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MEETING	Executive
DATE	27 March 2007
PRESENT	Councillors Steve Galloway (in the Chair), Sue Galloway, Jamieson-Ball, Macdonald, Orrell, Reid, Runciman, Sunderland and Waller
IN ATTENDANCE	Mark Kirkham, District Auditor and Relationship Manager

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**186. Declarations of Interest**

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

**187. Exclusion of Press and Public**

RESOLVED: That the press and public be excluded from the meeting during consideration of Annex A to agenda item 8 (Concessionary Travel Scheme) and Annex 2 to agenda item 9 (Waste PFI – Updated Outline Business Case), on the grounds that they contain information relating to the financial or business affairs of particular persons, which is classed as exempt under Paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972, as amended by the Local Government (Access to Information) (Variation) Order 2006.

**188. Minutes**

RESOLVED: That the minutes of the Executive meeting held on 13 March 2007 be approved and signed by the Chair as a correct record.

**189. Public Participation**

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

**190. Executive Forward Plan**

Members received and noted an updated list of items included on the Executive Forward Plan at the time the agenda for this meeting was published.

**191. Minutes of the Local Development Framework Working Group**

Members received a report which presented the minutes of the meetings of the Local Development Framework (LDF) Working Group held on 4

December 2006, 1 February 2007 and 6 March 2007. The minutes were attached as Annexes A, B and C to the report.

The report asked Members to consider the advice offered by the LDF Working Group in its capacity as an advisory body to the Executive. It was noted that the specific recommendations to the Executive regarding the Local Development Scheme (Minute 31) and the North West Area Action Plan (Minute 32) had already been dealt with via direct reports to the Executive meeting on 27 February 2007.

With reference to the concerns raised by some members of the Working Group regarding the delayed adoption of the Regional Structure Plan, it was noted that work was in progress to ensure this would not leave a gap in the policy framework. In particular, policy E8 from the North Yorkshire Structure Plan would be retained, thus safeguarding the Green Belt.

RESOLVED: That the minutes of the LDF Working Group be noted.

REASON: In accordance with the requirements of the Council's Constitution in relation to the role of Working Groups.

## **192. Future York Race Meetings - Traffic Management Arrangements**

Members considered a report which presented the results of the traffic management arrangements adopted in York during the 2006 racing season and made recommendations regarding arrangements for future York race meetings.

The Plan used in 2006 had worked extremely well, with the notable exception of an accident which had occurred at the point where the cycle route crossed Knavesmire Road. Planning for the 2007 race season needed to address this safety issue, as well as taking into account other lessons learned since hosting Royal Ascot, as set out in paragraph 18 of the report. The available budget was also an issue. A set of traffic management measures, designed to take into account the criteria outlined in paragraph 18 and to be affordable within the £30k funding available, made up the suggested Plan for 2007. These measures were detailed in Annex A to the report.

Officers had considered the following options regarding the safety issue on Knavesmire Road:

**Option A** – close the cycle route and require all users to stay on the main roads. Discounted, on safety grounds

**Option B** – reduce the width of the route at the point of connection with Knavesmire Road, introduce chicanes either side of the road and large signs advising cyclists to dismount. This was the option chosen by Officers and included in costings.

**Option C** – permanently move the central island so as to allow its retention on the 4 days when the cycle crossing would be affected. This would cost £12k, a spend that was not considered justified in the current budget circumstances but might be considered in due course.

Members were asked to endorse Officers' decision in respect of Option c.

With regard to the traffic management arrangements for 2007, the following options were presented:

**Option A** – take no action. Not recommended as it would leave the Council open to potential legal challenge in respect of its duties under the Traffic Management Act 2004.

**Option B** – adopt the traffic management plans as set out in Annex A to the report, or subject to any modifications Members might wish to make. This was the recommended option.

With reference to recent press reports on this issue, it was emphasised that the proposals were the same as those operated last year, save for some reductions on those days where experience had shown that particular measures were not needed.

RESOLVED: (i) That Option B (narrowing at junction, chicanes and extensive signing) be adopted with regard to the measures to be used at the crossing of the Knavesmire cycle route and Knavesmire Road.

(ii) That the traffic management arrangements described in Annex A to the report be endorsed as appropriate for the 2007 racing season.

REASON: For the efficient and effective management of the highways of the City on race days, in accordance with the Council's statutory duty under the Traffic Management Act 2004.

### **193. Concessionary Travel Scheme for Elderly and Disabled Persons – Implications of Appeal by First York**

Members considered a report which advised them of the outcome of an appeal made by the First York bus company to the Department for Transport (DfT) for additional reimbursement payments in respect of bus travel concessions, and the likely implications of this for the Travel Concession Scheme.

The appeal decision had been received from the DfT on 17 February. In summary, the decision maker had accepted some of First York's claims but had also supported some of the Council's arguments. As a result, the Council had been directed to pay increased reimbursements to First York in 2006/07 and subsequent years, but the increase was less than that sought by First York. Following the appeal, it was anticipated that the costs of reimbursement for bus pass use would rise to £2,149k, an increase of £439k over budget. This would be partly offset by a reduced take up of bus tokens, leaving a budget gap of £189k. At this late stage in the year, these additional costs could not be met from the City Strategy budget. The Executive was therefore requested to approve a call on reserves to fund the extra cost.

To determine the effects of the increase in 2007/08, further analysis of information provided by First York was required, in order to ascertain the actual increase in passenger trips and take into account the impact of the fare increase announced in January. A report would then be brought to

Members as part of the ongoing monitoring process, seeking a release from contingency to fund the increase. By this time, Officers would also have a clearer idea of other potential calls on contingency.

It was noted that a number of other councils had been affected by similar claims and the Local Government Association (LGA) was seeking feedback on the outcome of appeals. Members commented that, due to the formula used to calculate the funding provided to local authorities for the implementation of bus travel concessions, many authorities had been under-funded in the first place. This issue should be highlighted.

RESOLVED: (i) That the release of reserves to fund the projected overspend of £189k arising from the result of the concessionary fares appeal be approved.

REASON: In accordance with the Executive's powers to release such provision in appropriate circumstances.

(ii) That Officers be asked to undertake further analysis of the usage data and determine an appropriate reimbursement methodology for 2007-08, reporting back to Members when the full financial impact is clear.

REASON: To ensure proper financial management of Council funds.

(iii) That the Leader of Council write to the Local Government Association requesting that they campaign for a fair funding regime for free travel.

REASON: To highlight the need to ensure that councils receive sufficient funding to implement free bus travel for elderly and disabled persons.

#### **194. Waste PFI – Updated Outline Business Case**

Members considered a report which provided updated financial information on the Waste Private Finance Initiative (PFI) project, identified a revised affordability position for the Council and sought confirmation of Members' commitment to finding the additional resources required to make the project affordable.

On 12 September 2006, the Executive had approved the submission of an Outline Business Case (OBC) to DEFRA for joint procurement of future waste treatment services with North Yorkshire County Council. Since then, the OBC had been updated in accordance with revised DEFRA requirements for PFI projects and both councils' recent budget setting processes. In addition, DEFRA had requested that Members be made fully aware of the affordability of the project, including appropriate sensitivity analysis.

Estimates of future growth in waste had been revised downwards since submission of the OBC, to reflect more accurately recent experience and trends. This had resulted in reduced operating costs, although prices of

the capital infrastructure and associated life cycle costs had increased. The revisions had significantly decreased the 'affordability gap' and the latest estimated affordability gap for York over the life of the project was £123,559k. This still represented a significant challenge to the Council, in the context of spending pressures and Council Tax capping. Due to changes to the procurement strategy, key dates within the project had changed. These changes were detailed in paragraph 10 of the report. To test the robustness of the costs, sensitivity analyses had been carried out on a number of assumptions. These had identified that the overall net cost for York could range between £106,952k (best case) and £135,928k (worst case).

Officers reported at the meeting that, due to the £8 per tonne increase in Landfill Tax reported in the recent Budget (compared to the expected £3), projected landfill costs for the Council would increase by £375k in 2008/09, thus strengthening the case for the PFI project.

RESOLVED: (i) That it be confirmed that the Council is committed to finding the additional resources required to make the project affordable over its life, as set out in paragraphs 14 to 28 of the report, subject to any further obligations and financial parameters that may be directed by DEFRA or any other government department.

REASON: To progress the PFI application for funding to DEFRA.

(ii) That the revised timescales identified in paragraph 10 of the report be noted.

REASON: For information.

(iii) That the substantial savings that have been achieved due to the dramatic increase in recycling rates in the last four years, and the successful waste minimisation campaigns run by City of York Council, be noted, and that the Council's commitment to reducing the need for residual disposal through the waste hierarchy be re-affirmed.

REASON: To recognise the achievements already made in this area, as well as the need for continued action.

(iv) That the Executive's support for Mechanical Biological Treatment as the preferred residual waste treatment process for York's waste be re-affirmed.

REASON: In view of the need to take proactive steps to treat residual waste.

(v) That the Local Government Association campaign to have Landfill Tax rises returned to local government in full be supported.

REASON: To reduce the burden on local authorities and boost the minimal support grant received for recycling services.

(vi) That the Retail Packaging Bill before Parliament, presented on 6 March 2007, be supported.

REASON: In order to support efforts to address the problem of excess packaging, which cannot easily be re-used or recycled.

#### **195. Corporate Asset Management Plan**

Members considered a report which asked them to consider approving and adopting a Corporate Asset Management Plan (AMP) for the Council for the period 2007-2012.

The Council had adopted a corporate approach to the management of its property assets for several years and it was now a requirement of the comprehensive performance assessment (CPA) to have a Corporate AMP. Together with the capital strategy approved by the Executive on 12 September 2006, the Corporate AMP formed one part of the Council's Asset Management Planning Structure.

The draft AMP attached as Annex A to the report had been prepared in consultation with members of the Corporate Asset Management Group, Property Services, section heads, Corporate Finance and other stakeholders. Once approved, it would be reviewed annually and the results reported to the Executive.

It was noted that the list of assets set out in Table C in the draft AMP was now out of date. An updated list would be inserted prior to formal publication of the AMP.

RESOLVED: That the Corporate Asset Management Plan 2007-2012, attached as Annex A to the report, be approved and adopted for the City of York Council.

REASON: To ensure a consistent, Council-wide approach to the process of asset management, which accords with best practice.

#### **196. Annual Audit Letter**

Members considered a report which summarised the key findings and conclusions of the District Auditor on the Council's arrangements in respect of the 2005/06 audit year. These were contained in the Annual Audit and Inspection Letter, attached as Annex A to the report. The Letter would be published on the Council's website before 31 March 2007. The District Auditor was in attendance to present the Letter and answer Members' questions.

In summary, the Letter indicated that the Council was "improving adequately and demonstrating a 3 star overall performance" for CPA purposes but that preparing for the corporate assessment in January 2008

presented “challenges for the Council”. It also noted that the Council had maintained strong financial management and “sustained a strong focus on value for money, with very good performance across a range of services whilst containing overall service costs in line with the lowest spending councils nationally”. It identified various improvements made across a wide range of services as well as areas in need of improvement, some of which remained outstanding from the previous year.

Members commented that, while the general thrust of the Letter was positive, the ‘Direction of Travel’ statement did not appear to reflect the actual improvements achieved by the Council over the past three to four years. In fact, performance had improved since 2003/04 in every area except for housing, where the picture was more mixed. It was noted that public satisfaction levels had declined despite improved service levels and that this could be related to the way in which information was provided to residents.

RESOLVED: (i) That the District Auditor’s letter be noted.

REASON: To comply with the statutory requirements for the external audit of the Council.

(ii) That Officers be asked to prepare a report indicating the options for further improving performance in the Housing activity area.

REASON: In order to address the performance issues in this area highlighted by District Audit.

#### **197. Comprehensive Performance Assessment Refresh 2006**

Members considered a report which provided details of the Council’s 2006 Comprehensive Performance Assessment (CPA) score and explained why block scores had changed since 2005.

Overall, the Council’s star rating remained at 3 stars (“good”) and its direction of travel rating at “improving adequately”. However, there had been a degree of change at the service block level. The Environment service block had achieved an improved score (from 2 to 3), while the Use of Resources and Housing blocks had each dropped a rating point. The scores for the other four service blocks – Adults Social Care, Benefits, Children & Young People, and Culture – had remained unchanged from 2005.

It was noted that, since one of the aims of CPA was to drive improvement across local government, the CPA framework was made tougher each year, thus requiring a better performance each year to maintain the same score. This was most apparent within the Use of Resources block, although it applied to all the service blocks.

RESOLVED: That the report be noted.

REASON: In accordance with the Executive's role in monitoring the Council's performance.

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 2.40 pm].