

Meeting	Cabinet
Date	10 February 2015
Present	Councillors Williams (Chair), Crisp, Cunningham, Levene, Looker and Simpson-Laing (Vice-Chair)
In attendance	Councillors D'Agorne, Douglas, Galvin, Merrett, Reid, Richardson, Steward, Taylor Warters and Watson

Part A - Matters Dealt With Under Delegated Powers

89. Declarations of Interest

Members were asked to declare, at this point in the meeting, any personal interests, not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests they may have in respect of business on the agenda. No additional interests were declared.

90. Minutes

Resolved: That the minutes of Cabinet meetings held on 16 December 2014 and 6 and 20 January 2015 be approved and signed by the Chair as correct records.

91. Public Participation

It was reported that there had been seven registrations to speak at the meeting under the Council's Public Participation Scheme and that seven Members of Council had also requested to speak on items, details of which are set out below:

A-boards Scrutiny Review – Final Report

Diane Roworth, spoke as Chief Officer on behalf of York Blind and Partially Sighted Society, reporting her first hand experience of incidents involving A-boards on footpaths in the city and highlighting the risks of liability. She asked Members to

support Option D in the report, the introduction of a total ban on the use of A-boards.

Bob Towner, representing York Older People's Assembly spoke to highlight the adverse impact of A-boards on the lives of the elderly, those with mobility issues and those with small children and prams. He requested a ban on the use of A-boards in the city and to give businesses the option to affix signs to their premises.

Tracy Dearing addressed the meeting on behalf of the Royal National Institute for the Blind and Partially Sighted (RNIB). She highlighted a recently published RNIB Campaign Report, 'Who put that there!' which referred to street furniture and praised the Task Groups report. She expressed support for a ban on A-boards with zero tolerance and referred to the authorities need to manage risks.

Sue Barnes-Wilson spoke as the owner of Gillies Fabrics in Peter Lane, York. She highlighted the importance of an A-board, for the advertisement of her business, situated down a narrow lane off Market Street. She confirmed that she employed a number of local staff and that without the board's advertisement she expressed concerns at the viability of the business.

Cllr Taylor expressed support for the earlier speaker's comments in relation to A-boards.

Cllr Watson also expressed his support for earlier speaker's comments, referring to the growing concern at the increased use of A-boards around the city and the need for decisive action.

2014/15 Finance Monitor 3

Cllr Watson spoke to question a number of references in the report, particularly the additional costs of operating Waterworld and payments from the Delivery and Innovation Fund and to Greenwich Leisure Ltd.

Capital Programme – Monitor Three 2014/15

Cllr Watson also spoke to question references in Annex A, to this report, of funding for York Art Gallery Gardens, the York Museums Trust and the freehold for Stonebow House.

Financial Strategy 2015-2020

Stephen Pittam addressed the meeting on behalf of the York Travellers Trust, in respect of the Cabinet recommendation to increase rents for Gypsy, Roma and Traveller sites by 2.2%. He stated that the recommended rise was above the Retail Price Index and he questioned the legality of the increase, as prior consultation had not been undertaken.

Heather McKenzie spoke to represent UNISON, acknowledging the financial pressures the authority faced however she remained concerned at the use of outsourcing vehicles to delivery future services. She asked the Cabinet to look at the use of in-house services wherever possible and to continue meaningful discussions with staff to mitigate against cuts and support jobs and the local economy.

New Council House Building – Phase 2

Stewart Harrison, spoke as the Chair of Bishopthorpe Parish Council, in respect of the six bungalows proposed in Maple Avenue Bishopthorpe, as part of these proposals. He expressed concern at the loss of community open space and to the affect building would have on the privacy of adjacent properties. The development also required demolition of Vernon House, a well used community centre and launderette, and he requested Members to exclude this site from the proposals.

Cllr Galvin also spoke to highlight the importance of Vernon House to the social life of Bishopthorpe residents. Whilst understanding the need for additional Council homes he asked Cabinet to agree a balance, with the retention of Vernon House and the development of only two bungalows on the Maple Avenue site.

Next Steps in Neighbourhood Working

Cllr Galvin spoke in relation to the proposed new ways of neighbourhood working. He expressed concern at the proposals, confirming that it would be difficult to undertake the proposals without a larger budget and pointing out that delivery would however have been possible under the previous system.

Cllr Reid referred to the disconnect between residents and the Council which had arisen from the policies of the current

Council. With cuts to ward committees and frontline services, she felt that budgets and decision making should be more devolved.

A Congestion Commission for York

Cllr Warters spoke of his concern at the recompense suggested for independent experts appointed to explore the options to reduce traffic congestion in the city, particularly following the recent budget announcement of cuts to the Council's workforce. He suggested that the decisions should remain with Officers of the Council and those who used the roads.

Cllr D'Agorne referred to the recent cuts in local bus services and to increases in fares and the effects on the network and service users. He also expressed his reservations regarding the chairing of the Commission and highlighted the need to examine the Council's existing transport policies and the engagement of all stakeholders in the Commissions work. The appointment of an alternative People's Commission was suggested with cross party support but with arrangement following the May elections.

Cllr Taylor expressed his support for Cllr D'Agorne's earlier comments in relation to proposals for the Congestion Commission.

Cllr Reid also spoke to express concern that if the proposals set out a new approach to congestion, that all Members should be involved in order to gain full cross party support. She questioned whether value for money would be achieved and requested Cabinet to review the range of options with the utilisation of previous transport studies.

Cllr Merrett spoke to welcome the proposals for a Commission with the scope outlined in the report. He highlighted the significant congestion challenge the city posed, pointing out that the costs needed to be considered in context with the work required. He asked that city centre businesses also required representation on the Commission as their buy in would be required.

Legible York Wayfinding Project

Cllr Taylor spoke of his concern at the costs associated with the wayfinding project. He highlighted the shortfall in budget for a

scheme which was not fully supported by all stakeholders. He also requested further examination of the digital element of the proposals together with a full comparison of quotes following tendering.

92. Forward Plan

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

93. A-boards Scrutiny Review Final Report

Consideration was given to the final report from the A-boards Scrutiny Review. The review's aim had been to identify suitable guidelines for the use of A-boards, taking into account other issues such as alternative ways of advertising and health and safety issues.

Councillor Douglas, as Chair of the Task Group presented the final report. She referred to her concerns regarding the increased use of A-boards in the city and to the difficulties of identifying acceptable requirements and guidelines to balance the needs of both highway users and businesses. She referred to research undertaken and to policing issues and asked Officers to work with businesses to enable them to advertise on buildings and to prepare guidance for the boards use across the city, in line with the Task Groups recommendations:

- i) The introduction of a policy allowing the use of A-boards under strict criteria.
- ii) The policy to include a list of streets where the use of A-boards is prohibited at all times due to the limited widths of footways.
- iii) That appropriate resources be identified to ensure the full and proper enforcement of the new policy. This to include consideration of the potential for improved cross directorate/team working outlined in paragraph 44 of the review final report.
- iv) The Policy (based on Option E, as detailed in Recommendations (i) & (ii) above) be trialled for a two year period.

Members confirmed that enforcement was key, as was the need to balance the use of A-boards with the livelihood of small businesses. With limited resources there was a need to work with and support businesses to find alternative methods of advertising.

Resolved: That, having considered the Task Group's final report and annexes, Cabinet agree to request the Director of City and Environmental Services to prepare guidelines for the use of A-boards across the city, in consultation with interested parties, for consideration at a future meeting. ¹.

Reason: To conclude the Scrutiny Review in line with CYC Scrutiny procedures and protocols.

Action Required

1. Prepare guidelines for the use of A-boards, in consultation with interested parties, and add item to future Forward Plan.

SCT

94. 2014/15 Finance Monitor 3

Members considered a report which provided details of the Council's financial position for the period covering 1 April to 31 December 2014. The report assessed the main budget variations and any mitigating actions by Directorate, progress of the Corporate Budgets and the Housing Revenue Account and provided an update on the Section 106 balances and Delivery and Innovation Fund.

With the Council's budget for 2014/15 at £124,186k forecasts indicated financial pressures of £771k, an improvement of £538k on the previous forecast. Details of the financial position in relation to individual directorates were reported at paragraphs 7 to 29 of the report. It was noted that the Council had made a total of £89.8m of savings between 2007/2016 and experienced a government grant reduction of £36.9m.

Resolved: That Cabinet agree to note the current financial position of the Council as set out in the report.

Reason: To ensure expenditure is kept within the approved budget.

95. Q3 Capital Programme Monitor

[See also Part B minute]

Members considered a report which informed them of the likely outturn position of the 2014/15 Capital Programme based on the spend profile and information to January 2015, including under and over spends, programme changes together with any slippage.

The current approved Capital Programme for 2014/15 was £72.555m, financed by £32.063m of external funding, and internal funding of £40.492m. A decrease of £6.350m, details of which were set out in the report, and had resulted in a revised Capital Programme budget of £66.205m made up of under spends and net re-profiling to future years. The variances against each portfolio area, together with a summary of the key exceptions and implications on the capital programme, were set out at paragraphs 8 to 45 and at Annex A of the report. A summary of the revised 5 year Capital Programme incorporating the proposed changes highlighted in the report were shown at Table 2 together with the proposed financing at Table 3.

The overall spend and the commitment profile on the Economic Infrastructure Fund over the existing 5 year programme was reported at paragraph 16 and at Annex B of the report.

Resolved: That Cabinet agree to:

- (i) Note the 2014/15 revised budget of £66.205 as set out in paragraph 6 and Table 1.
- (ii) Note the restated capital programme for 2014/15 – 2018/19 as set out in paragraph 46, Table 2 and detailed in Annex A.

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

96. Financial Strategy 2015 - 2020

[See also Part B minute]

Members considered a report which presented the financial strategy for 2015 to 2020, including detailed revenue budget proposals for 2015/16 for Council approval. Members were

informed that the final Local Government Finance Settlement had been announced, following publication of the Cabinet agenda, which provided an additional allocation of £162k the effect of which would be:

- new growth item of £162k in respect of general contingency
- increase in grant funding of £162k
- increase in net revenue expenditure of £162k, from £119.598m to £119.760m.

Details of the amended recommendations, as a result of the additional allocation, had been circulated at the meeting and republished online.

It was noted that the financial strategy delivered a balanced budget for 2015/16 with savings totalling £11.9m and a proposed Council Tax freeze for 2015/16. The total council tax increase including the Parish, Police and Fire Authority precepts would be agreed at the full Council meeting on 26 February 2015.

Details of the national context and the local issues and challenges were reported with the steps the Council was taking to enable itself, residents and communities to work together to meet their future needs and priorities.

Members referred to the continuing challenges the Council faced with an increasing demand for services and the need to ensure the budget was both prudent and protected vulnerable people. It was confirmed that priority had been given to funding areas highlighted by residents during recent consultation and that staff would be fully engaged during future rewiring projects.

Resolved: That Cabinet approve the average rent increase for 2015/16, as shown in table 18 and paragraphs 118 to 119 of the report, as 2.2%. This rent increase will be applied across council dwellings, hostels and Gypsy, Roma and Traveller Community sites. ¹.

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

Action Required

1. Implement the rent increases as from 1 April 2015.

SK, DM

97. Next Steps in Neighbourhood Working

Consideration was given to a report which set out proposals for further development of the Council's approach to neighbourhood working.

Although the Authority had a strong tradition of community engagement it was felt that there was a need to consolidate the approach to empower local residents. The development of this approach, including support for ward members as community champions together with the resources which would be available to wards to support this engagement was detailed in the report and annexes.

Officers referred to the number of different elements which would form the new approach which would allow flexibility, however the detail, with input from ward members would be brought back to Cabinet for final agreement. It was noted that the five models of accountability at ward/area level at Annex A of the report had been compiled by Elizabeth Richardson of York University.

Members acknowledged that the direction of travel would provide local accountability and it was

Resolved: That Cabinet agree to:

- Approve the direction of travel set out in paragraphs 7-23 of the report
- Agree to receive further reports on the detail of these proposals. ¹.

Reason: To update Cabinet on the Council's commitment to the creation of a new relationship with its residents and communities.

Action Required

1. Proceed with approach to new way of working and add further reports to Forward Plan.

CC

98. Rewiring of Public Services: Update on Business Case for Young People's Information, Advice, Guidance and Support Services currently located in Castlegate

Consideration was given to a report which updated Cabinet on developments in relation to the transformation of Information, Advice, Guidance and support services for young people. This outlined developments, following the last update to Members in November 2014, in respect of consultations with young people and partners and a meeting of the sub group of the YorOk Board in the development of revised proposals.

It was noted that themes had emerged, from feedback from partners and young people and that a second meeting of the sub group was due to be held on 30 January to further develop the model, prior to reporting to the YorOk Board in March. A revised business case would then be presented to Cabinet in Summer 2015.

Resolved: That Cabinet note the views from partners and young people, as reflected in the report, and approve the suggested timelines and further work of the YorOk sub group in respect of the development of revised proposals for the services currently located at Castlegate.

Reason: To allow the work with YorOk partners to develop proposals to inform a revised business case to be submitted to Cabinet in early summer 2015.

99. Proposed Expansion of St Barnabas' CE Primary School

Cabinet considered proposals for the provision of additional accommodation at St Barnabas' CE Primary School, in order to meeting demand from within the school's catchment area.

It was noted that consideration had been given to the following options, with details of each reported:

- Expand the capacity at Poppleton Road Primary School
- Build a new primary school on the former Manor CE Secondary School site
- Expand St Barnabas' CE Primary

The recommended option of expanding the existing school with two additional classrooms and expanding the kitchen had been found to be the most cost effective solution in providing sufficient places within the local area to meet local demand. Consultation had subsequently been undertaken with stakeholders, with all supporting expansion of the existing school.

As a Private Finance Initiative (PFI) school, it was noted that this work would be undertaken by Sewell Group, the Council's PFI partners.

Resolved: That Cabinet agree Option A and approve £667k of Basic Need capital investment to expand St Barnabas' CE Primary by an additional 60 places, in order to meet the expected increase in pupil numbers from within the catchment area of the school. ¹.

Reason: Expansion at St Barnabas' CE Primary represents the most cost effective way for City of York Council to deliver its statutory responsibility to provide sufficient school places for local families.

Action Required

1. Proceed to use investment to implement expansion of school.

JW

100. A Congestion Commission for York

Consideration was given to a report which asked Members to consider the establishment of a Congestion Commission for the city and proposals for a city-wide consultation, building on known expertise in the field, to bring forward strategic recommendations for the Council to consider.

The report considered the challenges and experiences of similar compact mediaeval cities, including their use of a Commission approach to congestion management. It was noted that Officers had examined the key lessons and in particular the importance of independent expertise and the need for participation and open debate. This had then been used to draw up the Terms of Reference, principles of operation, scope, size and membership of the Commission.

Members also noted details of the proposed funding and budget, in the context of the ongoing management of the highways.

Consideration was given to the option of not setting up a Congestion Commission, with the Council continuing as it had in the past, which it was noted had its strengths. Alternatively consideration was given to establishing a Commission intended to identify strategic recommendations, in a different way, along the lines of the London Roads Task Force.

Members referred to a number of earlier approaches taken by the authority to congestion and to the lack of long term solutions. It was now felt that expert assistance and community engagement were required with an early start being made on the set up of a Commission.

Following further discussion it was

Resolved: That Cabinet agree to the establishment of a Congestion Commission for York with the purposes, scope and ways of operating set out in the report and Terms of Reference, the budget proposed in paragraph 32 and the draft work programme set out in paragraphs 30 and 31. ¹

Reason: To enable a robust, evidence-based and participative approach to developing strategic recommendations for the management of congestion in York.

Action Required

1. Await outcome of CSMC (Calling-In) meeting. SCT

101. New Council House Building - Phase 2

Consideration was given to a report which set out proposals for the delivery of the second phase of new Council homes and the development of a number of sites within the Housing Revenue Account and one with the General Fund.

It was proposed to develop a further 30 Council homes between the following sites:

- Heworth Lighthouse
- Maple Avenue

- Ordnance Lane
- Viking Road/Crombie House

It was noted that Ward Members would be kept informed of progress, that a procurement strategy would be developed and that proposed costs for the delivery of the new homes would be set out in a report to a future Cabinet meeting.

Consideration was then given to the following options:

Option 1- To approve the working up of Phase 2 of the Council House Building Programme utilising a budget of £25,000 from the HRA Investment Fund with the aim of bringing forward up to 46 new council homes on the sites identified

Option 2 – To not undertake any preparatory work to develop a Phase 2 of the Council House Building Programme until longer term considerations of delivery models has been undertaken.

The Cabinet Member highlighted the need for new Council housing built to a Code for Sustainable Homes Level 4 standard for future generations.

Members noted the concerns of Bishopthorpe residents, in relation to the Maple Grove development, and confirmed that further discussions would take place regarding the needs of residents within the proposed the scheme.

Resolved: That Cabinet agree to:

- (i) Approve expenditure of up to £25,000 from the HRA Investment Fund for developing proposed schemes and budgets for Phase 2 of the Council House Building Programme with the aim of bringing forward up to 46 new council homes.
- (ii) Note that subject to the proposed scheme being considered the best strategic use for the site and being financially viable and value for money, that permission will be sought to appropriate the Heworth Lighthouse site into the Housing Revenue Account.

- (iii) Agree the inclusion of an element of market housing where appropriate on any site where 20 or more new council homes are being created.
- (iv) Note that an extension of the New Build Project Manager post by 12 months will be sought to enable the project management of the construction sites to be funded from the total scheme cost budget for Phase 2.
- (v) Note the longer term strategic ambitions of delivering a greater number of new affordable homes across the city with consideration given to alternative vehicles for delivery and the requirements being considered as part of the ongoing strategic review of council and existing HRA assets. ¹.

- Reason:
- (i) To allow the council to add a significant number of homes to its existing asset base and help to alleviate the acute housing need in the city.
 - (ii) To allow this site to be developed for new council housing whilst generating the appropriate return for the General Fund.
 - (iii) To ensure a mix of tenures to create a mixed and sustainable community and to provide cross subsidy to help fund the delivery of council homes.
 - (iv) To allow the successful delivery of the project without impacting on the wider Housing Development Team work plan by ensuring the appropriate level of resources.
 - (vi) To help meet more of the housing need in the city and enabling the delivery of homes in a more effective way.

Action Required

1. Proceed with Phase 2 of the building programme. AK

102. Implementation of the Better Homes Contract - York

Cabinet considered a report which set out details of the implementation of the Better Homes Contract, set up to improve the energy efficiency of private sector homes and reduce fuel poverty and carbon emissions.

Members noted work undertaken with the Leeds City Region for a framework agreement for the programme to deliver energy efficiency measures to private sector homes with the contract awarded to a consortium of Keepmoat, Willmott Dixon and Scottish and Southern Electricity. As the Better Homes programme had exclusivity rights and, in order to take full advantage of the scheme and future funding opportunities, it was noted that the authority would no longer work be able to work with other contractors, which included the Yorkshire Energy Partnership.

Consideration was then given to the following options

Option 1: To completely withdraw from the Yorkshire Energy Partnership

Option 2: To become an Associated Member of Yorkshire Energy Partnership

Option 3: To maintain the current status

Resolved: That Cabinet agree to:

- (i) Note progress to date of the Better Homes – York scheme and to receive annual progress reports.
- (ii) Acknowledge the change in the relationship with Yorkshire Energy Partnership as a result of the new scheme and to agree to Option1 to withdraw from YEP. ¹.

Reason: To ensure that City of York Council can take full advantage of the Better Homes- York Scheme promoting energy efficiency measures across all sectors to reduce fuel poverty and carbon emissions without being breach of any exclusivity clause and ensuring that there is no conflict should the Yorkshire Energy Partnership become a delivery partner for Keepmoat, Willmott Dixon and Scottish and Southern Electricity.

Action Required

1. Implement withdrawal from YEP and add progress reports to Forward Plan.

RA

103. Private Rented Sector Consultation - Review

Cabinet considered a report which informed them of the results of consultation regarding the private rented sector in relation to the review of the YorProperty Voluntary Landlord Accreditation Scheme.

It was noted that consultation, undertaken between 15 October and 21 November had resulted in 450 responses, the majority of which were unfortunately incomplete. It was reported that, whilst the consultation had provided good and statistically valid information from landlords, letting agents and tenants, the response from the wider community and the shared student sector had provided an incomplete picture.

With this in mind Members considered the following options:
Option (i) – Continue with the current service with the accreditation scheme and other initiatives to support a healthy private rented sector;

Option (ii) – Continue with Option (i) above and to carry out further detailed consultation focusing on those groups which didn't respond and commission the Building Research Establishment to provide an updated picture of the condition of the stock to provide a more complete picture of the private rented sector for members to make a judgement.

Members were informed of the work undertaken by Councillors Barnes and Fitzpatrick in the private rented sector to support the review.

Resolved: That Cabinet agree to approve option (ii) and continue with the current service with the accreditation scheme and other initiatives to support a healthy private rented sector and to carry out further detailed consultation focusing on those groups which didn't respond and commission the Building Research Establishment to provide an updated picture of the condition of the stock to provide a more complete picture of the private rented sector for members to make a judgement. ^{1.}

Reason: To maximise the contribution made by the private rented sector in York towards meeting current and future need through tailored, targeted and proportionate intervention and support, designed to secure safe, well managed and decent accommodation.

Action Required

1. Undertake additional consultation in respect of the private rented sector.

JS

104. Legible York Wayfinding Project

Consideration was given to the report of the Director of City and Environmental Services in relation to the implementation of a contemporary wayfinding solution to replace existing street furniture and digital and paper mapping.

A project team had worked with a range of communities with specific concerns about navigating the city to look at improvements which could be made to the public realm to make it as accessible as possible for residents and visitors, whilst maintaining and enhancing the city's unique qualities.

The Cabinet Member highlighted the need to deal positively with access issues in the city for vulnerable residents. However he felt that additional information was required in relation to costs of the differing options to ensure value for money.

Officers referred to points raised by earlier speakers, confirming the clear separation between work undertaken in the projects development and future procurement and the need to draw down further funding and sponsorship to support the shortfall.

Following further discussion consideration was given to the following options:

Option one:

- To approve the contemporary design for finger posts, totems and mapping developed by Placemarque as detailed in the Annex B; and
- To approve adoption of the wayfinding map as the city wide standard; and

- To approve securing a preferred manufacturer through the Council's procurement process for wayfinding street furniture; and
- To approve implementation of phase one (see Annex D for phasing), Station to Minster wayfinding subject to further analysis on detailed locations and quantity of street furniture; and
- To approve implementation of the complementary digital wayfinding and to support the implementation of Way-Fairer for people with visual impairments as detailed in the annex.

Option two: to approve the contemporary design for finger posts and mapping, but not the totems developed by Placemarque as detailed in Annex B. To approve further consideration of utilising the existing cast iron wayfinding street furniture for delivering accessible wayfinding solutions.

Option three: Do nothing.

It was then

Resolved: That further consideration of wayfinding solutions for the city be deferred in order to allow the Director of City and Environmental Services to fully investigate the different options available, including costings and report back to a future meeting. ¹.

Reason: In order to allow Cabinet to make an informed decision and provide consistency of signage across the city, that it is fully supported by stakeholders.

Action Required

1. Undertake investigation of all options and costs and add report back to future Forward Plan.

BS

PART B - MATTERS REFERRED TO COUNCIL

105. Q3 Capital Programme Monitor

[See also Part A minute]

Members considered a report which informed them of the likely outturn position of the 2014/15 Capital Programme based on the spend profile and information to January 2015, including under

and over spends, programme changes together with any slippage.

The current approved Capital Programme for 2014/15 was £72.555m, financed by £32.063m of external funding, and internal funding of £40.492m. A decrease of £6.350m, details of which were set out in the report, and had resulted in a revised Capital Programme budget of £66.205m made up of under spends and net re-profiling to future years. The variances against each portfolio area, together with a summary of the key exceptions and implications on the capital programme, were set out at paragraphs 8 to 45 and at Annex A of the report. A summary of the revised 5 year Capital Programme incorporating the proposed changes highlighted in the report were shown at Table 2 together with the proposed financing at Table 3.

The overall spend and the commitment profile on the Economic Infrastructure Fund over the existing 5 year programme was reported at paragraph 16 and at Annex B of the report

Recommended: That Council approve the adjustments in the Capital programme of a decrease of £6.350m in 2014/15 as detailed in the report and contained in Annex A. ¹.

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

Action Required

1. Refer to Council.

JP

106. Treasury Management Strategy Statement and Prudential Indicators for 2015/16 to 2019/20

Consideration was given to a report which provided Members with information on the following which required Council approval:

- Treasury management strategy statement for 2015/16 covering the two main areas of Capital Issues 2015/16 to 2019/20 and the treasury management strategy ;
- Prudential indicators for 2015/16 to 2019/20
- Revised treasury management policy statement
- Specified and non-specified investments schedule at Annex B.

- Treasury management scheme of delegation and role of the section 151 officer at Annex D of the report.

It was noted that the Council were required to receive, scrutinise via the Audit and Governance Committee and approve these reports each year.

At a strategic level, there were a number of treasury management options available that depended on the Council's stance on interest rate movements. The report set out the Council's stance and recommended the setting of key trigger points for borrowing and investing over the forthcoming financial year.

Members highlighted recent comments by the external auditors of the Council's strong financial management and financial control.

Recommended: That Council approve;

- (i) The proposed Treasury Management Strategy for 2015/16 including the annual investment strategy and the minimum revenue provision policy statement;
- (ii) The Prudential Indicators for 2015/16 to 2019/20 in the main body of the report;
- (iii) The Specified and Non-Specified Investments schedule (Annex B)
- (iv) The Scheme of Delegation and the Role of the Section 151 Officer (Annex D) ¹.

Reason: To enable the continued effective operation of the Treasury Management function and ensure that all Council borrowing is prudent, affordable and sustainable.

Action Required

1. Refer to Council

JP

107. Financial Strategy 2015-2020

[See also Part A minute]

Members considered a report which presented the financial strategy for 2015 to 2020, including detailed revenue budget proposals for 2015/16 for Council approval. Members were informed that the final Local Government Finance Settlement had been announced, following publication of the Cabinet agenda, which provided an additional allocation of £162k the effect of which would be:

- new growth item of £162k in respect of general contingency
- increase in grant funding of £162k
- increase in net revenue expenditure of £162k, from £119.598m to £119.760m.

Details of the amended recommendations, as a result of the additional allocation, had been circulated at the meeting and republished online.

It was noted that the financial strategy delivered a balanced budget for 2015/16 with savings totalling £11.9m and a proposed Council Tax freeze for 2015/16. The total council tax increase including the Parish, Police and Fire Authority precepts would be agreed at the full Council meeting on 26 February 2015.

Details of the national context and the local issues and challenges were reported with the steps the Council was taking to enable itself, residents and communities to work together to meet their future needs and priorities.

Members referred to the continuing challenges the Council faced with an increasing demand for services and the need to ensure the budget was both prudent and protected vulnerable people. It was confirmed that priority had been given to funding areas highlighted by residents during recent consultation and that staff would be fully engaged during future rewiring projects.

Resolved: That Cabinet, having considered;

- Expenditure pressures facing the council as set out in the report

- Impacts of savings proposals set out in annexes 3a to 3d of the report
- 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 Director of Customer and Business Support Services

It be

- Recommended: (i) That Council approve the budget proposals as outlined in the report, and in particular;
- a. The net revenue expenditure requirement of £119.760m, having been adjusted by a further £162k, following receipt of the final grant settlement
 - b. A Council Tax requirement of £72.736m
 - c. The revenue growth proposals as outlined in the body of the report
 - d. The additional revenue growth of £162k, as a result of the final grant settlement
 - e. The revenue savings proposals as outlined in Annex 3a to 3d
 - f. The fees and charges proposals as outlined in Annex 5
 - g. The Housing Revenue Account budget set out in Annex 6

- h. The dedicated schools grant proposals outlined in paragraphs 120 to 128.
- (ii) That Council note the effect of approving the income and expenditure proposals included in the recommendations would result in no increase in the City of York Council element of the council tax.¹

Reason: To ensure a legally balanced budget is set.

Action Required

1. Refer to Council.

JP

108. Capital Programme 2015/16 to 2019/20

Consideration was given to a report which set out the Capital Strategy for the 5 year period covering 2015/16 to 2019/20 and provided information on new capital schemes.

Since current scheme approval in February 2014 a number of amendments had been made resulting in a current approved capital programme for 2014/15 to 2018/19 of £209.117m financed by £118.741m of external funding and £90.376m of Council controlled resources.

Requests in the sum of £44.107m had been made to increase the existing programme, details of which were set out in paragraphs 6 to 9 in the report. With a summary of the new bids set out in Table 3 and the capital programme and growth summary in Annexes A and B.

It was noted that all the schemes progressed through for consideration had demonstrated that they directly contributed towards achievements in the Corporate Strategy and that to mitigate risks the programme was regularly monitored by the Capital Asset Board.

Recommended: That Council agree to:

- (i) The revised capital programme of £187.019m that reflects a net overall increase of £44.107m (as set out in paragraph 55 table 7 and in Annex B). Key elements of this include:

- a. Extension of prudential borrowing funded Rolling Programme schemes totalling £5.970m as set out in table 2 and summarised in table 7;
 - b. New schemes totalling £8.763m including an increase in prudential borrowing of £5.538m as set out in table 3 and summarised in table 7;
 - c. New externally funded schemes totalling £15.140m as set out in table 4 and summarised in table 7;
 - d. An increase in HRA funded schemes totalling £14.234m funded from a combination HRA balances/Right to Buy receipts of £14.234m as set out in table 5 and summarised in table 7 subject to the approval of the Director of CBSS in relation to the IT investment (£1.810m)
- (ii) Approve the full restated programme as summarised in Annex A totalling **£187.019m** cover financial years 2015/16 to 2019/20 as set out in table 8 and Annex A.¹

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

Action Required

1. Refer to Council.

JP

Cllr D Williams, Chair

[The meeting started at 5.40 pm and finished at 8.20 pm].