudential Borrowing			-18		18	18			0			0			0	18
- Internal Funding			0		18	18			0			0			0	18
Holgate Park Land - York Central Land and Clearance			-397		397	397			0			0			0	397
- External Funding			0		0	0			0			0			0	0
- Internal Funding			-397		397	397			0			0			0	397
Asset Maintenance + Critical H&S Repairs			307		200	200			200			200			200	1,107
- External Funding			0		0	0			0			0			0	0
- Internal Funding			307		200	200			200			200			200	1,107
Community Asset Transfer			-175		175	175			0			0			0	175
- External Funding			0		0	0			0			0			0	0
- Internal Funding			-175		175	175			0			0			0	175
River Bank repairs			120		182	182			0			0			0	302
- External Funding			0		0	0			0			0			0	0
- Internal Funding			120		182	182			0			0			0	302
Stonebow House Freehold			62		0	0			0			0			0	62
- External Funding			0		0	0			0			0			0	0
- Internal Funding			62		0	0			0			0			0	62
Small Business Workshops			-47		47	47			0			0			0	47
- External Funding			0		0	0			0			0			0	0
- Internal Funding			-47		47	47			0			0			0	47
Picadilly Regeneration			-180		180	180			0			0			0	180
- External Funding			0		0	0			0			0			0	0
- Internal Funding			-180		180	180			0			0			0	180
Guildhall			-102		102	402			0			0			0	902
- External Funding			0		0	0			0			0			0	0
- Internal Funding			-102		102	402			0			0			0	902
23 & 36 Hospital Fields Road	1,145		1,145		0	0			0			0			0	1,145
- External Funding	0		0		0	0			0			0			0	0
- Internal Funding	1,145		1,145		0	0			0			0			0	1,145
Air Quality Monitoring (Gfund)			-87		87	87			0			0			0	117
- External Funding			0		0	0			0			0			0	0
- Internal Funding			-87		87	87			0			0			0	117
TOTAL GROSS EXPENDITURE	1,145	-1,892	7,848	0	1,892	7,057	0	0	200	0	0	200	0	0	200	15,505
TOTAL EXTERNAL FUNDING	0	-87	2,580	0	87	87	0	0	0	0	0	0	0	0	0	2,667
TOTAL INTERNAL FUNDING	1,145	-1,805	5,268	0	1,805	6,970	0	0	200	0	0	200	0	0	200	12,838
Customer & Corporate Services - Community Stadium																
Community Stadium			1,000		35,898	35,898			0			0			0	36,898
- External Funding			500		25,339	25,339			0			0			0	25,839
- Internal Funding			500		10,559	10,559			0			0			0	11,059
TOTAL GROSS EXPENDITURE	0	0	1,000	0	0	35,898	0	0	0	0	0	0	0	0	0	36,898
TOTAL EXTERNAL FUNDING	0	0	500	0	0	25,339	0	0	0	0	0	0	0	0	0	25,839
TOTAL INTERNAL FUNDING	0	0	500	0	0	10,559	0	0	0	0	0	0	0	0	0	11,059
Customer & Corporate Services																
Fire Safety Regulations - Adaptations			102		0	0			0			0			0	102
- External Funding			0		0	0			0			0			0	0
- Internal Funding			102		0	0			0			0			0	102
Removal of Asbestos			48		0	0			0			0			0	48
- External Funding			0		0	0			0			0			0	0
- Internal Funding			48		0	0			0			0			0	48
Hazel Court - Office of the Future Improvements			1		0	0			0			0			0	1
- External Funding			0		0	0			0			0			0	0
- Internal Funding			1		0	0			0			0			0	1
Critical Repairs and Contingency			274		0	0			0			0			0	274
- External Funding			0		0	0			0			0			0	0
Mansion House Restoration	270	-1,456	509		1,287	1,287		169	169			0			0	1,965
- External Funding	0	-673	288		577	577		96	96			0			0	961
- Internal Funding	270	-783	221		710	710		73	73			0			0	1,004
Project Support Fund			152		100	100			100			100			100	552
- External Funding			0		0	0			0			0			0	0
West Offices - Admin Accom			-267		267	267			0			0			0	498
- External Funding			0		0	0			0			0			0	0
- Internal Funding			-267		267	267			0			0			0	498
Capital Contingency			-		0	0			0			0			0	-
Capital Contingency	-270		323		0	0			0			0			0	323
- External Funding	0		0		0	0			0			0			0	0
- Internal Funding	-270		323		0	0			0			0			0	323
TOTAL GROSS EXPENDITURE	0	0	-1,723	0	1,554	1,654</										

	2016/17 Mon 3	2016/17 Mon 3	2016/17 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2017/18 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2018/19 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2019/20 Revised Mon 3	2016/17 Mon 3	2016/17 Mon 3	2020/21 Revised Mon 3	Gross Capital Programme To be Funded 16/17- 20/21
	Adj £000	Reprofile £000	Budget £000	Adj £000	Reprofile £000	Budget £000	Adj £000	Reprofile £000	Budget £000	Adj £000	Reprofile £000	Budget £000	Adj £000	Reprofile £000	Budget £000	£000
Customer & Corporate Services - IT																
IT Development plan		-185	2,677		185	2,491			2,025			1,970			1,085	10,248
- External Funding			0			0			0			0			0	0
- Internal Funding		-185	2,677		185	2,491			2,025			1,970			1,085	10,248
IT Superconnected Cities			120			0			0			0			0	120
- External Funding			0			0			0			0			0	0
- Internal Funding			120			0			0			0			0	120
TOTAL GROSS EXPENDITURE	0	-185	2,797	0	185	2,491	0	0	2,025	0	0	1,970	0	0	1,085	10,368
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	0	-185	2,797	0	185	2,491	0	0	2,025	0	0	1,970	0	0	1,085	10,368
Gross Expenditure by Department																
CEC - Children, Education & Communities	65	-1,200	7,871	0	1,200	24,267	0	0	5,987	0	0	3,837	0	0	5,081	47,043
HH&ASC - Adult Social Care & Adult Services Commissioning	2	-733	2,862	1,900	733	4,885	0	2,692	3,781	0	0	565	0	0	565	12,658
HH&ASC - Housing & Community Safety	114	-9,204	15,810	0	9,204	19,954	0	0	9,547	0	0	9,401	0	0	9,862	64,574
Economy & Place - Transport, Highways & Environment	39	-5,066	12,600	0	5,066	13,954	0	0	4,687	0	0	4,637	0	0	4,637	40,515
Economy & Place - Regeneration & Asset Management	1,145	-1,892	7,848	0	1,892	7,057	0	0	200	0	0	200	0	0	200	15,505
Customer & Corporate Services - Community Stadium	0	0	1,000	0	0	35,898	0	0	0	0	0	0	0	0	0	36,898
Customer & Corporate Services	0	-1,723	1,640	0	1,554	1,654	0	169	269	0	0	100	0	0	100	3,763
Customer & Corporate Services - IT	0	-185	2,797	0	185	2,491	0	0	2,025	0	0	1,970	0	0	1,085	10,368
Total by Department	1,365	-20,003	52,428	1,900	19,834	110,160	0	2,861	26,496	0	0	20,710	0	0	21,530	231,324



Executive

9 February 2017

**Report of the Director of Customer & Corporate Services
Portfolio of the Executive Member for Finance and Performance**

2016/17 Finance and Performance Monitor 3

Purpose of the Report

- 1 To present details of the overall finance and performance position for the period covering April 2016 to December 2016, 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 latest financial monitoring position shows a modest underspend of £155k. This is an improvement on the projected overspend of £480k reported at Monitor 2 and shows that the council continues to successfully manage its resources despite the level of savings that need to be delivered on an annual basis. This highlights that the Council's medium term financial strategy (considered elsewhere on this agenda) is serving the Council well, ensuring resources are managed effectively, and successfully delivering its savings plans.
- 3 Whilst this report highlights a number of known financial and performance pressures which will need to be carefully managed, it is expected that, as a result of ongoing monitoring and identification of mitigation, overall the Council will outturn within the approved budget.

Recommendations

- 4 Executive is asked to:

Note the current finance and performance information and consider any actions further required

Reason: to ensure expenditure is kept within the approved budget and to ensure continued performance management

Financial Analysis

- 5 All aspects of the public sector are continuing to face challenging times in the light of the Government's commitment to reduce the national deficit as first outlined in the Comprehensive Spending Review (CSR) published in October 2010. As a result the Council has had to deal with very large reductions in funding combined with a range of significant pressures.
- 6 The Council's net budget is £117.9m. Following on from previous years, the challenge of delivering savings continues with £6.5m to be achieved in order to reach a balanced budget. The latest forecasts indicate a modest underspend of £155k and an overview of this forecast, on a directorate by directorate basis, is outlined in Table 1 below.
- 7 Following the implementation of the revised senior management restructure the financial forecast is presented in the new directorates. However, due to these changes, it is only possible to provide indicative comparisons between the new and old structure.

2015/16 Outturn		2016/17 Budget	2016/17 Monitor 2	2016/17 Monitor 3
£'000		£'000	£'000	£'000
+889	Children, Education & Communities	25,072	-97	-149
+326	Economy & Place	13,153	+818	+790
-70	Customer & Corporate Services	19,251	-50	-100
-201	Health, Housing & Adult Social Care	49,415	+309	+403
-1,820	Central budgets	11,009	-500	-550
	Unallocated Contingency			-549
-876	Total	117,900	+480	-155

Table 1: Finance overview

- 8 The following sections provide more details of the main variations and any mitigating actions that are proposed.

Children, Education & Communities

- 9 Following the allocation of £1,930k growth funding in the 2016/17 budget to deal with a number of historic pressures within Children Looked After budgets, there are no significant pressures to report within Children's

Social Care budgets. Within Special Educational Needs there is a projected underspend of £441k on out of city education placements due to the on-going efforts to support as many young people as possible in York.

- 10 A significant number of posts are being kept vacant across the directorate in advance of services being reviewed as part of the directorate's development programme, resulting in a forecast net underspend of £246k. The majority of these vacancies will disappear during the on-going implementation of the new LATs and CSC staffing structures, although a small number may continue into 2017/18 as they relate to future years' savings options. There is a projected £40k pressure in respect of the costs of supporting the increased number of academy conversions.

Economy & Place

- 11 The forecast outturn for the Economy & Place directorate is an overspend of £790k. This overspend is primarily due to shortfalls in income from both planning and parking but also unachieved savings within fleet and cost pressures within waste services. This overspend is a reduction from that reported at Monitor 2 of £818k which assumed a delivery of £300k mitigation.
- 12 There is a forecast shortfall from parking income of £100k out of a total budgeted income of £6.9m, representing a 1.4% variation. The main shortfall is at St George's Field where the Environment Agency is using an area of the car park as part of works being undertaken to upgrade the Foss barrier. Compensation for the loss of income arising from the loss of spaces is still to be agreed. The overall parking account is forecasting an improved position from Monitor 2 as both November and December income levels were above forecast.
- 13 The overall Waste Services budget is forecasting an overspend of £178k however there are a large number of variances across the service. In waste collection the main variations, totalling £450k, are additional staffing and transport costs. New rounds have been agreed to be implemented from April 2017 which will significantly reduce this overspend in future years. There are also shortfalls in income at HWRCs from trade waste/customer charges (£164k) and from green waste subscriptions (£56k) and additional cost from co-mingled recyclates of £165k. The position has been mitigated this year due to significantly higher than budgeted income from our recycling rebate (£374k), additional income for landfill gas (£70k) and a saving from Waste procurement costs and Yorwaste loan interest (£145k).

- 14 There is a shortfall of £100k unachieved Automatic Number Plate Recognition (ANPR) income and increased costs of £100k for the risk and reward payment for Poppleton Bar Park & Ride. These are offset from additional charges to various transport grants (£130k). There remains an assumed saving relating to fleet (£112k) and the Fleet Board has been taking actions to deliver saving proposals.
- 15 Across Public Realm delays in finalising redundancies has led to a forecast overspend of £85k.
- 16 A £545k shortfall in planning fee income is forecast due to a lower number of large planning fees. It is expected that as progress is made on the local plan then income from developers will increase. A major application can achieve significant fees, however the actual fee paid is dependent on the number of dwellings and scale of site. In addition the government has reduced the planning fees in some areas, e.g. conversion of offices into residential units, and this has resulted in a £47k reduction in fees. For the first 9 months the average planning fee in 2016/17 has continued to be 30% lower than last year (£547). Fees will continue to be monitored during the year but very few major fees are expected until progress is made with the Local Plan. There have been a number of planning inquiries during the year resulting in additional legal costs of £37k. The additional costs of administration (£15k) are offset by the income from supporting Selby DC planning department (£47k).
- 17 A freeze on vacancies across Economic Development and a review of charging staff to major projects and rationalisation of corporate subscriptions has led to a savings of £208k to mitigate the above overspends. There are also forecast savings across senior management totalling £70k.
- 18 A number of other minor variations make up the overall directorate position.
- 19 The table below identifies the action that is being taken to ensure these overspends do not recur in future years recognising that the Directorate is heavily supported by external income

Area of mitigation	Value	Progress to date
Waste	£+178k	The service is implementing round reviews which will reduce expenditure. There is also proposed growth to reduce income expectations at HWRC / garden bins

Fleet	£+112k	Staffing reductions have been progressed and the Fleet Board are considering proposals to reduce spend
Planning Income	£+545k	Growth to reduce income targets are proposed in the budget process.
Parking Income	£+100k	Income levels have been improving since November and the forecast shortfall is reducing
ANPR	£+100k	The ANPR cameras at Coppergate have commenced enforcement from January 2017.
Park & Ride	£+100k	The Park & Ride contract is out to tender and growth assumed within the budget.
Public Realm	£+85k	Staffing levels have been reduced through a restructure to reduce expenditure
Total of options	£+1,220	

These actions along with rigorously enforced cost control measures will result in significant improvements in future years spending against budget.

Customer & Corporate Services

- 20 The main variations include pressures of £150k in customer services due to delays in the delivery of staff savings. This pressure is offset by savings achieved from vacant posts in a range of areas including Shared Intelligence (£98k) and Democratic Services (£49k). Savings have been achieved ahead of schedule within Facilities Management (£86k) and by generating more rental income than forecast (£58k) from external partners accommodated within West Offices. A number of other minor variations make up the overall directorate position, which is a forecast underspend of £100k. Work will continue to try and identify additional savings to help the overall position.

Health, Housing & Adult Social Care

- 21 There is a net projected overspend of £46k on staffing budgets due to additional senior practitioner hours within the Occupational Therapy service and additional hours in the Commissioning Team.
- 22 A £159k pressure within direct payment budgets is forecast due to a higher number of customers than budgeted for. Work on reconciling

personal budgets has been undertaken and could significantly reduce this over spend.

- 23 Small Day Services, a series of council run day support options for customers is forecast to under spend by £109k, mainly due to staffing vacancies. The hospital social work team is forecast to overspend by £125k due to additional posts being employed in a pilot to assess customers in the most appropriate setting with the aim of speeding up the discharge from hospital and improving the customers ability to remain independent.
- 24 The community support budget for Learning Disability customers is forecast to overspend by £196k. This is offset by older people's home care forecasting a £91k underspend mainly due to an increase in Continuing Health Care (CHC) income and fewer customers with physical and sensory impairments than budgeted for (£173k).
- 25 There is a net projected overspend of £1,333k within external residential and nursing care placement budgets as a result of increased residential placements (+£543k) and delays in transferring some learning disability customers to supported living schemes (+£267k), partly offset by fewer than expected nursing placements (-£224k). There is a £147k pressure in the learning disability short stay budget due to greater use of Flaxman Avenue and an expensive mental health placement that was not budgeted for (£92k).
- 26 Older Peoples Homes' budgets are projecting a net overspend of £204k. The current overspend is mainly in respect of under recovery of income (£29k) and staffing (£169k). Income has been affected by a higher than budgeted number of vacant beds. Use of casual staff continues in the homes as permanent posts are kept vacant in order to allow flexibility within the reprovision programme, but the service is improving the use of additional hours and overtime as a more cost effective alternative. Staff sickness levels have reduced and the service continues in its commitment to bring spend back within budget by year end.
- 27 There is a net projected underspend of £487k in supported living budgets. A number of places are being kept vacant in advance of the anticipated transfers of learning disability customers from external residential placements, but the service has also been successful in securing additional Continuing Health Care income.
- 28 Staffing budgets are projected to overspend by £133k due mainly to the temporary need for two group managers for the first half of the year. There are several vacancies in the social work teams which have been

difficult to recruit to which may require the use of agency staff in the coming period potentially increasing this overspend.

- 29 The directorate's budget for 2016/17 included a requirement to deliver savings totalling £3m from the on-going work being undertaken on service transformation. To date savings of £1,942k have been identified and implemented, leaving a shortfall of £1,058k. Plans are in place to deliver almost the entire shortfall from 2017/18, so this is a short term pressure.
- 30 The Council's former £1,023k care act grant was transferred to mainstream funding from 2016/17. £506k is committed against this budget leaving £517k available to contribute towards other directorate pressures.
- 31 Within Public Health there are net projected overspends on sexual health contracts (+£41k), substance misuse contracts (+£36k) and the healthy child programme (+£31k) due to one-off transition costs relating to the transfer of the school nurse and health visitor staff from York Hospital. These are offset by a projected underspend on staffing of £108k due to vacancies which were held prior to the implementation of the public health restructure.
- 32 Within Housing and Community Safety there is a projected net overspend of £44k on repairs and maintenance at traveller sites and £139k on legal fees due to a dispute with a housing developer regarding the obligation to pay a commuted sum in lieu of affordable housing.
- 33 A number of other more minor variations make up the overall directorate position.
- 34 Despite the pressures identified above the directorate is still determined to bring the budget in on balance by the end of the year, and dealing with the budget pressures is a regular item at DMT meetings. In the previous monitoring report, a range of mitigation options were being explored within the service to try and contain expenditure within the approved budget and reduce the projected overspend as far as possible. The table below shows the areas that have been investigated and the progress that has been made:

Area of mitigation	Value	Progress to Date
Bring the existing OPH budget back into line	£+204k	Overspend brought down significantly since Q1. Weekly meetings now held to review use of agency staff and service working with care managers to encourage use of

		beds in the short term to improve income generation
Increase in Continuing Health Care applications	£+164k	Successful applications have been made re Supported Living customers but more to do in terms of other customer groups. Joint meeting with Health colleagues taking place imminently to review, streamline and speed up CHC process
Review direct payments	£+120k	Recovery of unspent direct payments as per the reconciliation of accounts up to the end of September
Review level of care packages following reablement	Not yet known	The reablement function and process is being reviewed but unlikely to yield any cashable benefits in 2016/17
Ensure that top up payments are secured when customers chose a placement above the agreed rate	Not yet known	Guidance re-issued to enforce necessity to secure top ups from third parties.
Review fairer charging rates	£+4k	Increase in income will be generated where full fee paying customers use in house services which have been charged at less than market rate for a number of years. HHASC DMT on 16 th Nov 16 agreed these changes with direction to be flexible
Restrict discretionary spend and filling of vacancies	Not yet known	Assistant Directors are only filling vacancies where operational risk is too great to leave vacant and budget managers have been asked to withhold any non essential spend for the remainder of the financial year
Capitalisation of costs	Not yet known	Managers have been asked to consider any areas which may fall under this area. The Older Persons Accommodation Programme is already making use of new powers to use capital receipts to fund reform in order to minimise any pressure from the project on the revenue budget.
Use of Reserves	£+1,075k	Review whether any reserves could be used to offset the Departmental overspend. The amount of £1,075k represents the full level of the care

		act reserve.
Total of options	£+1,567k	

Table 2: Adult Social Care Mitigations

- 35 The Better Care Fund has been agreed and the Section 75 agreement setting the legal basis for the operation of the pooled budget has been signed by the Council and Vale of York Clinical Commissioning Group. Within the document is an agreement to share risk 50/50 between organisations on schemes that are expected to deliver savings of approximately £1.2m. Unfortunately these schemes are at serious risk of underperformance and it is possible that this will have a financial impact on the Council although this is not currently included in the net outturn projection at table 1.

Housing Revenue Account

- 36 The Housing Revenue Account is budgeted to make an in year surplus of £3m. A review of the budgets in the area shows that, overall, a slight reduction of £127k in the overall surplus is forecast.
- 37 Repairs and maintenance is forecast to overspend by £660k. There has been an initial increase in the productivity of the workforce following the introduction of mobile working and improvements in management controls. The service anticipates being able to use this increased capacity to pick up some of the work currently allocated to subcontractors. This reduction in subcontractor expenditure has yet to come through, the service remains confident that reductions will be made but that the full year saving will not be achieved in this financial year. Therefore the forecast expenditure has been increased by £660k to take this into account.
- 38 Underspends totalling £96k are anticipated on utilities and repairs in temporary accommodation budgets. Delays in the capital IT and Water Mains programmes will mean that the expected contribution to the capital programme from the revenue budget will be reduced by £436k. In addition, leaseholder charges are forecast to be £63k higher than budget.
- 39 Dwelling rents are expected to underspend by £215k. The original budget did not reflect the 0.9% rent increase for supported housing as this exemption from the 1% decrease had not been announced at the time of budget setting. In addition, delays to the implementation of the high value sales policy are likely to lead to a small increase in rents recovered.

- 40 The working balance position at 31 March 2016 was £18.4m. This is higher than forecast in the latest business plan (£16.6m) due to the under spend achieved in 2015/16.
- 41 The projected outturn position outlined in paragraph 37 means the working balance will increase to £21.5m at 31 March 2017. This compares to the balance forecast within the latest business plan of £20.2m.
- 42 Detailed information and regulations are still awaited regarding forthcoming changes to HRA legislation including the sale of high value properties. While the full extent of the impact of these changes is not yet known, the HRA will be required to make significant efficiencies in order to mitigate the reduction in income without reducing the HRA balance below prudent and sustainable levels.

Corporate Budgets

- 43 These budgets include Treasury Management and other corporately held funds. It is anticipated that a £550k underspend will be achieved, predominantly through improved Treasury Management performance as a result of reviewing some assumptions on the cash flow position which will mean less interest being paid than previously anticipated.

Contingency

- 44 Since the last monitoring report there have been a number of allocations from contingency totalling £112k. These relate to Winter Maintenance gritting routes (£32k) and Castle Gateway (£80k). This leaves a balance of £549k unallocated on the general contingency. Members are asked to note that it has currently been assumed that this remaining balance will be used to support some of the general pressures outlined in the report, and is shown as being applied to the overall budget in the summary table at the beginning of the report. This will be confirmed as part of the outturn report.

Loans

- 45 Further to a scrutiny review, it was agreed that these quarterly monitoring reports would include a review of any outstanding loans over £100k. The only loan in this category is that of £1m that was made to Yorwaste, a company part owned by the Council, in June 2012. Interest is charged at 4% plus base rate meaning currently interest of 4.25% is being charged. All repayments are up to date.

Performance – Service Delivery

- 46 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.
- 47 The Council Management Team and Executive have agreed a core set of indicators to help monitor the council priorities and these provide the structure for performance updates in the following sections. A number of new recording measures and metrics will be created over the next reporting period in order to understand progress on these strategic performance indicators. Some indicators are not measured on a quarterly basis but the DoT (Direction of Travel) is calculated on the latest three results whether they are annual, quarterly or monthly.
- 48 There are 30 indicators within the “core set” and their current direction of travels are;
- 1 is improving - % of panel confident they could find information on support available to help people live independently.
 - 3 have had worse results in data available at Q3 with work being undertaken to address these issues contained within later stages of this report;
 - Delayed transfers of care from hospital which are attributable to adult social care;
 - Proportion of adults in contact with secondary mental health services living independently, with or without support ;
 - % of panel who agree that they can influence decisions in their local area.
 - 23 indicators have a stable direction of travel
 - 2 indicators do not have any recently available data
 - 1 indicator is still under development
- 49 There are currently 165 (41.3%) performance indicators measured internally (out of 400 indicators with comparable data) where York is ranked in the top 25% of authorities.

			Q1	Q2	Q3	Benchmark	DoT		
Service Delivery	A Focus on Frontline Services	Children Looked After per 10k (Snapshot)	53	51.8	51.8	53.4	NC	➔	
		Number of Incidents of ASB within the city centre ARZ	2305	619	624	500	NC	➔	
		Household waste recycled / composted - (YTD)	43%	49%	50%	(Available Apr-17)	Same Regionally	➔	
		Delayed transfers of care from hospital which are attributable to adult social care, per 100,000 population (YTD Average)	6.9	10.13	9.43	(Available Feb-17)	Above National and Regional Average	⬇	
		% of panel confident they could find information on support available to help people live independently	Not Previously Asked	64.00%	NC	65.46%	NC	⬆	
		Proportion of adults in contact with secondary mental health services living independently, with or without support	28.5	NC	NC	(Available Oct-17)	Below National and Regional Average	⬇	
		% of physically active and inactive adults - active adults	69.83%	NC	NC	(Available Jun-17)	Above National Average	➔	
		% of pupils achieving 5+ A*-Cs GCSE inc. English & Maths at Key Stage 4 (new First Entry definition) - (Snapshot)	64.00%	NC	NC	NC	Above National Average	➔	
		Number of days taken to process Housing Benefit new claims and change events (DWP measure)	6	6	8	10	Above National Average	➔	
	A Council That Listens to Residents	% of panel who agree that they can influence decisions in their local area	24.00%	29.00%	NC	25.65%	Below National Average	⬇	
			BYS 2013/14						
		% of panel satisfied with their local area as a place to live	83.00%	91.90%	NC	89.84%	Above National Average	➔	
			BYS 2013/14						
		% of panel satisfied with the way the Council runs things	44.00%	65.60%	NC	65.54%	Same as National Average	➔	
		BYS 2013/14							
	Overall Customer Centre Satisfaction (%) - CYC	91.54%	92.26%	93.11%	92.01%	NC	➔		
	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)	42%	NC	NC	NC	Above National Average	⬇	
			(2014-15)						
		Median earnings of residents – Gross Weekly Pay (£)	£495.60	NC	£509.60	NC	Below National Average	➔	
		Net Additional Homes Provided - (YTD)	1121	NC	629	NC	NC	➔	
		Business Rates - Rateable Value	NC	£246,114,424	£245,768,369	£246,410,839	NC	➔	
		One Planet Council - All Resources - Total CO2 (t)	NC	NC	NC	(Available 2017)	NC	➔	
		% of panel who give unpaid help to any group, club or organisation	Not Previously Asked	64.80%	NC	64.30%	Below National Average	➔	
	Organisational Health Check	Performance	Red rated Major Projects - CYC	0	0	0	1	NC	➔
			Amber rated Major Projects - CYC	5	6	5	6	NC	➔
			Overall Council Forecast Budget Outturn (£000's Overspent / -Underspent)	-876	1,197	480	-155	NC	➔
		Employees	PDR Completion (%) - CYC - (YTD)	59%	8.00%	46.00%	85%	NC	➔
Staff FTE - CYC Total (Excluding Schools) - (Snapshot)			2104	2117	2109	2107	NC	➔	
Average sickness days lost per FTE - CYC (Excluding Schools) - (Rolling 12 Month)			10.1	10.1	10.3	9.9	Above National Average	➔	
Voluntary Turnover (%) - CYC Total (Excluding Schools) - (Rolling 12 Month)			7.00%	7.40%	7.13%	6.90%	NC	➔	
% of external calls answered within 20 seconds - CYC			88.15%	88.95%	87.15%	NC	Above National Average	➔	
Customers		% of complaints responded to within 5 days	Measure under development			79.00%	NC	➔	
		FOI & EIR - % In time - (YTD)	88.10%	(Available Feb-17)	(Available Apr-17)	(Available Jul-17)	NC	➔	
		Digital Services Transactions / Channel Shift	Measure under development				NC	➔	

NC = Not due to be collected during that period,

A Focus on Frontline Services

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

- 50 There were 196 children and young people in care at the end of December, which is within the safe and expected range and has been relatively stable over the past year.
- 51 At the heart of the Children's Services restructure was the need to make the best use of our available resources to strengthen the quality of our decision making and to improve outcomes for children. For our children and young people in care, the Achieving Permanence Group is responsible for providing care planning, social work and leaving care support to all children and young people in the care of the Local Authority who have a plan for permanence.
- 52 The newly created Children in Permanent Placement Team provides a service to all children whose care plan involves permanency away from their parents (other than adoption). In line with our relational model of practice the aim is to develop care plans that support young people's identity and long term relationships with their birth families where appropriate, with their carers and with their professional support network including their Social Worker. We are confident this will help our children and young people in care to achieve good long term outcomes, including good health, education, employment, housing and relationship outcomes.
- 53 Through the "Make York Home" initiative and careful care planning, matching and support of carers, the aim is wherever possible to provide long-term stable care in York to enable our children and young people in care to grow up in their City whilst maintaining their friends and familial links, as well as their education. Our carers are supported by a Placement Finding Commissioning and Support Team with a mix of staff including a Senior Practitioner, Placement Social Workers and Children and Families Support Workers.
- 54 Both of these services work closely together with the child and young person at the centre of what they do and it is promising to note that our new structure is contributing to improving placement stability and outcomes for our children and young people in care.

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

- 55 Up to the end of Q3, there have been 1,743 alcohol related ASB incidents which is a significant reduction on the 1,838 reported during the same

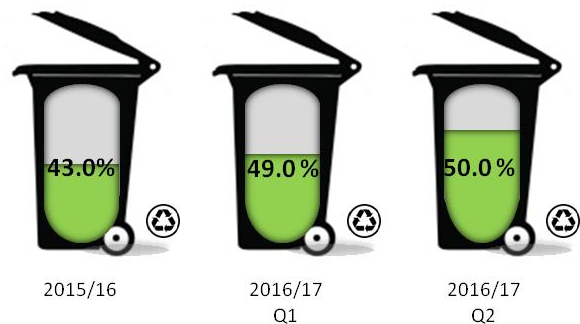
period in 2015/16. There have been 7,009 NYP Recorded ASB Calls for Service up to December which is in line with the number recorded during the same period in 2015/16.

- 56 Multi-agency work to tackle alcohol-related violence and disorder in the city centre continues through Operation Erase and AVANTE Task Groups. A new multi-agency group, focussing on Street ASB (begging, street drinking, rough sleeping, nuisance traders and buskers) has recently been established. This has led to the launch of a new campaign #NoNeedToBegYork , encouraging members of the public to give to local charities rather than to those on the street through a ‘text to give’ facility. The Neighbourhood Enforcement team continue to work in partnership with North Yorkshire Police and the BID Rangers to ensure there is a front-line response to the above issues on a day to day basis in addition to other forms of enviro-crime such as litter, graffiti and fly-posting.

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

- 57 The amount of landfill waste, in Q2, increased slightly to 23,890 tonnes (from 23,864 in Q2 2015/16) and the residual waste per household remained constant at 279kg per household (279kg in Q2 2015/16). The recycling rate within the city, in Q2, of 50% is the same as in Q2 2015/16 and higher than at year end but this is, normally, seasonally higher in the first half of the year. 52% of the respondents to the latest Talkabout survey think that the Council and partners are doing well helping to reduce amount of household waste.

Household waste recycled / composted (Year to date)



- 58 A report proposing to improve the efficiency of York’s household waste collection service is being taken to a public meeting on 9th January for approval by the councillor responsible for the environment. The proposals include saving around £400k, reducing the amount of waste going to landfill and enabling the roll out of recycling collections to rural areas of the city that don’t currently have them. If approved, the change to the day of collection will affect around a third of all properties in the city. Rubbish (grey bin/black bags) and garden waste (green bin) collections are not affected.
- 59 For the fourth year running, the British Heart Foundation (BHF) shops teamed up with University of York, York St John’s University and the Council to encourage students to responsibly dispose of unwanted items by recycling them or by donating them to the charity. Between October

2015 to September 2016, 7,380 bags were donated which may have raised over £100,000 towards the fight against heart disease.

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

- 60 The number of Delays Days attributable to Social Care across both the acute and non acute pathways has fallen from a high of 604 days in June to 339 to October 2016.
- 61 The Acute pathway continues to show an excellent position, with the numbers of delayed days which are directly attributable to Social Care falling from 336 days in March to just 47 days in October and as a result we are exceeding targets on reducing both delayed patients and bed days on the acute pathway. The non acute delays, particularly in regards to performance data from our mental health provider, are rising and have pushed this part of the measure off target and the overall numbers of delays (both pathways) off target for the year. Mental Health non acute delays are now 45% of bed delays and almost 50% of delayed people within the system.
- 62 Progress has been made in Social Care to address delays on the non acute pathway and these have fallen from 58% of delays (320 bed days) for mental health patients in July to 41% (180 bed days) in October for the non acute pathway.
- 63 The overall increase in the number of people and days delayed in the non acute pathway is putting our local measure under pressure in these areas. This increase is driving up the total number of days, and as a result is putting our partnership BCF measure under pressure and off targets for the year.

% 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

- 64 65% of the respondents to the latest Talkabout survey (up from 64% in June), are confident they could find information on support available to help people live independently with 56% saying that they could find this information on CYC website and 49% by contacting their GP.
- 65 Over the festive period residents were urged to think of vulnerable friends and neighbours as cold weather can have a significant impact on people's health and residents were reminded of the services available to them. These services include pharmacies offering confidential, expert advice and treatment for a range of common illnesses and Age UK York offering information about social groups and activities for older people.

66 Avoiding permanent placements in residential and nursing care homes is a good measure of delaying dependency. Research suggests that, where possible, people prefer to stay in their own home rather than move into residential care. At the end of Q3, the rate for Younger Adults (aged 18-64) who were assessed as requiring future residential care is on track and equates to a year end position of 6.09, and assuming the same rates for the final quarter will achieve the required target of 10.0. For older people the rates of those assessed as needing to go into residential care have fallen in Q3 and have us brought close to our target of 238 new placements or less (a rate of 620 per 100k or less) by end of year. The target would be achieved if monthly admission can be kept at or below 17 new entrants for the last quarter.

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

67 Improving employment and accommodation outcomes for adults with mental health 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. The data provided at Q2 for clients in employment (latest data) show that performance has improved in year and is on target for a year end. The data provided at Q2 for clients in suitable accommodation (latest data) outturns are significantly lower than the targets and lower than the 2015/16 year end outturns. This is a deteriorating position.

68 The provider now attends our monthly performance clinics within the directorate. We have requested access to these records to bring ongoing monitoring of the client data within our oversight. This approach will allow us to drive out any recording and practice issues..

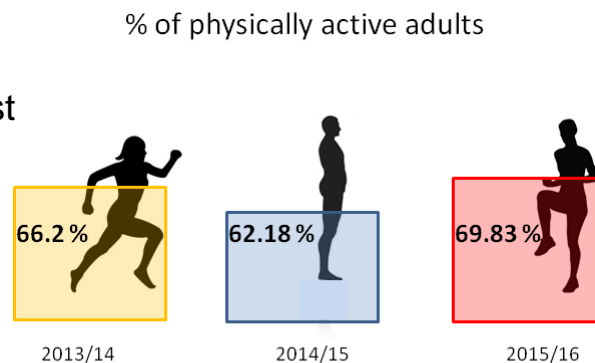
69 There is a strong link between employment and enhanced quality of life, reducing the risk of social exclusion and evidenced benefits for health and wellbeing. Employment performance level, while rising in year, is not on track to hit the 10% target, although improvements in the year which have exceeded last years position at the same point and maintain a higher level than regional or national outturns. Accommodation performance level, again, while rising in year, is not on track to hit the 85% target, although improvements in the year which have exceeded last years position at the same point and maintain a higher level than regional or national outturns.

70 We are working jointly to improve opportunities for people who wish to work to have access to employment opportunities through commissioning

and Learning City Partnerships strategy and reviewing each client to maximise employment and accommodation opportunities. These indicators remain a focus of the monthly performance clinics.

% 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

- 71 Public Health England released data for 2015 from the Active People Survey and this reports that York has the highest level of physical activity (and lowest level of inactivity) in England. Amongst a sample of 527 adults taking part in the survey, 69.8% reported doing more than the recommended 150 minutes of at least moderate intensity physical activity per week (highest in England) and 17.5% reported doing less than 30 minutes per week (lowest in England). The activities included in the definition are: sport and active recreation including cycling and walking, walking and cycling for active travel purposes, dance and gardening. The Council's "Just 30" initiative encourages York residents to do 'just 30' minutes of moderate exercise a day with the aim of achieving their 150 minutes of exercise per week and the "Eng-AGE" programme promotes sport and physical activity opportunities for people aged 50.



- 72 Residents, who responded to the Talkabout survey in December, were asked for one thing they could do to improve their health in the next year and the responses were very similar to the answers in June with exercise being mentioned most frequently. Responses also referred to action the council or health services should take instead of the resident, such as improving access to health related services and GP waiting times.
- 73 The York Health and Wellbeing Board, a strategic partnership which sets the vision and direction for health and wellbeing for the city, recently asked residents for their views on what they thought the health and wellbeing priorities for the city should be. The results of this engagement process were used to shape a new Joint Health and Wellbeing Strategy for the city. This sets out the priorities for the city's health and wellbeing over the next five years. The new strategy broadly follows a 'life course' approach with themes that include: starting and growing well; living and working well and ageing well; it also has a theme on mental health and wellbeing. Consultation on the strategy is open until 22nd January and the completed strategy will be launched at the March 2017 meeting of the Health and Wellbeing Board.

% of pupils achieving 5+ A*-Cs GCSE inc. English & Maths at Key Stage 4 - this measure gives an understanding of educational attainment levels within the city

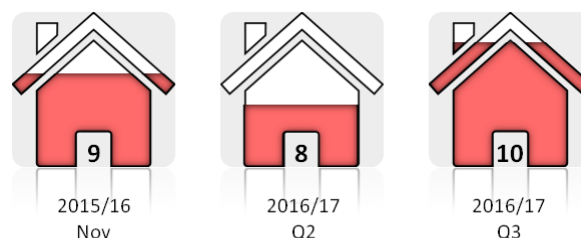
74 The performance tables for schools again confirm that York’s young people are achieving very well and are making good progress. KS4 performance in York for the attainment measure of 5 A*-C including English and Maths was well above national and regional averages in 2016 and pupils made above average progress.

75 Progress 8 is a measure of the progress made by pupils from their Key Stage 2 test scores to grades in 8 subjects at GCSE (it can include 3 other high value qualifications). It is calculated for every pupil and progress in English in maths is double weighted. A positive score represents progress above the average for all pupils and a negative score progress below the average for all pupils – a difference of 0.1 is equivalent to one tenth of a grade. This city wide average of all York Year 11 pupils’ Progress 8 scores represents progress slightly above the national average, but statistically in line with it. It places York just inside the top third of LAs nationally

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

76 At the end of Q3, the average number of days it took to process a new Housing Benefit claim or a change in circumstance of an existing claimant was 10 days, which is an increase from Q2 (8 days) and longer than at the end of Q3 in 2015/16 (8 days).

Number of days taken to process Housing Benefit new claims and change events (DWP measure)



The online new claim form checklist, which prompts customers to supply proofs, is now operational and performance is now starting to come back on target. Regional performance is positive as we are still outperforming all authorities apart from East Riding. The work outstanding has also fallen to a record low at least as far back as our records started with just 670 items outstanding.

A Council That Listens to Residents

Talkabout, our citizens’ panel, is comprised of 750 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.

% 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

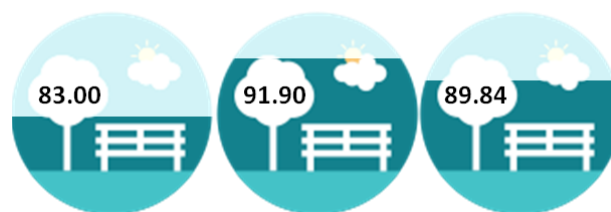
77 The latest national figure is 35% (Community Life Survey 2015/16) but in York, only 26% of respondents to the latest Talkabout survey agreed that they could influence decisions in their local area which is a decrease from 29% in June. In addition 40% disagreed that they could influence decisions in their local area.

78 A report providing an update on the Local Plan following public consultation was taken to Executive on 7th December. It was agreed that more detailed work was required to consider the additional issues arising out of the Consultation; to produce a report in response to the DCLG releasing updated National Household Projections figures in July 2016 and to report on the implications of the MoD announcing in November its intention to dispose of three of their sites in York by 2031. The Local Plan Working Group will receive reports in due course.

% 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

79 The latest national figure is 86% (Community Life Survey 2015/16) and in York, 92% of respondents to the latest Talkabout survey are satisfied with York as a place to live and 90% with their local area. This was a slight reduction from 92% in June.

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



80 89% of respondents to the latest Talkabout survey agreed that it is important to feel they belong to their local area but only 75% agreed that they did belong and 81% agree that York is a good place for children and young people to grow up and 70% agree that York is a place where people from different backgrounds get on well together.

81 The public WiFi network, provided by CityConnect public WiFi network, was extended in December and free public WiFi is now available to residents and visitors while they are in public space along Micklegate. This is a fully supported service which is free for users 24 hours a day, seven days a week.

% 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

82 66% of the respondents to the Talkabout survey in December, are satisfied with the way the Council runs things (the same as in June) which compares well with the LG Inform benchmark figure of 65% for 2015/16 however only 45% agree that the Council provides value for money.

% 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

83 47% of the respondents to the Talkabout survey in December (up from 45% in June), think that the Council and partners are doing well at improving the quality of streets/public spaces. More panellists were positive about how well the council was doing at improving green spaces and helping to reduce household waste.

84 In November the council rolled out new digital processes for customer requests for service on street lighting and street cleansing.

85 In November the York Business Improvement District (BID) launched its enhanced street and pavement cleansing services to York City Centre. These services build on the ongoing baseline cleansing efforts provided by the Council and include routine deep cleaning such as heavy-duty pavement jet wash, gum, flyposting and graffiti removal and rapid response clean-up. This covers the streets included within the entire BID area, which are mainly located within and along the city walls.

% 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

86 Community groups across York have been invited to bid for a share of £30,000 to support community projects that make a real contribution to sustainable waste prevention, repairing and reusing, and recycling.

87 Before 23rd January residents and businesses have been encouraged to get more involved in planning on the next stage of Upper and Nether Poppleton Parish Councils neighbourhood plans. Neighbourhood planning provides a powerful set of tools for local people to ensure that they get the right types of development for their community where the ambition of the neighbourhood is aligned with the strategic needs and priorities of the wider local area.

88 The views of parents, carers, schools as well as governors, teachers and other interested parties were sought, in December, on new policies and the number of places available for the school year starting in September 2018. Included in the consultation was the fairness and accessibility of information available, application processes, planned admission numbers, admission policies and oversubscription criteria. Following consultation, each admissions authority will formally set its admission arrangements by 28 February 2017. These will be published on each admissions authority's websites by 15 March 2017.

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)

- 89 Overall, customer service satisfaction continues to be excellent. 92.01% of users said the service was either good or excellent during Q3 (78% rated the service as excellent). Over the next few months we will be developing surveys which will ask the resident to rate their customer satisfaction with the service area who delivered the service.

A Prosperous City for All

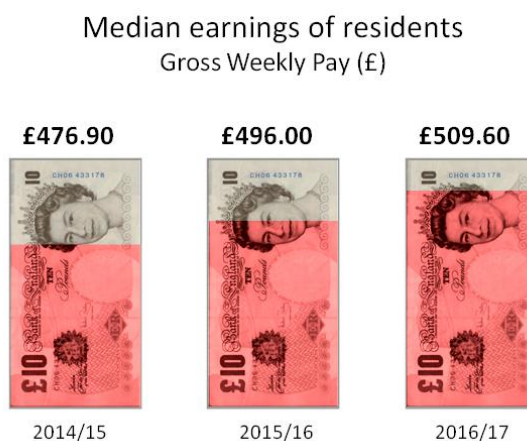
%pt gap between FSM and non-FSM pupils at 15, who attain a Level 3 qualification by the age of 19 - this measure gives an understanding of the inequality gap

- 90 There are many partners and factors that will contribute to addressing the gap between FSM and non-FSM pupils at 15, who attain a Level 3 qualification by the age of 19. At its heart, Local Area Teams will look to address inequality in outcomes by working with all partners and families across the city. A key change will be that services will operate within community from pregnancy through to adulthood. This continuity of knowledge and support will mean many of the factors that lead to outcome inequality from an early age will be addressed in a more coherent way alongside partners. In simple terms this means tackling emerging need at an early stage leading to improved outcomes.
- 91 In addition trained Learning and Work Advisers from the Local Area Teams will 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 Not in Employment, Education or Training (NEET). The Learning and Work Advisers will provide information, advice and guidance through appointments, group work and workshops at arranged times to suit the needs of the young people and they will also have available appointments at locations across the city based upon identified need. These arrangements will work hand in hand with the careers guidance and support that is provided through schools and other education providers.
- 92 Additionally the LA has reiterated the FSM gap at both L2 and L3 at age 19 as a key priority in the annual 14-19 Local Area Statement of Need. All York state funded school sixth forms and York College now actively track their FSM cohort as a defined vulnerable group and seek to provide additional support where possible for these students. The latest published measures are for the Year 13 cohort leaving in summer 2014. York College, where student volumes are greatest, report improvements in attainment of their FSM cohort in academic years 14/15 and 15/16 which,

when validated, should lead to a closing of the gap in figures published in April 2017 and 2018. Career Ready and the Social Mobility Foundation have recently been signposted and will work with the L3 FSM cohort in York schools and York College. The issue will be raised again through the next meeting of the Post 16 Leads Group where good practice will be shared between partners.

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

- 93 In 2016 the median gross weekly earnings for residents of York were £509.60 which was an increase of 2.82% from £496.00 in 2015. The median earnings are higher than the Yorkshire & the Humber average of £498.30 but lower than the Great Britain average of £541.00. York is currently ranked 7/22 in the region (up from 8/22 in 2015) with Selby ranked the highest with the median gross weekly pay of £549.40 and Craven ranked the lowest with a gross weekly pay of £413.10. We are aware that York still fails to meet its full potential in terms of wage levels and part of the reason for this is the availability of space for high quality employments. The recently agreed economic strategy includes a number of areas to assist these issues; including developing York Central; delivering the local plan; and promoting university led growth.



- 94 Figures from the Office for National Statistics showed there were 530 JSA claimants in York in December which is a decrease of 30 from last month and a reduction of 80 from December 2015. The claimant count for York represents 0.4 per cent of the working population, which is lower than both the regional and national figures which stand at 1.5% and 1.2% respectively in December 2016. The recent figures also highlight a fall of 30 in the youth unemployment count since December 2015. The youth unemployment figure of 0.2% is lower than both the regional and national figures, which stand at 1.3% and 0.9% respectively.
- 95 Data released by the Department of Work and Pensions is published 6 months in arrears - the latest data relates to May 2016. The total number of working age Benefit Claimants continues to fall (a reduction of 120 to 8,990 from 9,110 in February 2016). This represents 6.5% of the working age population which is lower than the regional and national figures which are 13.1% and 11.5% respectively. The reduction is predominantly due to

a decrease in the number of Out of Work Benefit Claimants (an 8.7% reduction to 6,910 from 7,000 in February 2016).

- 96 As part of the adult learning programme to give residents the opportunity to learn a range of new skills and gain qualifications, the Learning 4 Everyone programme brochure was distributed throughout December to nearly 100,000 households. Included in the programme are over 300 courses including many new and expanded sections and numerous free taster sessions. These new courses are on offer alongside more established courses including creative craft courses and modern foreign languages.

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

- 97 The latest data (Q2 2016/17) shows that there were 629 additional homes provided up to the end of September which is a reduction from the 777 provided for the same period last year. Of these additional homes, 24% were for off campus privately managed student schemes and 34% were from sites benefitting from relaxed permitted development rights to allow conversion to residential use. Some 197 net housing consents were granted (33% for student and permitted rights development).

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

- 98 The rateable value is the legal term for the notional annual rental value of a rateable property, assessed by the valuation officers of the VOA (Valuation Office Agency). The latest valuation was undertaken in 2010 with the next revaluation taking effect from 1st April 2017. The draft list (published on 29th September) shows a 4.8% percentage change increase in the rateable value for York with Yorkshire and the Humber decreasing by 0.3% but England increasing by 9.1%. Currently English authorities keep hold of 50% of locally-collected business rates with the other half going into a central government pool and redistributed back to the local authorities according to need.
- 99 The collection rate for Business Rates at the end of Q3 was 83.30% compared with 82.99% in the corresponding period of 2015/16. The collection rate for Council Tax at the end of Q3 was 85.07% compared with 85.11% at the corresponding period of 2015/16.
- 100 In December, the Council signed the council tax arrears good practice protocol alongside Citizens Advice York which aims to ensure that York's council tax support scheme is efficient, effective, fair and transparent. This protocol outlines how the council and Citizens Advice York are committed to working in partnership to ensure good practice in respect of council tax support, collection and recovery.

One Planet Council - All Resources - Total CO2 (t) - this measure gives an understanding of how many resources the Council is consuming, potential impact on the environment, and progress towards reducing

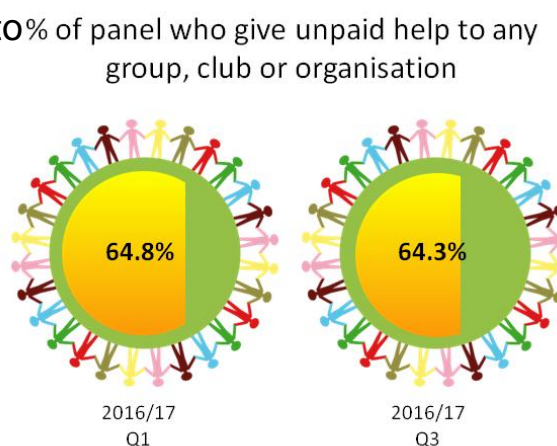
101 Work is continuing in developing the new One Planet Council (OPC) policy, action plan and Integrated Impact Assessment (IAA) tool. A new senior officer group is being set up to finalise the policy whilst phase 1 of the action plan has been completed and commenced delivery and CMT has mandated the use of the IAA tool. Supporting this OPC work, the council's carbon and resource smart management plan continues to be delivered and the 2015/16 energy, CO2, waste, transport and cost footprint is being collated.

102 In December, at the North of England Transport Awards, York's Park & Ride scheme received the Contribution to Sustainable Transport Award and First York was recognised for its wider commitment to providing greener travel for the region, with its fleet of electric vehicles, helping to reduce CO2 emissions in the city.

103 To make bus travel even more attractive and further boost bus passenger numbers, the 'York by bus' smartcard was launched in November which allows bus users to buy before they board from one of the city's new ticketing kiosks and travel on up to 50 bus routes.

% 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

104 64% of the respondents, who responded to the Talkabout survey (December 2016), give unpaid help to a group, club or organisation which still compares favourably with the government's Community Life Survey 2015/16 (published in July 2016) this found that 47% of respondents reported any volunteering at least once a month and that 70% reported any volunteering in the past 12 months.



105 Volunteers from Edible York, the council and the University of York, helped create a mini orchard on an unused plot of land at Alex Lyon House (a City of York Council sheltered housing site).

Performance

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

- 106 There are currently 11 major projects in progress at the moment (9 in Q2). Each project is given a status to give an overview of any significant risks and provide assurance as to how individual projects are being managed. 6 are rated Amber (5 in Q2) and there is 1 red rated project (the roundabout improvements on the York Outer Ring Road (A1237)). The York Outer Ring Road (A1237) project and the York Central Access project are the 2, recently added projects.
- 107 The red status of the Outer Ring Road Project was principally due to the uncertainty over the funding route. The Council agreed to join the West Yorkshire Plus Transport Fund at its meeting in December which provides mitigation for the funding risk. There are a number of other risks to be addressed such as land acquisition and planning consent but it is currently considered that there is sufficient time and funds available within the project to deal with these issues.

Performance – Other

- 108 “Aspire to More” was a creative project delivered by Inspired Youth following a successful partnership funding bid from Joseph Rowntree Foundation and CYC’s Children in Care Council (Show Me That I Matter). The project was supported by Speak Up, CYC’s Children’s Rights and Advocacy Service. The project introduced young people in care to inspirational care leavers whom they interviewed about their life journeys and achievements, and how they overcame obstacles faced by care leavers. The details of these interviews are on the website www.aspiretomore.wordpress.com. Since February 2016, the website has had over 21,000 views from 10,000 unique visitors. The project has received national recognition from organisations and the press. In October 2016, young people from the project were invited to speak at the National Prince’s Trust Care Leavers Conference. The project won two awards in four weeks during October and November 2016. The first was from National Care Leavers Benchmarking Forum for best pitch and poster series. The second was Most Inspirational Youth Campaign from the charity Kids Court.

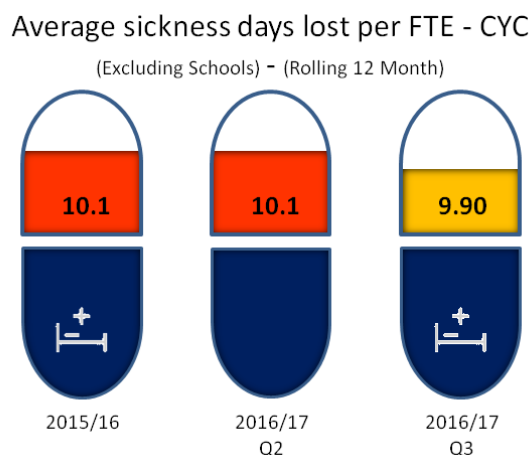
Performance – Employees

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

- 109 The number of people employed by the Council (excluding schools) has decreased to 2,650 (2,107 FTEs) at the end of December, from 2,651 (2,109 FTEs) in September.

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

- 110 The 12 month rolling average of sickness days per FTE (excluding schools) has decreased slightly to 9.9 days (from 10.3 in Q2) but still remains higher than the CIPD Public Sector average of 8.7 days. Stress related absence averaged 1.4 days per FTE between April and December, down slightly from 1.8 days during the same period last year.



The Council has committed to the Public Health England Workplace Wellbeing Charter, this is a statement of intent showing the council's commitment to improving the health and wellbeing of the people who work for us. Our accreditation assessment will take place in March.

In February we are making changes to sickness absence reporting and making better use of iTrent so that managers report absence directly into this system. This is a more efficient process for managers but also allows us to produce them with email alerts about their staff who meet an absence trigger points along with web-links to information and guidance which will help them to manage the absence.

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

- 111 The percent of employees voluntarily leaving the organisation over the past 12 months has fallen to 6.9% (7.1% in Q2) but remains higher than levels seen during the same period last year (6.3%).

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

- 112 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. At the end of Q3 85% of PDRs have been completed and recorded against electronic employee records which are an improvement from last year's Q3 figure of 51%.

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

- 113 This measure will be developed in conjunction with the organisation's People Plan.

Performance – Customers

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

- 114 York Customer Centre is the main point of contact for resident enquiries and in total 53,711 calls were received during Q3 with 97% answered (51,902), 80.2% in less than 20 seconds. This reflects the continuing improvement in the Customer Centres performance as this is the first time that the SSAC Industry Standard of (80%) has been achieved. During peak periods customers may experience increased waiting times and, although calls are typically not held in a queue for more than 42 seconds, customers can make use of the call back facility, although some choose to abandon the call. This impacts overall performance and satisfaction and call data is monitored on a daily basis to ensure a positive customer experience is maintained.
- 115 In Q3 the number of residents visiting the Customer Centre fell to 14,772 (17,365 in Q2) but the average wait time also decreased to 7.3 minutes (8 minutes in Q2), with 76% of customers served within the waiting time target of 10 minutes (73% in Q2).

% of complaints responded to within 10 days

- 116 In Q3 of 2016/17 the council received 236 stage 1 complaints and of these 21% were not responded to within the 5 day timescale due to either the complexity of the individual complaints or the volume of complaints some services areas received. Departments are working with the complaints and feedback team to look at ways of improving their response times.
- 117 There have been 22 (24%) less complaints or enquiries received by Local Government Ombudsman (LGO) about City Of York Council which is the reverse of the national picture in the most recent annual review period for year ending 31 March 2016. The current corporate customer complaint and feedback policy and procedure is under review and being updated in line with the Local Government Ombudsman's guidance on effective complaint handling and from best practice from high performing councils in dealing with complaints and previous feedback

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

- 118 In-time compliance has been achieved for FOIs (Freedom of Information requests) and EIRs (Environmental Information Regulations requests) and there has been significant performance improvement for in-time compliance with Data Protection Act Subject Access to Records requests (SARs), an area where the Information Commissioner's Office (ICO) auditors have recommended we improve our performance and monitoring of responding to SAR requests within the legal timescale of 40 calendar

days, and then furthermore using that intelligence to improve future performance and procedures

Annexes

119 All performance data (and approximately 850 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 & Options

120 This report is for information so no options are presented.

Corporate Priorities

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

Implications

122 The implications are:

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

Risk Management

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

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Wards Affected: All			
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Glossary of Abbreviations used in the report:

ANPR	Automatic Number Plate Recognition	FOI	Freedom of Information
ARZ	Alcohol Restriction Zone	FSM	Free School Meals
ASB	Anti-Social Behaviour	FTE	Full Time Equivalent
ASC	Adult Social Care	GCSE	General Certificate of Secondary Education
AVANTE	Alcohol, Violence & Night Time Economy	HRA	Housing Revenue Account
BHF	British Heart Foundation	IAA	Integrated Impact Assessment
BID	Business Improvement District	ICO	Information Commissioner's Office
BYS	Big York Survey	JSA	Jobseeker's Allowance
CHC	Continuing Health Care	LGO	Local Government Ombudsman
CIPD	Chartered Institute of Personnel and Development	NYP	North Yorkshire Police
CMT	Corporate Management Team	OPC	One Planet Council
CSR	Comprehensive Spending Review	OPH	Older Peoples Homes
CYC	City of York Council	PDR	Performance and Development Review
DCLG	Department for Communities and Local Government	PHE	Public Health England
DMT	Directorate Management Team	SSAC	Social Security Advisory Committee
DWP	Department for Work and Pensions	VOA	Valuation Office Agency
EIR	Environmental Information Regulations	YTD	Year To Date

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Executive

9 February 2017

**Report of the Director Children, Education & Communities
Portfolio of the Executive Member for Education, Children &
Young People**

North and Humber Regional Adoption Agency

Summary

1. This report provides information about the adoption reform proposals contained within the Education and Adoption Act 2016. The government is clear that all local authorities (LAs) will be part of a Regional Adoption Agency (RAA) or will have delegated their adoption functions to a RAA by 2020. If LAs do not implement the required changes they are likely to be directed to do so, with less control over the process, arrangements and service delivery. The Education and Adoption Act 2016 makes provision for joint arrangements and the Secretary of State has the power to direct one or more LAs to make arrangements for any or all of their specified adoption functions to be carried out on their behalf by one of the LAs named or by another adoption agency.
2. York has been working in collaboration with other LAs and the voluntary sector throughout the Yorkshire and Humber region to create a new model of service delivery for adoption services, in line with the government's agenda. The intention is to improve services for children and adoptive families and deliver a more effective and cost efficient service, utilising government transitional funding to manage the change.
3. There will be three RAAs in the Yorkshire and Humber region: West Yorkshire, South Yorkshire and North and Humber. The North and Humber RAA will consist of the combined adoption services of York, East Riding, North Yorkshire, North Lincolnshire, North East Lincolnshire and Hull Councils. The RAA will deliver adopter recruitment; timely linking of children with a suitable adoptive family and adoption support to the child and family.

Some services may be jointly commissioned via a shared regional 'hub'. The LAs will retain responsibility for the plan for adoption for a child and agreeing a match with an adoptive family.

4. The Assistant Directors of Children's Services from the six LAs have worked together to identify the best delivery model for the RAA and conclude that it should be a LA hosted arrangement. Other options considered would be more costly to implement and maintain, without any assurance of better delivery of services.
5. Members are asked to agree that City of York Council host the RAA. The proposed governance would be a Joint Committee made up of elected members from the six North and Humber councils, which will have formal oversight of the RAA but will be invited to sub-delegate the functions to York's Director of Children's Services, to enable the day to day running of the service. The Director will in turn be accountable to the Joint Committee for discharge of the adoption functions. The RAA will operate under the terms of a Partnership Agreement, which will confirm the legal and governance arrangements, the budget, staffing and funding contributions for the six LAs. The operational accountability will be to the Management Board, comprising of senior officers delegated by the Director of Children Services for each LA, with representation drawn from key stakeholders, including adoptive parents and the voluntary sector. The RAA will be led by a Head of Agency, reporting to the Assistant Director Children's Specialist Services. Staff from the other LAs will transfer into the employment of City of York Council, to become RAA staff.

Recommendations

6. Members are asked to agree in principle:
 - to the establishment of a North and Humber Regional Adoption Agency (to be known as One Adoption North and Humber) formed from the amalgamation of the adoption services of East Riding, North Yorkshire, North East Lincolnshire, North Lincolnshire, Hull and York councils
 - that the delivery model be the integration of the six LA adoption agencies into a single Regional Adoption Agency led by a host LA. Alternative delivery models were considered by the senior managers for the six LAs but a LA hosted agency was assessed as the best value option

- that the North and Humber RAA is hosted by City of York; that it is a shared service and that the name of the Agency is One Adoption North and Humber. The Children's Services Directors of the other five LAs support the proposal of York hosting the RAA. If this proposal is accepted, then the other LAs will ask their Executives to then formally confirm their existing commitment to a regional agency hosted by City of York.

Reason: The recommendations outline a pro-active response to Government requirements, in a cost effective way that offers York the opportunity to take on a regional leadership role, with the potential for future expansion into other areas of regional provision.

Background

National

7. In 2015 the government published "Regionalising Adoption", a White Paper with the stated intention of improving the provision of adoption services through the establishment of regional adoption agencies. The key aims of this are to place more children in a more timely way; to recruit more of the right families for the children waiting, preparing them consistently and well; to improve the range, accessibility and quality of adoption support.
8. If the councils do not implement the required changes in a collegiate way with other LAs and the voluntary sector, they are likely to be directed by government to do so, with less control over the process, arrangements and service delivery. The Education and Adoption Act 2016 makes provision for joint arrangements to carry out LA adoption functions in England and the Secretary of State has the power to direct one or more LAs to make arrangements for any or all of their specified adoption functions to be carried out on their behalf by one of the LAs named or by another adoption agency.
9. The issues that the government were seeking to address within the adoption reform were:
 - Inefficiencies: in that the current system is fragmented with around 180 agencies, both LA and voluntary adoption agencies, recruiting and matching adopters for 5000 children per year. The majority of agencies are operating at a very small scale and this hinders strategic planning and economies of scale

- timeliness of placing children: whilst there has been significant improvement in the performance of LAs in placing children swiftly with adoptive families, there is further progress that can be made. This is particularly the case with harder to place children, often older, within a sibling group or with a disability
- adopter recruitment: whilst here has been improvement in both the number of adopters recruited and the timescales to achieve this, many of these adopters are less willing to consider those children who are harder to place
- adoption support: the help that is offered to families after adoption is the responsibility of LAs but it is currently fragmented and characterised by a combination of in-house and spot purchased arrangements, with often significant variations between LA areas

Yorkshire and Humber Region

10. In view of the White Paper the Yorkshire and Humber region, with a strong history of working together as part of the Yorkshire and Humberside Adoption Consortium, in August 2015 submitted an expression of interest to the Department of Education (DfE) to be one of the pioneer projects. This resulted in DfE funding project work throughout Yorkshire and Humber to look at developing a hub and spoke model of delivering adoption services. The plan put forward and supported by the DfE is for three RAAs: South Yorkshire, North and Humber and West Yorkshire, as spokes who deliver adopter recruitment, assessment, family finding and adoption support at a local level. These spokes are connected by a hub that will provide for the three RAAs services previously provided in the Consortium: the coordination of a regional matching register, performance reporting, specialist training, practice sharing and regional scale commissioning. The role of the hub will develop in line with the needs of the developing RAAs over the next few years
11. The Yorkshire and Humber project has been selected as one of the five 'Demonstration Projects' by the DfE (out of nineteen) projects in England and has received additional funding to develop the project through to the establishment of the three RAAs .

North and Humber

12. The six LAs in the North and Humber region, East Riding, North Yorkshire, North Lincolnshire, North East Lincolnshire, York and Hull, recognise that working collaboratively provides a significant opportunity to respond to the national agenda. By delivering a single service whilst maintaining functions at a regional and local level, partners envisage achieving economies of scale and delivering a faster and more cost efficient process of finding adoptive families for children across the North and Humber region. The new service will improve outcomes, whilst delivering savings based on lower service costs from a more efficient staffing structure due to the aggregation of workloads, streamlining management and service delivery costs, and ensuring better value from commissioning.
13. The RAA will work in partnership with children's social work services in each LA. Each LA will retain the corporate parenting responsibility for looked after children and each LA will still retain the responsibility for decisions about the planning for a child and the match with an adoptive family. In York, this will remain the responsibility of the Director of Children's Services; sub delegated to the Assistant Director, Children's Specialist Services.

Consultation

14. There has been regional consultation with Executive Members for children's services across the region to keep them updated about progress and consultation has also taken place locally. Steps have been taken regionally to ensure that new elected Members have been briefed and there will be more detailed and ongoing consultation as the project develops.
15. Engagement of adopted young people, adoptive parents and birth families has been undertaken regarding the regionalisation agenda; with adoptive parents on the Project Board to ensure that the RAA is developed to meet the needs of adoptive families.
16. The transfer of the adoption function to the regional agency and transfer of staff from other LAs to York will require detailed HR processes to address TUPE, assimilation, due diligence etc as well as formal consultation with the staff and trade unions in the coming months.

Options

Providing an adoption service

16. There are two options:
- continue with present arrangement of York running its own adoption agency
 - the establishment of a Regional Adoption Agency formed from the amalgamation of the adoption services of East Riding, North Yorkshire, North East Lincolnshire, North Lincolnshire, Hull and York councils

Delivery Model

17. There are four delivery options identified by DfE as possible models for a RAA:
- hosted by a LA on behalf of other LAs
 - a joint venture between LAs, with a LA trading company structure
 - the creation of a new voluntary adoption agency
 - outsourcing to an existing voluntary adoption agency

RAA Host

18. There is only one proposed option, that York is the host LA.

Analysis

Providing an adoption service

19. The option to maintain the present arrangements does not meet the government's wish to reduce the number of adoption agencies nationally. If councils do not implement the required changes in a collegiate way with other LAs and the voluntary sector, they are likely to be forced by government to do so, with less control over the process, arrangements and service delivery.
20. The Education and Adoption Act 2016 makes provision for joint arrangements to carry out LA adoption functions in England and the Secretary of State has the power to direct one or more LAs to make arrangements for any or all of their specified adoption functions to be carried out on their behalf by one of the LAs named or by another adoption agency. If York does not implement this

proposal it would be out of step with the Yorkshire and Humber LAs and will miss the opportunity of government transitional funding

Delivery Model

21. The pros and cons of each option were discussed by the Assistant Directors for the six LAs at the North and Humber Regionalisation Project Board. The outcome was the selection of either a LA host or a Joint Venture between LAs as the preferred options. The options involving a Voluntary Adoption Agency were not selected as they would be significantly more costly to implement, with increased pension costs and eligibility for VAT payments and as such would be not be best value in terms of LA finance.
22. The options of a LA host or a Joint Venture were explored further and it became evident that a Joint Venture would be the more costly option. A LA trading company has to apply for admitted body status to Local Government Pension Scheme, which is accorded only after an actuarial assessment of the transferred staff, which would be a considerable additional cost. Also a LA trading company is not VAT exempt, so there would be irrecoverable VAT expenses. These additional costs would have to be covered by reduction in direct funding for the service or an increase in the contractual contributions of the six LAs, both of which poses a risk to a smooth transition with affordable costs. The Assistant Directors for the six LAs concluded that a LA hosted agency was the best value option.

RAA host

23. Expressions of interest in hosting were invited from all six LAs, with York and North Yorkshire the only ones wishing to consider this. Initially the intention was to jointly host. However, legal advice indicated that this would be difficult to achieve and would probably involve the establishment of a Joint Venture, with the financial draw backs outlined above. The option remaining was for York or North Yorkshire to be the single host, supported by the close partnership working with the other LA.
24. In recognition of York's expertise in adoption matters and long established history of delivering a high quality adoption service, the other five LAs supported a proposal that York be the single host.

York's geographical position as a city in the centre of the region added to its suitability to host.

25. Offering to host the regional agency gives York the ability to influence the development of good practice across the North and Humber region. Aligned to this is the opportunity to step into a regional leadership role, with the potential for future expansion into other areas of regional provision.
26. The formal establishment of a North and Humber Regional Adoption Agency hosted by City of York Council will entail the appointment of a Joint Committee with appropriate membership, terms of reference and rules of procedure; the appointment of a Management Board including all the North and Humber LAs and third sector organisations; delegation of functions from the Joint Committee to York's Corporate Director of Children, Education and Communities with regard to the recruitment and assessment of adopters, adoption panels, family finding and adoption support; the transfer of staff from the five other partner LAs into City of York Council; the establishment of a budget for the new agency and a funding formula to reflect each LA's contribution to the RAA budget; the creation of an organisational unit within Children's Service for the North and Humber RAA.

Council Plan

27. The adoption service contributes to the Council Plan 2015-19 'a focus on frontline services' and the specific aim that 'Every child has the opportunity to get the best possible start in life'. In addition, it meets an objectives of the children and Young People's Plan 2016-2020 of ensuring that children and young people who are looked are enabled to be: happy and healthy, safe and protected, and supported each step of the way to adult life. The adoption service is integral to the strategy of ensuring all children and young people who are looked are placed in a safe, permanent family as soon as possible. The RAA will have an emphasis on the local delivery of services. The RAA will retain a base in each LA office and will work with each LA to ensure that children's needs are prioritised and that there is a sense of urgency in the planning for children regarding permanence. This will also ensure that families are recruited to meet children's needs and that adoption support can be delivered effectively at a local level.

Implications

Financial

28. The budget proposals put forward have been recommended by the shadow management board from across the six LAs for approval as part of the budget setting process. The proposed budget is £3.5 million and the contributions of each LA has been calculated from the combined budgets of all six LAs for the provision of adoption services in 2016-17, minus adoption allowance payments and with some overhead charges removed and a percentage of the LAs total adoption budget substituted to rationalise the wide discrepancies in overhead costs across the six LAs.
29. The budget proposal does not include adoption allowances paid directly to adoptive families by LAs, where the need for on going financial support has been assessed and agreed. These payments form a significant part of most LA adoption budgets. Many will be long standing commitments by each LA to families that will continue until the children in the family reach adulthood. The payment of adoption allowances and the corresponding budgets show a significant degree of variance between the six LAs and the RAA will have very limited scope to influence this large expenditure. These historical arrangements will continue to be administered and reviewed by each LA unless at some future point it is agreed that work is undertaken on the eligibility criteria for financial support, the financial assessment model, rates, duration and review of payment, on behalf of all six LAs.
30. In drafting the proposed budget, consideration has been given to the efficiencies that will be made from bringing together six adoption services. However, as a new venture and a national demonstration project, it is important that the agency is able to function effectively as a new entity. In addition the number of children requiring adoption at a national level is in a period of flux and therefore the budget needs to be able to be flexible enough to respond to this. In the first year it is anticipated that the proposed budget achieves saving efficiencies with regard to rationalising adoption panels and joint commissioning of adoption support services. Over time there are likely to be further efficiencies in adoption support and management costs as practice is embedded and systems are put in place to support the service.

31. It is not envisaged that there will be additional financial costs to York as the host authority. Any under spend in the budget at the end of the year could be apportioned out to each LA in proportion to their contribution to the overall budget. Conversely, should there be any overspend (due to increased demand) this would be met by each LA in proportion to their contribution to the overall budget. In future years the proportion of the annual budget that each authority pays will be in accordance with a pre-agreed formula but the budget itself is subject to the agreement of each individual authority through the management board. The budget will only change in line with LA pay settlements and changes to the scope of the function that is being discharged.

Human Resources

32. The regional agency will be led by a Head of Agency and a draft staffing structure will be presented to the North and Humber Regionalisation Project Board. It is proposed to appoint a Head of Agency in advance of the formal establishment of the RAA to take a lead on steps to set it up. Agreement for the shared funding of this post will be sought from the partner authorities.
33. One of the key drivers in bringing agencies together is to improve outcomes for children and families by improving practice. It is essential that the staffing structure provides a good skill mix of staff to deliver the service, alongside policies, systems and processes to support the work. Management oversight and leadership, along with effective business and quality assurance systems, will be essential to ensure a high quality service across the RAA.
34. It is envisaged that staff from East Riding, North Yorkshire, North Lincolnshire, North East Lincolnshire and Hull adoption services will be transferred into the employment of City of York Council, pursuant to the Transfer of undertakings (Protection of Employment) Regulations 2006 (TUPE). There will be engagement with the affected staff and trade unions by each LA. The transfer of staff requires detailed HR processes to address assimilation, due diligence etc as well as formal consultation with the trade unions in the coming months.

City of York Council will be employing around 50 full time equivalent staff dedicated to the function. This will include both existing City of York employees and staff from the other five North

and Humber LAs. The North and Humber RAA will be based in York with staff based in offices in all six LA areas. Appropriate arrangements will be put in place to ensure that they have adequate resources. There will be increased demands on some support services and these will be considered within the implementation planning.

Equalities

35. An equality impact assessment will need to be completed and the RAA will complete a full impact assessment within the first six months of the new agency being operational.

Legal

36. The new arrangements will be overseen by a Joint Committee of councillors representing each of the six LAs. The Executive would be responsible for making an appointment to that Joint Committee. The Chair of the Joint Committee will be the Member appointed by the host authority. It is proposed that the Joint Committee will meet at least annually.
37. The Joint Committee will perform executive functions and the decision to establish the Committee and delegate powers to it is for the Executive. The powers proposed to be delegated are all adoption functions other than those related to individual children. The delegated powers will therefore include: recruitment and approval of prospective adopters; identification of potential matches between children and adopters; provision of adoption panels; and provision of adoption support services to adopters, adoptees, and birth families. Each partner local authority will though retain the responsibility for decisions about a plan for adoption for a child and the match with an adoptive family.
38. Members should note however that although the authority may choose to delegate functions to a Joint Committee, and that Committee may further sub-delegate the functions to an officer, the delegating authority remains accountable for, and may choose to discharge those functions itself.
39. There will need to be detailed legal agreements covering inter alia the transfer of staff, assets, rights and liabilities. The agreements will need to make provision for the use of premises and equipment. There will also need to be a partnership agreement setting out the

services to be provided by York and how they are to be funded by the partners as well as the arrangements for operational oversight.

Crime and Disorder

40. There are no Crime and Disorder implications.

Information Technology (IT)

41. Grant money allocated by DfE is being used to devise a systems specification to inform the identification of an IT system able to meet the needs of the RAA. This is likely to involve mobile working for the majority of RAA staff.

Property

42. Some RAA staff are likely to be located in West Offices, including the Head of Agency. The number is likely to be the same as that for York's current adoption staff who are located in West Offices. The majority of RAA staff will be located in the offices of the other five LAs. It will be important that agreements with partner LAs allow access to business facilities to RAA staff.

Other

43. There are no other implications.

Risk Management

44. The main risks and benefits are outlined below. The risks of taking on the role of host on behalf of partner LAs can be minimised through clear partnership agreements and robust governance and accountability arrangements. The Corporate Director of Children, Education and Communities will report to CMT on a quarterly basis regarding the performance and budget of the RAA so that any emerging issues can be proactively managed.

Reputational

45. *Benefits:* Enhancement of reputation as leader and innovator in the field of social care provision; the ability to steer development of a RAA that has been awarded status of 'Demonstration Project' by DfE; the ability to have day to day control of RAA functioning and to ensure the good practice in York is not diluted in a merger with other LAs.

46. *Risks:* that the RAA does not perform to expectations and the host is viewed as responsible. The mitigation is to have robust business and performance tracking system established, with regular reporting by the Head of Agency to York's Assistant Director so any dips in performance can quickly be corrected. Likewise in respect of Ofsted inspections, whereby the operation of the RAA is likely to be included in the inspection of York's children's services, monitoring systems would need to be established in the RAA to regularly check performance indicators, ensuring 'Ofsted readiness'.

Financial

47. *Benefits:* Savings could be achieved on the current cost of York providing an adoption service by itself. Hosting the RAA would build business capacity and reputation and could be a 'spring board' to provide other functions for LAs or other agencies
48. *Risks:* main risk is of an insufficient budget. Mitigation would be to be assured that the proposed RAA budget is sufficient and that there is long term funding agreement, backed up by a robust financial risk sharing agreements with the other five partner LAs. The partnership risk sharing agreement would need to clarify such things as shared liability regarding staff TUPE; that no partner can leave the partnership unless there are exceptional circumstances (such as lack of trust in Host's ability to run the RAA); joint ownership of any contracts secured on behalf of RAA, etc. Work has taken place to agree a regional adoption budget with partner LAs. Further work will be done on financial risk sharing agreements.

Operational

49. *Benefits:* These include the ability to direct cultural change to ensure good practice across the RAA and to directly influence development of agency to meet performance targets, Scorecards etc. There is further scope to look at support for Special Guardians and other permanence and kinship arrangements to be considered as part of the RAA, as the project develops.
50. *Risks:* the need to have sufficient senior management capacity to take on oversight of RAA and line management of RAA Head of Service. There is also a risk that the infra structure could be insufficient to provide support to RAA's operational structure. This

could be mitigated by ensuring commitment of HR/Legal/ Procurement/Finance Directors across York to provide sufficient infra structure support or commission a third party to do so.

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List of abbreviations used in this report:

DfE Department of Education
LAs Local Authorities
RAA Regional Adoption Agency



Executive

9th February 2017

Report of the Corporate Director of Health, Housing and Adult Social Care from the portfolio of the Executive Member for Adult Social Care and Health and the Corporate Director Economy and Place from the portfolio of the Executive Member for Finance & Performance.

Sale of Land at Fordlands Road as Part of the Older Persons' Accommodation Programme

This report deals with the sale of the site of the former older persons' home on Fordlands Road, Fulford to a purchaser who proposes to develop a residential and nursing care home on the site as part of the Older Persons' Accommodation Programme.

Recommendations

1. The Executive are asked to agree to accept the offer for the purchase of the freehold ownership of the Fordlands Road site by Octopus Healthcare who propose to develop a new residential and nursing care home (subject to obtaining planning permission and any other necessary statutory consents on terms acceptable to them) as part of the Older Persons' Accommodation Programme.

Reason: To receive a capital receipt for use by the Older Persons' Accommodation Programme and with the intention to also deliver much needed new residential and nursing care accommodation for older people, including those with dementia and other complex care needs.

Background

2. Executive agreed on 30th July 2015 to "encourage the development of additional residential care capacity in York... to meet the Council's needs".
3. The site of the former Fordlands Road Older Persons' Home is 0.37 hectares (0.91 acres), as shown on the attached plan at **Annex 1**.
4. The Fordlands site became available in 2012 when the Older Persons' Home closed (Cabinet, 10th January 2012). The Older Persons' Accommodation Programme (then called the EPH modernisation

programme) had originally planned to develop the site as the location for a new care home (Cabinet 15th May 2012). However, this plan was abandoned in 2013 (Cabinet, 4th June 2013) in preference for the development of council-funded care homes at Burnholme and Lowfield (each subsequently abandoned in 2015; Cabinet, 3rd March 2015).

5. The site has flood risk and there is a main-drain which runs across the south eastern corner of the site.
6. The site has remained empty since 2012 and the Council spends approximately £25,000 per year on maintenance and other costs.

The Offer

7. We have received a formal written offer from Octopus Healthcare for the purchase of the freehold of the Fordlands Older Persons' Home site. Octopus Healthcare wish (subject to obtaining planning permission and any other necessary statutory consents such as gas, electricity, water and foul sewer connections, on terms acceptable to them) to build a 62 bed residential and nursing home on the site, charging mid-market rates and providing accommodation with care for older people including those with dementia.
8. This proposed use of the site would be welcomed and gives life to the Executive decision of 30th July 2015 to "encourage the development of additional residential care capacity in York... to meet the Council's needs". This proposed use has the support of the Director of Health, Housing and Adult Social Care as delivering another, much needed, good quality care home (including dementia care) in a part of the city which has limited supply.
9. As part of the sanction from Executive (30th July 2015) to proceed with the Older Persons' Accommodation Programme and, in particular, to "encourage the development of additional residential care capacity in York", staff have met with a range of residential care providers, developers and funders to discuss the Programme and share with them details of sites in the ownership of the local authority in order to encourage the provision of additional residential care capacity for the city. The offer for the Fordlands site has emerged from one such meeting, with Octopus Healthcare, held on 19th July 2016.

10. When Octopus Healthcare expressed initial interest in the site it was agreed that they would be given reasonable access to the site in order to assess its suitability for their needs and in order to ensure that any offer received was based on a good assessment of the site opportunities and constraints.
11. The detail and evaluation of the offer is contained in a confidential annex to this report.

Options

12. Three options are available
 - a) Do nothing. This is not proposed as the building has already been standing empty for some time, incurring costs.
 - b) Market as an open market sale opportunity. This option is not proposed as the current offer already delivers a capital receipt substantially in excess of the external valuation obtained in December 2016 and it is therefore considered unlikely that an open market sale for any use would deliver a higher capital receipt. This route would not guarantee the development of a care home on the site.
 - c) Accept the offer from Octopus Healthcare. This is the preferred option as it will provide a substantial capital receipt to the Council in excess of the valuation obtained in December 2016. In addition it is also expected to deliver an additional key benefit to the authority and city, namely additional care home capacity assuming the Octopus Healthcare plans for the site reach fruition (though construction and operation of a care home on the site is not a condition of the proposed disposal).
13. These options have been the subject of discussion with the relevant Portfolio Holders and they support the recommendation to accept the offer from Octopus Healthcare. The offer has also been discussed with the local Ward Member and while they express concern that the new building may generate concern from nearby residents during the planning process they welcome the continued use of the site as a care home rather than any other potential uses.

IMPLICATIONS

Financial

14. The Older Persons' Accommodation Programme anticipates capital receipts from the sale of redundant care home sites including the Fordlands site. The receipt will make a considerable contribution to the £4m of receipts required to fund current plans in the Programme.

Property

15. The property has remained empty for six years while alternative uses and re-development options have been sought. The flood risk and main-drain issues which place limitations on the use of the site have prevented any firm proposals coming forward until this proposal from Octopus Healthcare was received.
16. The site has been recently valued by external advisers and the offer from Octopus Healthcare presents good value for money.

Legal

17. Section 123 of the Local Government Act 1972 authorises the Council to dispose of non-housing land without the consent of the Secretary of State (for Communities and Local Government) provided that the best consideration reasonably obtainable is being achieved. The valuation advice obtained by the Council confirms that the price offered by Octopus Healthcare (conditional upon them being able to obtain planning permission on terms acceptable to them) is in excess of the most recent market valuation of the site.
18. The original offer received from Octopus Healthcare stated they intend to build a new care home on the site but did not restrict use of the site to only such a purpose. Octopus Healthcare have since indicated that they would be prepared to give a covenant to the Council that they would not use the site for any purpose other than a use falling within Class C2 of the Town and Country Planning Use Classes Order 1987 (which encompasses residential institutions including residential care homes, hospitals, nursing homes, boarding schools, residential colleges and training centres) unless and until a new care home has been constructed on the site. At that point they would want the covenant to be released, after which they could in theory use/redevelop the site for some other purpose instead. However, If Octopus expend considerable time and expense in obtaining planning permission, buying the site and then building a care home, it is unlikely that they would not operate the

facility a care home but the Council would have no legal power to require/force them to build or operate a care home on the site. The Council should also be aware that such a covenant/restriction may be released or modified by the Upper Tribunal (part of the courts and tribunals system) under section 84 of the Law of Property Act 1925 if the owner of the land can persuade the U.T. that the restriction prevents a reasonable use of the land or that a release or modification of the covenant will not materially harm any legitimate interests of the beneficiary of the covenant.

19. If the Council wants to ensure that the buyer of the site has a legal obligation to the Council to build a new care home on this site and to operate it for a specified minimum initial period then we would need to select and appoint a developer/operator after following a procurement process that complies with the Public Contract Regulations. The imposition of such a positive contractual obligation on the buyer might result in a lower purchase price being obtained.

Human Resources

20. There are no human resources implications.

Equalities

21. An Equality Impact Assessment for the Programme and its parts is in place and is regularly updated. It particularly highlighted the positive implications of the Project for the health, security and wellbeing of all residents. This has and will continue to be updated as the project progresses.
22. An Older Persons' Accommodation Project Board and a Reference Group have been established to act as a sounding board for the development of plans as the implementation of the Project unfolds. The project team also continues to use established channels to communicate with, and gather the views of, members of the local community, partners, stakeholders and staff.

RISKS

23. The key risks of this proposal are:

- a) The robustness of the offer both in terms of flood risk and Section 106 payments has been questioned and challenged and the offer is confirmed by Octopus Healthcare as stable and net of flood and Section 106 costs.
- b) That a care home is not built on the site. The purchaser confirms that are happy to see a clause added to the sale document to include a covenant against the land that would restrict the property to C2 (care home) use classification until they have been granted formal Practical Completion on the building. Upon reaching this milestone the covenant would fall away.
- c) The potential challenge to an off-market sale is a risk. The acceptance of this offer is permissible under law as there are clear strategic and financial benefits of the proposed offer. Further, Executive has given sanction to seek additional residential care home development and by accepting this offer we give life to that sanction.

Contact Details

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	Report Approved	✓	Date 26 th January 2017
Specialist Implications Officer(s) Legal – Gerry Allen (Ext 2004). Finance and Procurement: Debbie Mitchell (Ext 4161). Property – Philip Callow (Ext 3360).			
Wards Affected: Fulford & Heslington Ward			
For further information please contact the authors of the report			

Background Papers

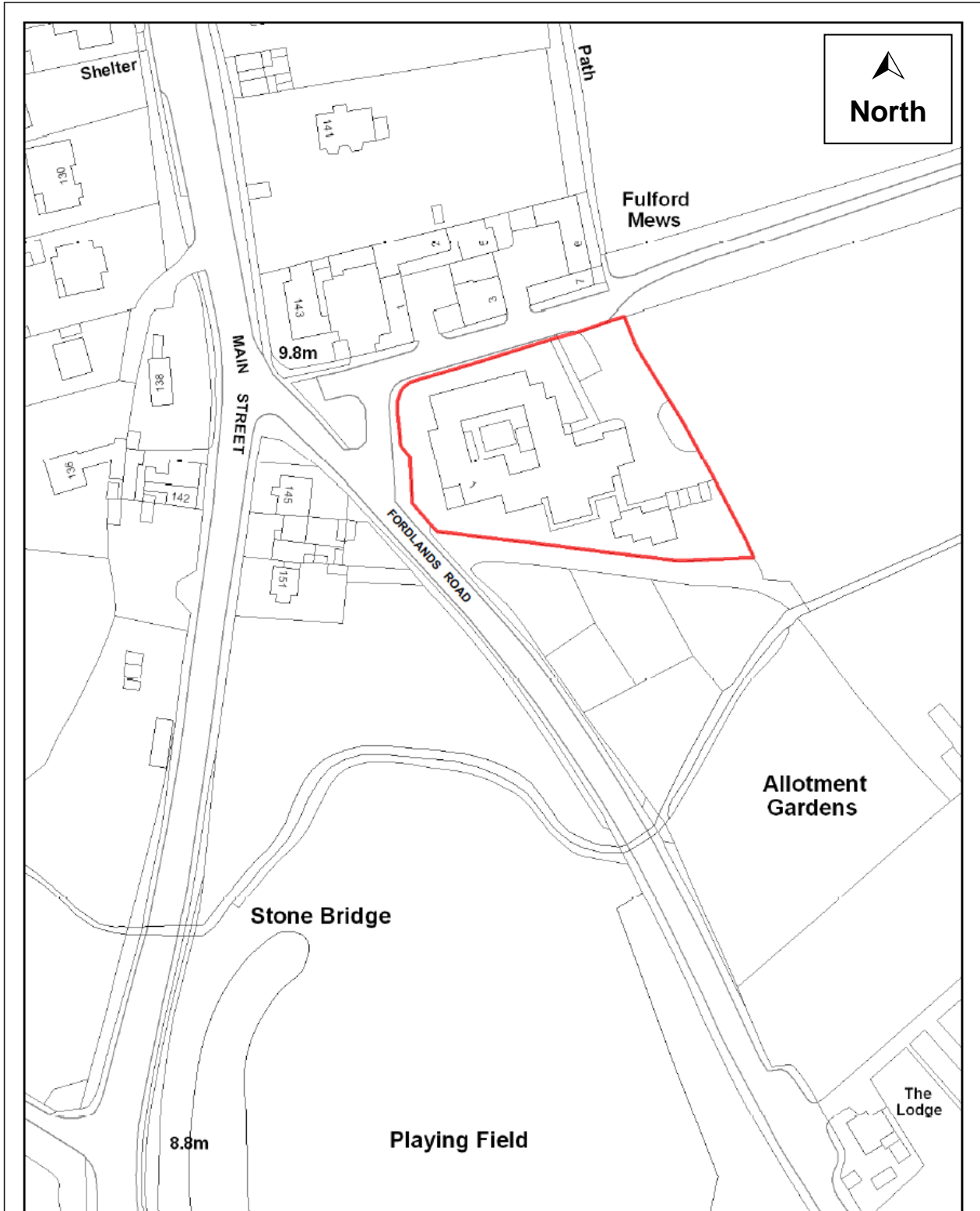
19 July 2011	Report to Cabinet giving formal approval for the commencement of the Programme.
1 Nov 2011	Report to Cabinet giving the results of consultation and proposed a programme of closures, supported by a further consultation period on proposed closures of Oliver House and Fordlands.
10 Jan 2012	Report to Cabinet agreeing the closure of Oliver House and Fordlands Road care homes and the progressing of the business case to build a new care home on the Fordlands site and the examination of the option to build a care village at Lowfield.
15 May 2012	Report to Cabinet noting the successful homes closure and transition for residents and authorising procurement of partners to develop a new care home at Fordlands and a care village at Lowfield.
4 June 2013	Report to Executive seeking agreement on modernisation programme. The Council to fund the building of the two new care homes and so retain ultimate ownership of the buildings and the land with the care homes designed, built, operated and maintained by an external provider. This report highlighted limitations and constraints associated with developing the Fordlands site and it was agreed that new council-funded care home development would instead focus upon the Burnholme and Lowfield sites.
3 Mar 2015	Report to Executive seeking agreement to abandon the previous procurement plans and approval of revised proposals based on creating new Extra Care Housing and reforming the Council's existing ECH stock; building a new care home on the Burnholme site as part of wider health and community facilities; and working more closely with current care providers to deliver more specialist dementia accommodation across the city.
30 July 2015	Report to Executive seeking approval of the Business Care for the Older Persons' Accommodation Programme and agreement to: <ul style="list-style-type: none"> a) fund 24/7 care at Auden House [Fishergate ward], Glen Lodge [Heworth ward] & Marjorie Waite Court [Clifton ward] Extra Care schemes; b) build a 27 home extension to the Glen Lodge Extra Care scheme; c) build a new Extra Care scheme at Oakhaven in Acomb [Holgate ward]; d) procure a new residential care facility as part of the wider Health & Wellbeing Campus at Burnholme [Heworth ward]; and e) encourage the development of additional residential care capacity in York including block-purchase of beds to meet the Council's needs.

Annexes

Annex 1 – The Site of the Former Older Persons' Home at Fordlands Road

Annex 2 – Evaluation of Offer - **Confidential**

The Site of the Former Older Persons' Home at Fordlands Road



Resources
Property Services

Fordlands Road Elderly Peoples Home



SCALE 1:1,250 DRAWN BY: GR DATE: 01/11/2010
 Originating Group: Property Services Drawing No. E00641

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