



Notice of meeting of

Decision Session - Executive Member for Corporate Services

To: Councillor Moore (Executive Member)

Date: Friday, 29 January 2010

Time: 2.30 pm

Venue: The Guildhall, York

AGENDA

Notice to Members – 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:

10.00 am on Thursday 28 January 2010 if an item is called in before a decision is taken, or

4.00pm on Tuesday 2 February 2010 if an item is called in after a decision has been taken.

Items called in will be considered by the Scrutiny Management Committee.

Any written representations in respect of the items on the agenda should be submitted to Democratic Services by **5.00 pm on Wednesday 27 January 2010.**

1. **Declarations of Interest**

At this point Members are asked to declare any personal or prejudicial interests they may have in the business on the agenda.

- 2. Minutes** (Pages 3 - 4)
To approve and sign the minutes of the Decision Session of the Executive Member for Corporate Services held on 15 December 2009.
- 3. Public Participation**
At this point in the meeting, members of the public who have registered their wish to speak at the meeting can do so. The deadline for registering is **Thursday 28 January 2010 at 5.00pm.**
- 4. Revenue Budget Estimates 2010/11 - (Pages 5 - 20) Resources**
This report is part of the consultation on the 2010/11 budget process. The report provides details of proposed growth and savings within the Corporate Services area. Full details of the budget will be considered by the Executive on 16 February 2010 and then Budget Council on 25 February 2010. The report seeks the comments of the Executive Member on the proposals put forward.
- 5. Urgent Business**
Any other business which the Chair considers urgent under the Local Government Act 1972.

Information Log

No items have been published on the Information Log since the last decision session.

Democracy Officer:
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For more information about any of the following please contact the Democracy Officer responsible for servicing this meeting:

- Registering to speak
- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details are set out above.

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Would you like to speak at this meeting?

If you would, you will need to:

- register by contacting the Democracy Officer (whose name and contact details can be found on the agenda for the meeting) **no later than 5.00 pm** on the last working day before the meeting;
- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

A leaflet on public participation is available on the Council's website or from Democratic Services by telephoning York (01904) 551088

Further information about what's being discussed at this meeting

All the reports which Members will be considering are available for viewing online on the Council's website. Alternatively, copies of individual reports or the full agenda are available from Democratic Services. Contact the Democracy Officer whose name and contact details are given on the agenda for the meeting. **Please note a small charge may be made for full copies of the agenda requested to cover administration costs.**

Access Arrangements

We will make every effort to make the meeting accessible to you. The meeting will usually be held in a wheelchair accessible venue with an induction hearing loop. We can provide the agenda or reports in large print, electronically (computer disk or by email), in Braille or on audio tape. Some formats will take longer than others so please give as much notice as possible (at least 48 hours for Braille or audio tape).

If you have any further access requirements such as parking close-by or a sign language interpreter then please let us know. Contact the Democracy Officer whose name and contact details are given on the order of business for the meeting.

Every effort will also be made to make information available in another language, either by providing translated information or an interpreter providing sufficient advance notice is given. Telephone York (01904) 551550 for this service.

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (40 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Decision Session) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

The purpose of all scrutiny and ad-hoc scrutiny committees appointed by the Council is to:

- Monitor the performance and effectiveness of services;
- Review existing policies and assist in the development of new ones, as necessary; and
- Monitor best value continuous service improvement plans

Who Gets Agenda and Reports for our Meetings?

- Councillors get copies of all agenda and reports for the committees to which they are appointed by the Council;
- Relevant Council Officers get copies of relevant agenda and reports for the committees which they report to;
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City of York Council

Committee Minutes

MEETING	DECISION SESSION - EXECUTIVE MEMBER FOR CORPORATE SERVICES
DATE	15 DECEMBER 2009
PRESENT	COUNCILLOR MOORE (EXECUTIVE MEMBER)

11. DECLARATIONS OF INTEREST

The Executive Member was invited to declare at this point in the meeting any personal or prejudicial interests he might have in the business on the agenda. No interests were declared.

12. MINUTES

RESOLVED: That the minutes of the meeting held on 20 October 2009 be approved and signed by the Executive Member as a correct record.

13. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That the press and public be excluded from the meeting during consideration of Annexes B to E of agenda item 5 ("Bad Debt Write-Off Report - Period October to November 2009") on the grounds that it contains information which is likely to reveal the identity of an individual and relating to the financial or business affairs of any particular person. This information is classed as exempt under Paragraphs 2 and 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.

14. PUBLIC PARTICIPATION

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

15. BAD DEBT WRITE OFF REPORT - PERIOD OCTOBER TO NOVEMBER 2009

The Executive Member received a report that presented the irrecoverable accounts in respect of Council Tax (CT), National Non-Domestic Rates (NNDR), Sundry Debtors and Housing Benefit overpayment for write-off covering the period 1 October 2009 to 20 November 2009.

The Executive Member was asked to write off the over £5k accounts totalling £94,720 in line with the council's Financial Regulations. He stated that he had been through the figures with officers and was satisfied with the action that had been taken.

RESOLVED: That the write off of bad debt, as set out in Table 1 of the report and in the confidential annexes B - E, be approved.

REASON: To remove irrecoverable bad debt from the council's accounts in accordance with accountancy best practice.

Cllr R Moore – Executive Member for Corporate Services
[The meeting started at 4.15 pm and finished at 4.17 pm].



Decision Session
Executive Member for Corporate Services

29th January 2010

Report of the Director of Resources

Revenue Budget Estimates 2010/11- Resources

Purpose of Report

1. This report presents the 2010/11 budget proposals for Resources. It includes:
 - the base revenue budget for 2010/11 (Annex 1) to show the existing budgets
 - the cost of pay and price increases, increments and settlement of pay and grading appeals for the portfolio
 - proposals for budget service pressure costs and savings options for the portfolio area (Annexes 2 and 3)
 - fees and charges proposals (Annex 4)
2. Budget Council will be held on 25 February 2010 and will make decisions on the overall budget for the Council. In order to facilitate the decision making process the Executive are meeting on 16 February 2010 to consider the preferences identified by the individual portfolio Executive Members and the results of the consultation exercise.
3. The Corporate Services Executive Member is therefore asked to consider the budget proposals included in this report and identify their preferences (after considering the proposals in annexes 2 and 3) which will be considered by the Executive as part of the consultation exercise. The Executive Member is invited to provide comments on the budget proposals in this report.

Background

4. The Council's 2010/11 budget is being developed within the constraints of an extremely challenging financial climate. An extensive transformational programme has begun which will promote efficient delivery of services whilst at the same time ensuring funding is available for investment in key areas across the Council
5. The 2009/10 revenue budget monitoring process has identified areas of activity that currently have insufficient capacity to deal with the increased demands on those services. In addition consideration has been given to the Council's top priorities, and the need to ensure that key front line areas of activity, particularly those in respect of adults and children, can continue to be provided. From this analysis, specific areas of investment will be proposed

within the Council's 2010/11 budget, in particular within the following areas:

- Adult Social Care
 - Children's Social Care
 - Waste Management
6. The proposed budget for 2010/11 reflects the need to direct investment into these areas in order that planning and monitoring of service delivery and improvement can take place against an adequate resourcing platform
 7. In addition, the Council recognises that adequate provision needs to be created within the budget to ensure that the continuing financial impact of the economic downturn can be contained effectively. Following detailed review of economic pressures both on front line services and the Council's Treasury Management function, it is proposed that in the region of £3m will be set aside within the budget to contain the impact of these pressures.
 8. In order to create the financial capacity to enable adequate investment in these priority areas the budget strategy has been based around certain key financial management principles. A fundamental maxim of the strategy is that Directorates have been made clearly responsible for the robust and effective self-management of their existing financial resources and that restraint has been expected in putting forward for additional growth in budget to be funded corporately.
 9. Directorates have been expected to contain their net expenditure within clearly defined and strictly enforced cash limits with a clear expectation that Directorates self manage all non-exceptional budget pressures within this cash limit. These pressures include the anticipated cost of the pay award and any incremental increases due in year. Explicitly linked to self-management within defined cash limits has been the requirement for directorates to demonstrate the re-allocation of budgets in order to contain internal financial pressures.
 10. As part of the development of the budget, the Council's transformation programme has also been robustly reviewed in view of the need to create capacity to invest in priority areas. A realistic acceleration of efficiency savings will be included within the corporate budget proposals in order to ensure that the additional financial capacity introduced in this budget is based around a challenging but realistic approach to driving out efficiency savings across the organisation. However, it must be stressed that achievement of these efficiencies will not be easy to deliver, but they are essential in order to deliver investment into priority areas. The scale and pace of the transformation process in coming years will be critical to the Council maintaining financial stability. In addition, clearly with the future pressures on public spending, combined with known forecast increased pressures in children's care, adult care, and waste management, the Council will face the need to both achieve significant transformational change, and review the overall type and level of service provision in coming years.
 11. It is however recognised that reviews of service activity need to take place in

order to develop and implement mitigation plans that will constrain the impact of these financial pressures.

12. The Director of Resources' report '2010/11 Budget Strategy and Medium Term Financial Planning 2011/12 to 2013/14' was adopted by the Executive on 15 December 2009. This paper is the result of ongoing work against this agreed framework.
13. The Local Government Finance settlement for 2008/09 and included indicative figures for 2010/11 to enable the Council to consider future budget issues. The provisional settlement for 2010/11 gives an increase in formula grant of £1.090m, an increase of 2.51%.

Budget Proposals for Resources

14. A summary of the budget proposals is shown in Table 1 below. Further details on each individual element are presented in the subsequent paragraphs. The annexes also contain other potential growth and savings items which at this stage are not being recommended to Members.

Table 1 - Summary of Budget Proposals

	Para. Ref	£'000
Base Budget 2009/10	15	3,485
Allocation for pay increases	16	88
Allocation for price increases	17	28
Service Pressure proposals (Annex 2)	18	477
Savings proposals (Annex 3)	20-23	-610
Proposed Budget 2010/11		3,468

Base Budget (£3,485k)

15. This represents the latest budget reported to Members, updated for the full year effect of decisions taken during 2009/10, e.g. supplementary estimates.

Pay Inflation (+£88k)

16. These calculations are based on a pay increase for APT&C of 1%. The negotiations for the 2010/11 settlement have not yet started, although there is pressure from the Treasury that increases are kept to a minimal level.

Price Inflation (+£28k)

17. The budget proposes that, due to the underlying low rate of inflation, there is a general price freeze on most budgets. The amount allowed for price inflation is to fund known price increases, e.g. contract payments.

Service Pressures (+£477k)

18. A range of options for service pressure proposals has been considered and in

view of the overall available resources it is proposed that only those proposals shown in Annex 2 are included as the preferred options for Resources. The proposals put forward are the result of a rigorous assessment process, which included looking at the risk to customers and staff, legislative requirement, proven customer demand and the Council's corporate objectives.

Contingency Items

19. Members should note that there are potential expenditure pressures that may materialise in 2010/11 but which are not yet certain or not quantifiable at this stage. The Executive will decide on 16 February 2010 whether or not to set a general contingency for 2010/11. It is not anticipated that there are any contingency items within the Resources Directorate.

Savings Proposals (-£610k)

20. Members will be aware that the 2009/10 budget savings were significant and that all Directorates are operating within a tight financial environment. In seeking to achieve savings for the 2010/11 budget Directorates have examined budgets with a view to identifying savings that have a minimum impact on the services provided to the public, customers and the wider Council and are not already included in the blueprints for More For York. Instead they have concentrated on initiatives that:
 - improve quality and efficiency
 - take advantage of ongoing service and/or Best Value reviews
 - generate income
 - address budgetary underspends
 - improve cash flow and interest earnings
 - generate savings from the technical and financial administration functions of the Council
21. In addition to the initiatives listed above the price increases and list of savings also include proposals to increase fees and charges (see also section below). Generally these are in line with inflation, but this is varied by directorates as they are affected by national constraints/requirements.
22. Annex 3 shows the full list of savings proposals for Resources.
23. It should be noted that the Directorate is significantly involved in a number of savings proposals that are being agreed through the More for York programme. There are blueprints specifically considering IT, Customer Services, Procurement, Income Collection as well as a blueprint being compiled for Financial Services. The savings assumed from More for York in 2010/11 will be considered corporately at the Executive meeting on the 16th February 2010.

Fees and Charges

24. The details of the proposed fees and charges for the services provided by

this portfolio are set out in Annex 4. Where fees and charges increases are being set above the inflation requirement they have been included in Annex 3. Members should note that the Court fees set out within Annex 4 are set in consultation with the Court, for which discussions are ongoing regarding the levels of these fees, although at this time it is felt unlikely that there will be any increase. The fees set out under the Sundry Debtors and Housing Benefits Overpayments headings are set through legislation, and updated each April. As yet the Council has not been informed of the revised fees for 2010/11.

Consultation

25. This paper forms part of the Council's budget consultation. The other streams being undertaken include a public consultation leaflet circulated city wide (results should be known by mid-January), a public meeting where participants debated savings and growth proposals attended by the Leader of the Council and the Chief Executive, and a further session with a the business communities of the city.

Options

26. As part of the consultation process the Executive Member is asked for their comments or alternative suggestions on the proposals shown in Annexes 2, 3 and 4.

Analysis

27. All the analysis is provided in the body of the report and the annexes.

Corporate Priorities

28. The budget represents the opportunity to reprioritise resources towards corporate priority areas. The Resources Directorate primarily supports the other directorates in achieving their corporate priorities. Savings have been targeted primarily where efficiencies can be made from better working practices thus protecting front line services.

Implications

29. The implications are:
 - Financial - the financial implications are dealt with in the body of the report.
 - Human Resources – The savings proposals in the report results in the deletion of two posts from the establishment. These posts are currently vacant.
 - Equalities – an equalities impact assessment has been undertaken to support the budget process. This has not flagged any significant equalities issues.
 - 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 specific 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

30. Key reporting mechanisms to Members on budget matters will continue to be through mid-year monitoring reports and the final Revenue Outturn report for the year. The format/timing of these reports has recently been considered by the Council's Management Team but as a minimum they will report on forecast out-turn compared to budgets and will also address the progress made on investments and savings included within the budgets.
31. The budget setting process always entails a degree of risk as managers attempt to assess known and uncertain future events. This year has demonstrated the difficulty of achieving this. As with any budget the key to mitigating risk is prompt monitoring and appropriate management control. As such updated figures and revised corrective actions will be monitored via Directorate Management Teams, Corporate Management Team and the monitor reports during the year.

Recommendations

32. The Executive Member is invited to consider whether the budget proposals are in line with the Council's priorities.
33. The Executive Member is invited to provide comments on the budget proposals for savings and growth which have been prepared by Officers and contained in this report, which are intended to form part of the Council's budget to be considered by the Budget Executive on 16 February 2010.
 - 2010/11 Base budget as set out in paragraph 15
 - Service Pressure proposals as set out in Annex 2
 - Savings proposals as set out in Annex 3
 - Fees and charges as set out in Annex 4

Reason : as part of consultation from the 2010/11 budget setting process

Contact Details

Authors:

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Finance Manager – City Strategy
Tel 01904 551633

Chief Officers responsible for the report:

Ian Floyd
Director of Resources
Tel: 551100

Specialist Implications Officer(s) None

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

All

√

Background Working Papers

Budget working papers held in City Strategy Finance

Annexes

Annex 1 - 2010/11 Base Budget

Annex 2 - Service Pressure Proposals

Annex 3 - Savings Proposals

Annex 4 - Fees and Charges

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EXECUTIVE MEMBER FOR CORPORATE SERVICES

Annex 1

RESOURCES BASE BUDGET

<u>DETAILED EXPENDITURE</u>		<u>COST CENTRE EXPENDITURE</u>	
	2010/11 Original Est £'000		2010/11 Original Est £'000
Employees	9,417	Director Of Resources	268
Premises	26	Corporate Finance	270
Transport	32	Customer Service & Governance	2,175
Supplies & Services	6,852	Transformation and Efficiency	772
Recharges	4,747		
Benefit Payments	42,133		
Capital Financing	1,463		
Gross Expenditure	64,670		
Income	(1,728)		
Recharges	(15,102)		
Benefit Subsidy	(44,355)		
Net Expenditure	3,485		3,485

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Resources Directorate
Budget Pressures 2010/11

Annex 2

	Brief Description	Net Cost 2010/11 £(000)
RESOG01	<u>Cost of Increments</u> This is the anticipated cost of the staff increments for the Directorate	150
RESOG02	<u>Cost of Pay and Grading Appeals</u> This is the anticipated cost of the Pay and Grading appeals across the Directorate	101
RESOG06	<u>IT Development</u> The new process for IT development seeks to fund on-going requirements from existing revenue budgets, therefore the budget pressure reported here matches against the IT savings reported. The overall amount of £226k is made up from 2 areas. 1) Full year effect of the 2009/10 Development plan is £111k. 2) Due to previous delays in project delivery the Executive agreed to under fund the 2009/10 IT Dev't plan in year 1, this budget of £115k is now required for 2010/11.	226
Total Growth		477

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Resources Directorate
Savings Proposals 2010/11

Annex 3

	Brief Description	Net saving 2010/11 £(000)
RESOS01	<u>Vacancy Factor</u> For 2009/10 the Directorate introduced a vacancy (staff turnover) saving of £55k, this proposal increases the vacancy factor across all Resources to 3%. It should be noted that this figure represents an average across the directorate, there are some service areas e.g. Council Tax, Benefits, customer services, where there may be significant financial / service impacts from holding vacancies.	-105
RESOS02	<u>Post Reductions</u> This saving relates to two posts where the post holders have already left the employment of the Council and the posts will not be filled. (Finance Manager and Business Support Manager).	-107
RESOS03	<u>Reductions in FMS Project Support</u> This saving reflects the reduction to the FMS project team. Work associated with the FMS system will be integrated into the corporate finance sections work.	-100
RESOS04	<u>IT Savings</u> The new process for IT Development seeks to fund new project development from existing revenue budgets including those budgets no-longer required to fund historic IT prudential borrowing requirements. Therefore the IT savings reported here match against the IT growth item reported. The overall saving of £226k is made up from 3 areas. 1) Savings of £92k have been made where IT goods and services have been delivered at less than budget, or where the IT schemes have been cancelled. 2) Prior years IT prudential funding, the amount available for 2010/11 is £102k. 3) Further miscellaneous project savings of £32k have been identified.	-226
RESOS05	<u>Reduction in Agency staff within Corporate Finance</u> Agency staff within Corporate finance will no longer be used. This follows reductions in the use of agency staff introduced in the current year within other service areas in Resources.	-20
RESOS06	<u>Reduced Level of District Audit Fees</u> Based on the latest guidelines from the Audit commission it is estimated that there will be a reduction in the level of DA fees payable. If any service specific inspections are introduced for 2010/11 then there would be an additional charge for this work.	-20
RESOS07	<u>Reduction in Subsidy Loss from placing fewer cases in Bed & Breakfast (B&B)</u> Through a variety of means the Housing team are reducing the number of homeless cases which need to be placed in B&B accommodation. This is then reducing the subsidy loss incurred by the authority. Some additional investment is required to support this work which has been netted off against the saving available. This saving has been put forward on the basis that the reduced number of cases being placed in B&B accommodation continues in the future. There is a level of risk associated with this saving, and regular monitoring of the number of cases is already in place.	-20
RESOS08	<u>Deminimis Savings</u> These comprise of small item reductions primarily relating office equipment.	-12

Total Savings

-610

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Directorate of Resources Fees and Charges 2010/11

	Charges 2009/10	Proposed Charges 2010/11	% increase over 2009/10
Court Costs	£	£	%
<u>Council Tax (set in consultation with the Court)</u>			
Issuing of a Summons	50.00	50.00	-
Issuing of a Liability Order	35.00	35.00	-
Committal Hearings	55.00	55.00	
<u>Business Rates (set in consultation with the Court)</u>			
Issuing of a Summons	75.00	75.00	-
Issuing of a Liability Order	40.00	40.00	-
Committal Hearings	55.00	55.00	
<u>Sundry Debtors (fees set by legislation)</u>			
Issuing of a Summons			
Up to £300	30.00	30.00	-
£300.01 to £500	50.00	50.00	-
£500.01 to £1000	80.00	80.00	-
£1000.01 to £5000	120.00	120.00	-
£5000.01 to £15000	250.00	250.00	-
£15000.01 to £50000	400.00	400.00	-
£50000.01 - £100000	600.00	600.00	-
£100000.01 to £150000	700.00	700.00	-
Over £150000.01	800.00	800.00	-
Solicitors Costs applied at Summons Stage			
Up to £500	50.00	50.00	-
£500.01 to £1000	70.00	70.00	-
£1000.01 to £5000	80.00	80.00	-
Over £5000.01	100.00	100.00	-
Solicitors Costs applied at Judgement Stage			
Up to £5000.00	22.00	22.00	-
Over £5000.01	30.00	30.00	-
Oral Examination	45.00	45.00	-
<u>Overpayment of Housing Benefits (fees set by legislation)</u>			
Issuing of N322A - Application to enforce an award	35.00	35.00	-
Solicitors Costs applied at N322A Stage:			
Up to £250.00	30.75	30.75	-
£250.01 to £600.00	41.00	41.00	-
£600.01 to £2000.00	69.50	69.50	-
Over £2000.01	75.50	75.50	-
Oral Examination	45.00	45.00	-
Miscellaneous			
Copy of the statement of Accounts	10.00	10.00	-

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