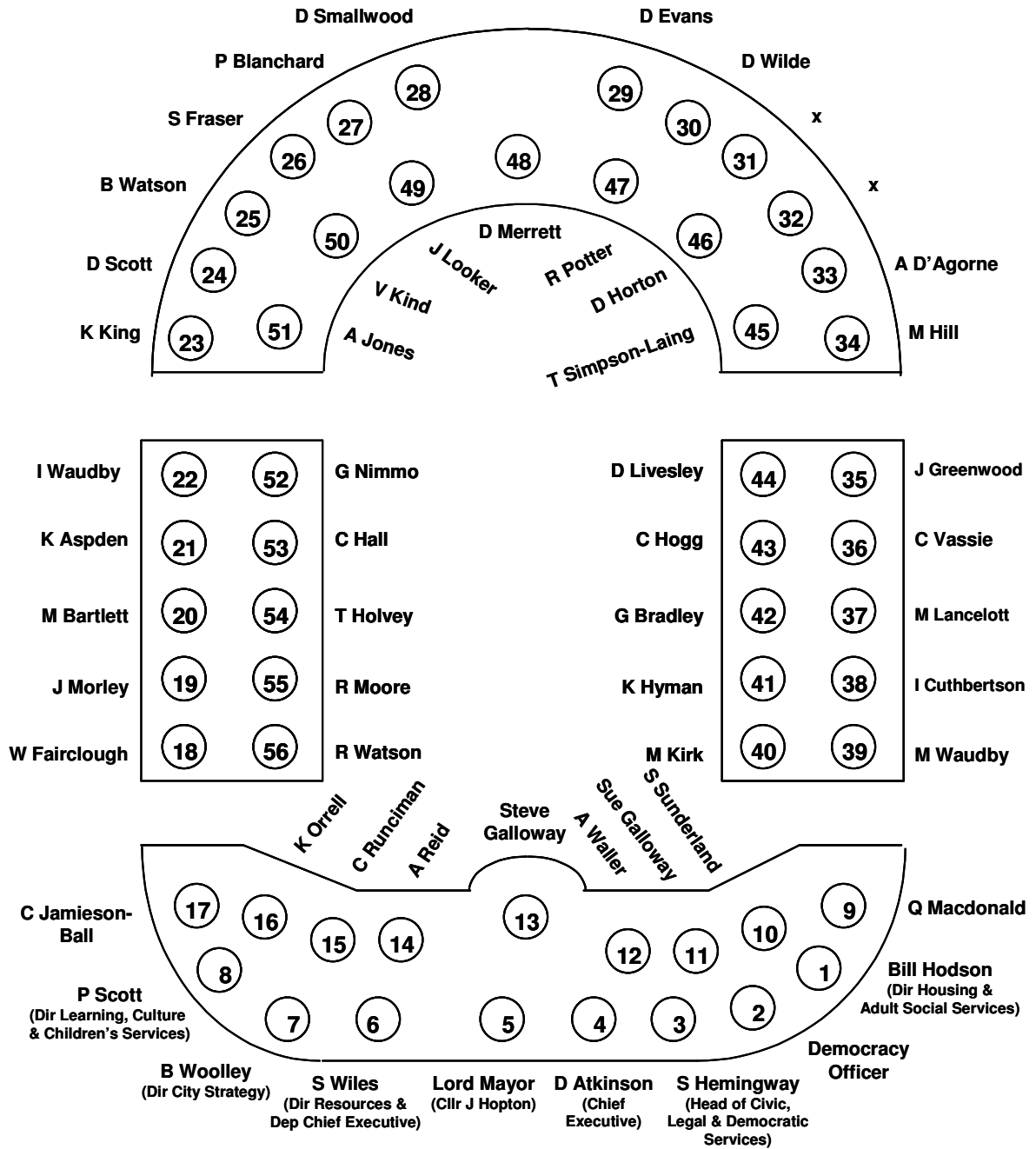


CITY OF YORK COUNCIL SUMMONS

All Councillors, relevant Council Officers and other interested parties and residents are formally invited to attend a Budget meeting of the **City of York Council** at the **The Guildhall, York**, to consider the business contained in this agenda on the following date and time

Wednesday, 21 February 2007 at 6.30 pm

COUNCIL CHAMBER PLAN



A G E N D A

1. Declarations of Interest

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

2. Civic Announcements

To consider any announcements made by the Lord Mayor in respect of Civic business.

3. Public Participation

At this point in the meeting, any member of the public who has registered to address the Council, or ask any question of any Member of Council, on any matter directly relevant to the business on this agenda (namely the setting of the budget), may do so. Anyone who wishes to register or requires further information is requested to contact the Democracy Officer on the contact details listed at the foot of this agenda. The deadline for registering is **5:00 pm on Tuesday, 20 February 2007**.

4. Petitions

To consider any petitions received from Members in relation to business associated with setting the Council's budget for the coming financial year, in accordance with Standing Order No.7.

5. Setting the Budget for 2007/2008

a) Revenue Budgets 2007/2008 (Pages 1 - 20)

To consider the recommendations of the Executive from its meeting on 16 January 2007 in relation to the revenue budget for 2007/2008 (including Fees and Charges proposals and Housing Revenue Account estimates), together with the original report considered at that meeting and a further report (attached) from the Head of Finance containing revised and supplementary information.

Please note that the original report has been circulated to all Members and can be viewed on the Council's web site at

<http://democracy.york.gov.uk/ieListDocuments.asp?CId=102&MIId=1343&Ver=4>

b) Capital Programme Budget (Pages 21 - 22)

To consider the recommendations of the Executive from its meeting on 16 January 2007 in relation to the capital programme budget for 2007/2008, together with the original report considered at that meeting.

Please note that the original report has been circulated to all Members and can be viewed on the Council's web site at <http://democracy.york.gov.uk/ieListDocuments.asp?CId=102&MIId=1343&Ver=4>

6. Council Tax Resolution 2007/2008 (Pages 23 - 32)

Further to considering the Council's budget for 2007/2008 under item 5 above, to consider the Council Tax Resolution for 2007/2008, as set out in the attached report.

Please note North Yorkshire Fire and Rescue Authority (NYFRA) will not meet to set its precept for 2007/08 until 19 February 2007. The proposals being considered at that meeting are for an increase of 3.9% (to £56.04 for a band D property) between 2006/07 and 2007/08. This figure has been used in the proposed Council Tax calculations shown in the attached report. Confirmation of this figure and the proposed Council Tax calculations will be provided to Members as soon as possible after the NYFRA meeting.

7. Treasury Management Strategy Statement and Prudential Indicators for 2007/08 to 2009/10 (Pages 33 - 34)

To consider the recommendations of the Executive from its meeting on 16 January 2007 in relation to the Treasury Management Strategy Statement and Prudential Indicators for 2007/08 to 2009/10, together with the original report considered at that meeting.

Please note that the original report has been circulated to all Members and can be viewed on the Council's web site at <http://democracy.york.gov.uk/ieListDocuments.asp?CId=102&MIId=1343&Ver=4>

Principal Democracy Officer:

Name: Fiona Young

Contact details:

- Telephone – (01904) 551024
- E-mail – fiona.young@york.gov.uk

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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City of York Council

Committee Minutes

MEETING	Executive
DATE	16 January 2007
PRESENT	Councillors Steve Galloway (Chair), Sue Galloway, Macdonald, Orrell, Reid, Runciman and Waller
APOLOGIES	Councillors Jamieson-Ball and Sunderland

PART B - MATTERS REFERRED TO COUNCIL**140. Revenue Budget 2007/08 to 2009/10**

Members considered a report which presented the Council's revenue budget proposals for the 2007/08 financial year and the potential financial position of the Council in 2008/09 and 2009/10.

The proposals represented a balanced budget for 2007/08, with the following key features (references in brackets are to the relevant sections of the report):

- a) Revenue investment of £12.106m, the funding for which would be achieved through:
 - Revenue savings of £4.799m (Table 2)
 - An additional £3.416m from a Council Tax rise of 4.5% (Table 2)
 - Meeting £1.312m one-off expenditure from reserves (para. 50)
 - Additional Revenue Support Grant funding of £1.191m (Table 14)
 - An £850k share of the projected 2006/7 collection fund surplus (para. 45)
 - Other adjustments on corporate budgets totalling £538k (Annex 1);
- b) A net revenue budget of £104.538m, to be funded by:
 - Council Tax income of £64.883m (para. 74)
 - Government grant of £38.343m (Table 12)
 - Use of reserves of £1.312m (para. 50);
- c) Funding for pupil-led aspects of education, primarily schools, of £83.835m, to be met by the Dedicated Schools Grant (Table 16).

It was stressed that the proposed budget was very 'tight' in a number of key areas. The report highlighted the following issues as likely to add significant pressure either to the 2007/08 budget or to future Council budgets:

- The deficit on the pension fund (para. 21)
- The introduction of job evaluation (para. 26)
- The future costs of waste management (para. 127A)
- The increasing numbers of elderly persons and costs of services for them (para. 127E)

- The threatened cuts in grants for 'supporting people' (para. 127F)
- The backlog of outstanding works needed to the City infrastructure; in particular, roads and Council buildings (para. 127G).

If the income and expenditure proposals set out in the report were approved, this would result in an increase of 4.5% in the City of York element of the Council Tax. The Director of Resources advised against any increase above 4.5%, as this would significantly increase the chance of government intervention. The total Council Tax increase, including parish, Police and Fire Authority precepts, would be agreed at the Budget Council meeting on 21 February 2007.

Comments were invited from relevant Officers on the points made by UNISON representatives under Public Participation / Other Speakers in relation to specific savings proposals. They indicated that:

- On CXS11, Officers would be happy to work with UNISON and other unions to monitor the effects of this saving;
- On HAS4, it was considered that the Community Base site had capacity to accommodate the transfer, but checks were being made;
- On CXS06, arrangements had been made to consult trades unions and affected staff before bringing the proposal forward. The Chair indicated that the Executive was prepared to delete this proposal.

RECOMMENDED: That Council approve the budget proposals as outlined in the report, in particular:

- a) The net revenue expenditure requirement for 2007/08 of £104.538m, as set out in Table 1 at paragraph 15;
- b) The Housing Revenue Account proposals outlined in Annex 10;
- c) The Dedicated Schools Grant proposals outlined from paragraph 78 onwards;
- d) The revenue growth proposals outlined in Annex 3, which include the post-EMAP amendments detailed at paragraph 42 plus:
 - Investing an additional £40k into increased investment in CCTV allowing the extension of provision into priority areas;
- e) To allow the Chief Executive, if required, to utilise in 2006/07 £50k of the proposed £215k budget for the 2007/08 elections;
- f) The revenue savings proposals for 2007/08 outlined in Annex 4, whilst:
 - Increasing TMS 02 (Debt Restructure) from £100k in 2007/08 to £146k, to reflect the one-off beneficial impact of recent changes in interest rates
 - Deleting CXS06 (Reductions to the Messenger Service, £6k)
 - Replacing CSS20 (Design and Conservation, £14k) with comparable savings secured through vacancy savings within City Strategy;

- g) In terms of the Council's reserves, to:
- Agree the use in 2007/08 of £1.312 of revenue reserves, as outlined in paragraph 50
 - Authorise the transfer of balances held on the Bellwin reserve into the general reserve, as detailed in paragraph 54
 - Endorse the adoption of a risk-based calculation to inform the Director of Resources' opinion on the appropriate minimum level of general reserves, as described in paragraph 52;
- h) The release of further funds to support the job evaluation project, as outlined from paragraph 26 onwards;
- i) The fees and charges proposals set out in Annex 8.

REASON: To provide a balanced set of budget proposals which the Council can consider in reaching its decision on the budget and the resultant Council Tax to be set for 2007/08.

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 3.05 pm].

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Council

21st February 2007

Report of the Director of Resources and Deputy Chief Executive

Supplementary Report in Support of the 2007/08 to 2009/10 Revenue Budget

Summary

1. This report provides members with revised and supplementary information relating to the Revenue Budget Report 2007/08 to 2009/10 that was considered by the Executive on the 16th January 2007. The revised information relates to changes recommended by the Executive following their consideration of the report. Supplementary information has also been provided where such details were not available at the time the report to the Executive was drafted.

Background

2. The Revenue Budget Report was considered and accepted by the Executive on the 16th January. In line with the council's constitution the final decision on the budget rests with full Council and, as such, the Executive's decision has been referred to this meeting for consideration and agreement.
3. Due to the timing of the report there were a number of items of information which were not available to the Executive when they considered the report. These were:
 - The final grant settlement from DCLG;
 - Precept details for the Police, Fire and Parishes;
 - Comparative Council Tax increase information from other local authorities.
4. In taking their decision the Executive made a small number of changes to the details contained in the original proposals made by officers. This report provides the supplementary information required for Council to understand the impact of these changes. These changes were:
 - To provide for additional investment in CCTV;

- To realise additional income from the council's investments due to the recent rise in bank base rates;
- To retain the current level of provision in regards of the messenger service;
- To retain a 0.5fte Community Planning Officer post that was proposed for deletion from the establishment.

Updated Information

5. The Executive have recommended to Council that they set a budget predicated on a 4.5% council tax increase. This was based upon a receiving a net increase in government funding of £1,191k as shown in Table A. The final government grant settlement announced on the 18th January 2007 confirmed this allocation and there are therefore no resultant changes to the original proposals outlined in the Executive Report.

	2007/08 £'000
Reduced RSG due to Grant and Service Transfers	-201
Additional RSG for New Functions	0
Additional RSG/NNDR for 2007/08 settlement	1,392
Total	1,191

Table A – Gross Increase in Government Funding (General Fund)¹

This would result in an overall Council Tax increase for the City of York component of 4.5% (£42.29). As table B demonstrates when combined with the Police and Fire Authority increases this would equate to an increase on the Band D council tax of £49.79 or 4.24%. It should be noted that the average council tax band in York is a Band C. Band C properties pay ⁸/₉ 's of a Band D council tax giving a total 2007/08 charge of £1,087.55 (York £872.94, Police 164.80, £49.81), an increase of £44.25.

	2006/07		2007/08		
	Increase (%)	Council Tax (£)	Council Tax (£)	Increase (£)	Increase (%)
CYC	5.49	939.77	982.06	42.29	4.5
Police	2.27	180.00	185.40	5.40	3.0
Fire	2.56	53.94	56.04	2.10	3.9
Total	4.86	1173.71	1,223.50	49.79	4.24

Table B – Headline Band D Council Tax Figures for York²

6. At £42.29 York's proposed band d council tax increase is below that for the County Council where the proposed increase is £44.07. As a result, York's council tax increase will, in cash terms, be the lowest for

¹ Table 14 in the original Executive Report.

² Table 19 in the original Executive Report

any council in the North Yorkshire area³. It should be noted that the proposed increases shown are, except for the Police Authority, still subject to formal member approval.

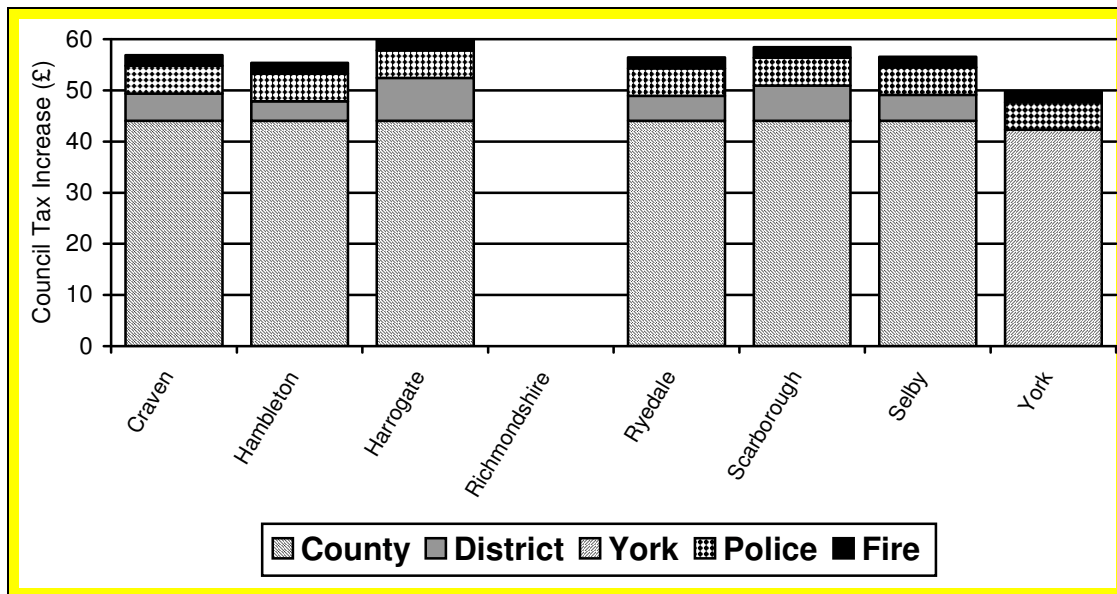


Figure A – Provisional Cash Increases in Band D Council Tax 2007/08⁴

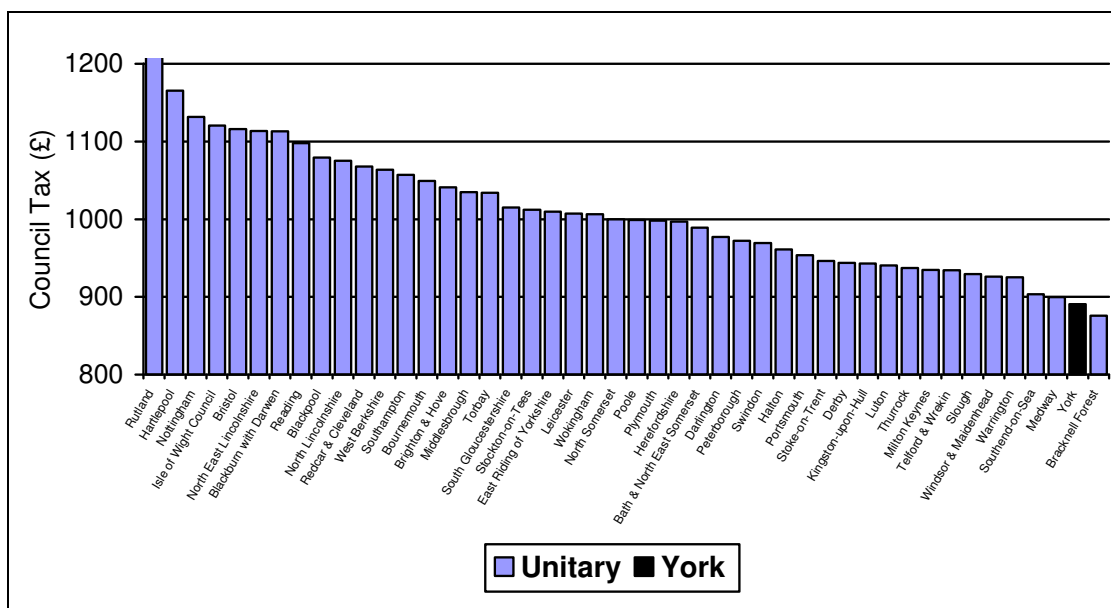


Figure B – Unitary Band D Council Tax 2006/07⁵

7. As Figure B demonstrates in 2006/07 York has the second lowest council tax for similar authorities. While such comparators are not yet available for proposed 2007/08 council tax levels, summary details of percentage increases for a number of unitary councils are shown at Figure C. These indicate an average increase for 2007/08 of 4.17%.

³ For York the increase comprises the council, police and fire precepts. For other areas increases comprise county, district, police and fire precepts.

⁴ At the time of publication Richmondshire were unable to release comparative data.

⁵ Table 2 in the original Executive Report

However Figure C also shows that half of the eighteen authorities intend set a council tax increase above that proposed for York. This indicates that in setting a 4.5% increase York's position relative to the other unitary councils is unlikely to change.

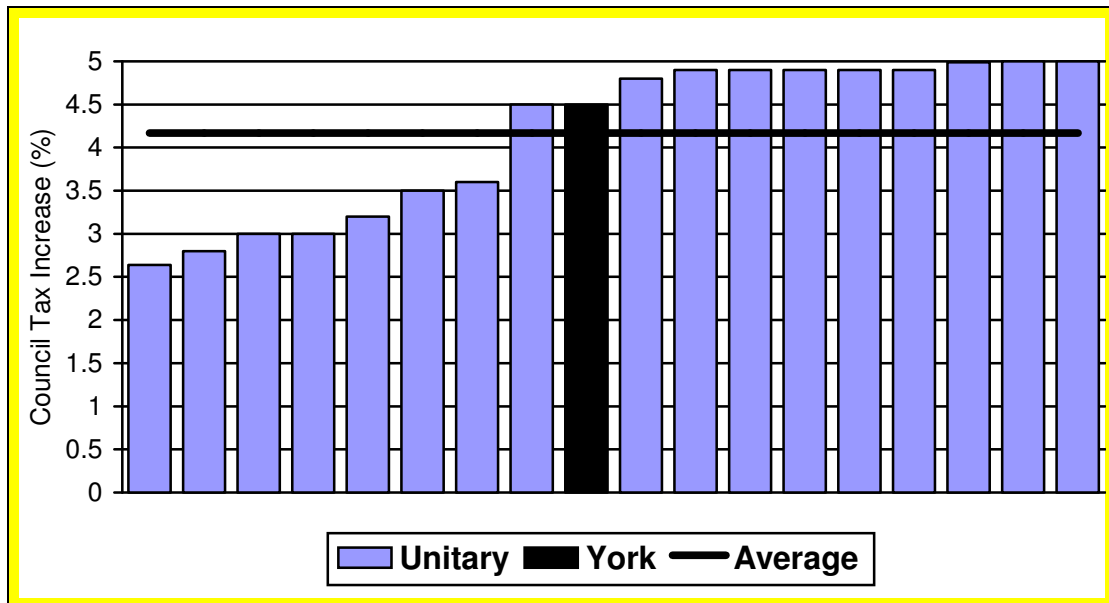


Figure C – Provisional Unitary Council Tax Increases 2007/08⁶

8. In national terms York currently has the 14th lowest band d council tax of any billing area in England. Current indications are that this position will remain unchanged in 2007/08.

Impact of the Executive's Amendments to the Proposed Budget Recommendations

9. In taking their decision the Executive made a small number of changes to the details contained in the original proposals made by officers. These changes were:
- To provide for additional investment of £40k in CCTV (CSG06);
 - To realise additional income of £46k from the council's investments due to the recent rise in bank base rates (TM02);
 - To retain the current level of provision in regards of the messenger service at the cost of £6k (CX06);
 - To retain a 0.5fte Community Planning Officer post that was proposed for deletion from the establishment (CSS020) through the use of savings achieved by vacancies within the division.
10. Details of these decisions are shown at Annex C to this report which details the resultant changes to Annexes 3, 4 and 5 of the Executive Report.

⁶ Source: Unitary Treasurers Group.

11. While these changes have had no impact on the proposed council tax increase or the net budget for 2007/08 they have resulted in a number of minor adjustments to the financial information originally provided to members. To this end the Summary of Budget attached as Annex 1 to the Executive report has been recast and is attached as Annex A.
12. With the proposed additional funding for CCTV the growth proposals in the original report have increased by £40k to £12.146m. Table C shows the resultant revised values for Directorate Growth.

	2007/08 £'000	2008/09 £'000	2009/10 £'000
Corporate ⁷	467	967	1,467
Housing General Fund	17	44	76
Adult Social Services	1,640	1,514	1,514
LCCS	463	463	463
City Strategy	546	614	568
Chief Executives	413	121	121
Resources	319	319	319
Neighbourhood Services	377	369	439
Recurring Growth	4,242	4,411	4,967

Table C – Recurring Directorate Growth⁸

13. The increased income target for treasury management and the decision not to decrease the messenger service have, as shown in Table D, increased the net savings proposals from £4,799k to £4,839k.

	2007/08 £'000	2008/09 £'000	2009/10 £'000
Housing General Fund	86	113	145
Adult Social Services	899	906	906
LCCS	866	775	779
City Strategy - Planning & Transport	994	650	650
City Strategy - Economic Development	22	12	12
Chief Executives	208	204	204
Resources	862	840	842
Neighbourhood Services	902	873	844
Net Total of Savings	4,839	4,371	4,382

Table D – Saving Proposals⁹

14. It should also be noted that whilst the Executive has recommended that no reduction should be made to the messenger service it still remains a valid saving available to council. As such the alternate saving options detailed at Annex 5 and summarised at Table 7 of the original Executive report now total £1,571k per annum.

⁷ Assumes current policy of investing up to £500k per annum into the IT Development Fund is continued in 2008/09 and 2009/10.

⁸ Table 5 in the original Executive report

⁹ Table 6 in the original Executive report

15. The results of these changes are detailed at Annex A and summarised in Tables E and F below. These demonstrate that whilst the net position for 2007/08 remains unchanged the amendments have resulted in slightly increased costs in 2008/09 (up from the original projected saving requirement of £5,820 to £5,849k).

Expenditure Requirements	2007/08 £'000	2008/09 £'000
Net Expenditure Budget for Prior Year	98,869	104,538
Less: One-off Funding for non-recurring items	-1,100	-1,312
Starting Expenditure Requirement for Year	97,769	103,227
Unavoidable and Corporate Non-Schools Expenditure Pressures		
Recurring ¹⁰	7,334	7,112
Non-Recurring	570	295
Directorate Growth Funded via Reprioritisation ¹¹	4,242	3,669
Total Expenditure Pressures	12,146	11,076
Savings Proposals	-4,839	466
Adjustments on Corporate Budgets	-538	-197
Net Budget Growth / Additional Funding Requirement	6,769	11,345
Revised Projected Expenditure Requirement for 2007/08	104,538	114,572
Net Funding Available (Table E)	104,538	108,723
Projected Additional Saving Requirement	0	5,849

Table E – Revised Expenditure Requirements¹²

Funding Requirements	2007/08 £'000	2008/09 £'000
Existing Funding	98,869	104,538
Removal of one-off funding for non-rec exp.	-1,100	-1,312
Starting Funding Position	97,769	103,227
<u>Funding Changes</u>		
Loss of Grant due to Transfers and New Grants	-201	
Estimated Increase in RSG	1,392	436
Contribution from Collection Fund Surplus	850	600
Use of Reserves	1,312	627
Revised Funding for 2007/08	101,122	104,890
Additional Council Tax Income Required		
• From Increase in Council Tax	2,728	3,168

¹⁰ Includes £600k contingency

¹¹ 2008/09 Figure comprises adjustments to the 2008/09 growth proposals of £331k and assumed in year reprioritisation of £4,000k.

¹² Combination of Tables 2 and 22 in original Executive Report

• From Additional Properties	688	665
Net Impact of Council Tax Increase	3,416	3,833
Net Funding Available	104,538	108,723

Table F – Revised Funding¹³

Job Evaluation

16. As part of the Second Performance and Finance Monitor 2006/07 the Executive have agreed to release £710k of the job evaluation reserve to fund additional costs arising from the equal pay process. However since this meeting the council has been notified by DCLG that it will be able to borrow an additional £543k towards these costs, enabling the impact to be spread over a number of years.
17. It is the Director of Resources intention to take the opportunity offered by DCLG, a decision that will significantly increase the level of one-off resources that are available to fund the implementation of job evaluation. Due to the scope and complexity of these processes, the funding released will still be required for future job evaluation and equal pay purposes. This has an on-going revenue implication of approximately £50k per annum that will be met from the budgets already set aside for job evaluation. These changes have no impact on the budget being placed before members.

Reserves

18. Since the Executive Report was produced additional detail has been received from the Audit Commission concerning the levels of advice members should be offered on the levels of projected reserves. The benefit of holding such reserves is that the council can manage unforeseen financial shocks without the need to make immediate offsetting savings with the potential impact this could have on users of services.
19. Annex 7 of the Executive Report detailed projected reserve balances for 2007/08 and 2008/09. It has now become clear that these forecasts need to be extended to include 2009/10 and they have also been updated to reflect revised projections for the use of the venture fund in 2008/09 and 2009/10. A revised version of Annex 7 is therefore appended as Annex B to this report.
20. Annex B demonstrates that whilst there is some projected headroom in the projected reserves balances this is forecast to decrease once the administrative accommodation project begins it's agreed draw down of funding from the venture fund. In line with the agreed project plan such funds will be repaid from savings made in future years. In addition should some the one-off pressures in 2007/08 identified as part of the

¹³ Combination of Tables 15 and 22 in original Executive Report

contingency be incurred then future balances will be reduced. It should also be noted that in recent years the council has used its reserves as an integral part of its strategy for dealing with one off pressures (£1.1m in 2006/07 and £1.312m in 2007/08). The 2008/09 and 2009/10 reserves projections only take into account known calls of reserves of £627k and £584k respectively, a figure that is likely to increase as the detail of the 2008/09 budget is developed further.

21. Based on these factors it is the Director of Resources opinion that the figures at Annex B represent a prudent medium term reserves position for the council at this time.
22. Notwithstanding the fact that these funds are required to meet risks, uncertainties and future commitments, as these funds could be spent on current services there is an opportunity cost¹⁴ of holding reserves, especially those above the minimum CPA threshold. All council funds are invested via the treasury management function. Between April and December 2006 the return on such investments averaged 4.74% or £47,400 per annum for each £1m held. Such income is fed back centrally to support the council's overall revenue budget. As shown in Table G investment income from the council's reserves between for 2007/08 and 2009/10 is projected to be just under £300k per annum.

	2007/08		2008/09		2009/10	
	Balance £'000	Interest Income £'000	Balance £'000	Interest Income £'000	Balance £'000	Interest Income £'000
Mimimum Threshold	5,201	247	5,361	254	5,521	262
Headroom in Reserves	809	38	935	44	544	26
Total	6,010	285	6,296	298	6,065	288

Table G – Reserve Thresholds and Investment Income

23. Were members to determine to immediately utilise the identified headroom in the reserves then in taking such a decision the following would need to be considered:
 - a. Should the contingency pressures be realised or other adjustments occur (such as the LPSA2 reward grant not being received) then would the impact on services of maintaining the minimum reserve threshold outweigh the benefits of short-term investment?
 - b. The potential need to fund identified one-off revenue pressures in 2008/09 and 2009/10 from the on-going revenue budget.

¹⁴ Opportunity cost is a measurement of the benefits of the alternate uses which an asset, in this case cash held, could be used

- c. The need to identify additional savings to address the loss of budgeted investment income (£38k in 2007/08, £44k in 2008/09 and £26k in 2009/10).
- d. Whether such funding was truly one-off or if it created additional on-going revenue and capital costs for future years?

Consultation

24. Exhaustive consultation was undertaken as detailed at Annex 9 to the Executive Report. However one specific response, from the Upper and Nether Poppleton Parish Clerk was omitted. In his response the Clerk expressed his concern about the impact of rent increases and grant reductions on the activities of Poppleton Community Centre / Community Trust.

Options

25. Not applicable

Analysis

26. Not applicable

Risk Management

27. Not applicable

Recommendations

28. Members are asked to note the contents of the paper in conjunction with the detailed paper presented to the Executive on the 16th January 2007 and the minutes thereof. In particular members need to recognise that:
 - That at £104,539k the proposed net budget for 2007/08 has remained unchanged from that presented in the original Executive report.
 - A decision to endorse the Executive's recommended budget would result in a City of York Band D council tax for 2007/08 of £982.06, an increase of 4.5% (£42.29) from that for 2006/07.

Reason: To provide members with a complete and updated picture of the context within which the final budget decision must be taken.

Contact Details

**Author: Peter Steed
Head of Finance**

**Chief Officer Responsible for the report:
Peter Steed**

Chief Officer's name
Simon Wiles
Director of Resources and Deputy Chief
Executive

Report Approved **Date** 13.02.07

Chief Officer's name
Title

Report Approved *tick* **Date** *Insert Date*

Specialist Implications Officer(s)

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

All

For further information please contact the author of the report

Background Papers:

Executive Report, Revenue Budget 2007/08 to 2009/10, 16/1/07
Executive Report, Second Performance and Finance Monitor – 2006/07,
16/1/07

Annex A- Revised Summary of Budget

	2007/08 £'000	2008/09 £'000	2009/10 £'000
UNAVOIDABLE PRESSURES - RECURRING			
Employment Costs			
Pay Increases for APT&C @ 2.50%	1,694	1,800	1,900
Employers' LGPS Contributions	50	50	50
LEA Teachers' Pensions 0.6% increase from 01.01.2007	15	0	0
Pay Increments	678	700	750
Job Evaluation	1,075	500	0
Price Inflation (2.3%)	1,330	1,500	1,550
Utility Price Inflation	500	300	300
Environment Agency and Drainage Board increased levies	28	30	30
Additional financing for borrowing (capital programme)	414	298	405
Revenue implications of capital programme and disposals	50	100	100
Minimum Revenue Provision - New Borrowing	331	238	324
Minimum Revenue Provision - Commutation adjustment	99	131	95
Minimum Revenue Provision - Local Govt Re-org	(180)	0	0
Rent reviews on admin accom	27	100	33
2009/10 Insurance contract	0	0	200
Full year effect of prior year growth	48	0	0
Full year effect of prior year savings	129	0	0
Impact of Savings on HRA / DSG	50	50	50
Landfill Tax	227	250	250
LATS Permits	0	229	524
Increased Rates bill at new Depot	133	0	0
Waste Management - growth in property base	36	36	36
TOTAL RECURRING UNAVOIDABLE GROWTH	6,734	6,312	6,597
Contingency	600	800	800
COMMITTED ONE-OFF EXPENDITURE AND USE OF RESERVES			
Job Evaluation	175	0	0
Contribution to 2010 Mystery Plays (yrs 2-4 of 5)	20	20	20
Waste Strategy (Yrs 3-5 of 5)	250	250	250
FMS Project (Yr 3 of 3)	100	0	0
Housing Benefit Venture Fund Repayment (Yrs 2-4 of 5)	25	25	25
TOTAL COMMITTED ONE-OFF EXPENDITURE	570	295	295
TOTAL UNAVOIDABLE GROWTH	7,904	7,407	7,692
Directorate Reprioritisation Proposals			
IT Development Plan	467	500	500
Housing General Fund	17	27	32
Adult Social Services	1,640	(126)	0
LCCS	463	0	0
City Strategy - Planning & Transport	546	68	(46)
City Strategy - Economic Development	0	0	0
Chief Executives	413	(292)	0
Resources	319	0	0
Neighbourhood Services	377	(8)	70
Assumed Future Demand for Reprioritisation	0	3,500	3,500
Total Directorate Reprioritisation	4,242	3,669	4,056
Total Growth Requirement	12,146	11,076	11,748

	2007/08 £'000	2008/09 £'000	2009/10 £'000
Less Adjustments on Corporate Budgets			
One-off 06/07 growth funded from base	(231)	0	0
Non-ring fenced DfT Grant - Road Safety Initiatives	(201)	(197)	(194)
Non-ring fenced DoH Grant - Implementatiion of Smoke Free Legislation	(78)	0	0
Impact of Use of Contingency in 2006/07	(28)	0	0
Total Corporate Adjustments	(538)	(197)	(194)
<u>Directorate Saving Proposals</u>			
Housing General Fund	(86)	(27)	(32)
Adult Social Services	(899)	(7)	0
LCCS	(866)	91	(4)
City Strategy - Planning & Transport	(994)	344	0
City Strategy - Economic Development	(22)	10	0
Chief Executives	(208)	4	0
Resources	(862)	22	(2)
Neighbourhood Services	(902)	29	29
Total Directorate Savings	(4,839)	466	(9)
Increase in Annual Budget Requirement	6,769	11,345	11,545
<u>Funded By:</u>			
Use of Reserves - unavoidable one-off pressures	1,312	627	584
Council Tax Surplus	850	600	600
Estimated annual increase in Government Grant	1,191	436	436
Increase in Council Tax (4.5%,5%,5%)	2,728	3,168	3,326
Additional Properties	688	665	698
Revised Annual Funding	6,769	5,496	5,644
OVERALL BUDGET GAP	0	(5,849)	(5,901)

Annex B- Revised Estimated Reserve Balances

	2007/08	2008/09	2009/10
	£'000	£'000	£'000
General Fund Reserve			
Balance at 31 March 2007	3,569	3,150	2,651
Less: <u>Proposed Use of Funds</u>	(1,312)	(627)	(584)
Revised General Fund Reserve	2,257	2,523	2,067
Add: <u>Other Adjustments</u>			
Additional 2006/07 Yorwaste Dividend	480	-	-
Annual Yorwaste Dividend	113	113	113
Release of Bellwin Reserve	300	-	-
LPSA2 Reward Grant	-	15	740
Expected General Fund Reserve as at 31 March	3,150	2,651	2,920
Expected Commercial Services Reserve	330	330	330
Venture Fund			
Balance at 31 March 2007	1,621	2,530	3,315
Plus: Anticipated Repayments	909	1,185	500
Less: Anticipated Advances	-	(400)	(1,000)
Estimated Venture Fund Balance as at 31 March	2,530	3,315	2,815
Total Revenue Reserves as at 31 March	6,010	6,296	6,065
Estimated CPA Threshold	5,201	5,361	5,521
Headroom In Reserves	809	935	544

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Annex C – Changes Resulting from Executive Amendments

Annex 3 – Growth Additional Growth Recommended by Executive

Ref	Brief Description	2007/08 £'000	2008/09 £'000	2009/10 £'000
CSG06	Investment in CCTV Funding enhancements to the city's CCTV coverage and infrastructure	40	5	5

Annex 4 – Savings Amended Savings Recommended by Executive

Original Details

Ref	Brief Description	2007/08 £'000	2008/09 £'000	2009/10 £'000
CSS20	Design and Conservation Delete 0.5fte Community Planning Officer from the establishment. Proposal will further reduce capacity to facilitate Community involvement in the planning process / further work supporting Village Design statements (following deletion of 0.5fte in 2006/07).	14	14	14
CXS06	Messenger Service Reduction in the provision of Messenger service currently provided by 1 full time and 2 part time employees who collect / deliver mail between council buildings.	6	6	6
TMS02	Debt Restructure There is the opportunity to restructure some of the Council's debt portfolio where we pay a relatively high rate of interest in to debt with a lower rate of interest. It is envisaged that a saving of around £50k can be made by doing this. In addition there is the one-off impact of a low rate £5m loan taken out in advance of need which can be invested in the short term until it is required. This should raise a further £50k in 2007/08.	100	50	50

Revised Details

Ref	Brief Description	2007/08 £'000	2008/09 £'000	2009/10 £'000
CSS20	Design and Conservation Savings to be identified from vacancies within the service area.	14	0	0
CXS06	Messenger Service Reduction in the provision of Messenger service currently provided by 1 full time and 2 part time employees who collect / deliver mail between council buildings.	0	0	0
TMS02	Debt Restructure There is the opportunity to restructure some of the Council's debt portfolio where we pay a relatively high rate of interest in to debt with a lower rate of interest. It is envisaged that a saving of around £50k can be made by doing this. In addition there is the one-off impact of a low rate £5m loan taken out in advance of need which can be invested in the short term until it is required. This should raise a further £50k in 2007/08.	146	50	50

Annex 5 – Alternate Savings Additional Item Due to Deletion of Saving

Ref	Brief Description	2007/08 £'000	2008/09 £'000	2009/10 £'000
CXS06	Messenger Service Reduction in the provision of Messenger service currently provided by 1 full time and 2 part time employees who collect / deliver mail between council buildings.	6	6	6

City of York Council

Committee Minutes

MEETING	Executive
DATE	16 January 2007
PRESENT	Councillors Steve Galloway (Chair), Sue Galloway, Macdonald, Orrell, Reid, Runciman and Waller
APOLOGIES	Councillors Jamieson-Ball and Sunderland

PART B - MATTERS REFERRED TO COUNCIL**141. Capital Programme Budget 2007/08 to 2010/11**

Members considered a report which set out the Council's proposed capital budget for the period 2007/08 to 2010/11, highlighted capital bids from departments that had been through the revised Capital Resource Allocation Model (CRAM) process and provided options to achieve a balanced four year capital programme. Details of the current programme, the externally funded CRAM bids for 2007/08, the rolling programme CRAM bids and rolling programme scheme changes were set out in Annexes 1-5 to the report. The capital receipts forecast was set out in (exempt) Annex 6 and the proposed programme for 2007/08-2010/11 in Annex 7.

The current approved capital programme ran from 2006/07 to 2008/09. It was proposed that the 2007/08 budget process would set a programme that would run over 4 years, reflecting best practice and bringing it in line with the Council's political cycle. The proposals in the report therefore represented a 2 year extension of the current programme. If approved, they would result in a capital programme for 2007/08 to 2010/11 of £139.123m and an underlying funding shortfall of £1.6m. Paragraph 5 summarised the main areas of spend in each department, comprising:

- Children's Services - £26.m, including £12.5m investment in the new York High School;
- City Strategy - £31m, including £10.8m on carriageway resurfacing and bridge maintenance;
- Housing - £27.1m, including £19.3m on Major Replaces Allowance schemes, making improvements to 2,350 Council homes across York;
- Leisure and Culture - £12m, including £5.2m on a new 25 metre public pool on the York High School site, subject to final approval;
- Resources - £34.7m, including £33.9m on the Council's Administrative Accommodation project, centred around the Hungate site.

Proposals to close the £1.6m funding gap were presented in paragraphs 22 and 23, as follows:

Proposal 1 (para. 22) – reduce the property investment budget by £50k per annum, subject to review in the light of the outcome of the Administrative Accommodation project. This would reduce the deficit by £150k.

Proposal 2 (para. 23) – use prudential borrowing in 2010/11 to fund the residual gap left after implementing proposal 1.

RECOMMENDED: That the four year capital programme proposals presented in the report be approved, in particular:

- a) The inclusion in the capital programme of all existing approved schemes, as detailed in Annex 1 and paragraph 8;
- b) The inclusion in the capital programme of all fully funded schemes, as detailed in Annex 3 and discussed at paragraph 18;
- c) The continuation of the York Pools Scheme and Museums Lottery Scheme, as detailed in paragraph 20;
- d) The extension of existing rolling programme schemes, as illustrated in Table 2, *except* for:
 - The Ward Committees Scheme, which will be reduced by £70k per annum from 2008/09, as outlined in paragraph 16 (with a compensatory increase in revenue funding)
 - The Property Investment Scheme, which will be reduced by £50k per annum from 2008/09, as outlined in paragraph 23;
- e) The use of £250k of prudential borrowing in 2010/11, as per paragraph 23;
- f) The asset sales shown in (exempt) Annex 6, subject to the deletion of one of the items listed under “Usable Capital Receipts Previously Approved for Sale” (the 21st item on that list).

REASON:

To achieve a balanced four year capital programme which will ensure the continuation of existing approved schemes.

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 3.05 pm].



Council**Date** 21 February 2007

Report of the Director of Resources

COUNCIL TAX RESOLUTION 2007/08**SUMMARY**

- 1 This report asks Members to approve the rate of Council Tax for 2007/08. Although the legal requirement is that the Council must have set a balanced budget and the Council Tax charge by 11 March it is important that Council Tax rates are approved at this meeting to allow sufficient time to produce and post Council Tax bills and meet all statutory deadlines.
- 2 This report sets out the resolution based on the assumption that the budget proposals recommended by the Executive on 16 January 2007 are approved.
- 3 Members are reminded that the individual Council Tax bill is comprised of four elements - the amount levied for City of York Council, the amount precepted by the North Yorkshire Police Authority, the amount precepted by the North Yorkshire Fire and Rescue Authority and, for properties in a parished area of the city, the amount precepted by the individual Parish Council.
- 4 At the time of preparing this report the North Yorkshire Fire and Rescue Authority have not met to consider the level of their charges. The figures included within this report and annexes are based on the report being considered by them on 19 February 2007. If there are any changes subsequent to that meeting substitute figures will be issued.

BACKGROUND

- 5 The Council's net revenue budget and capital programme were recommended by the 16 January 2007 Executive for approval by Council. Details appear earlier on this agenda.
- 6 The Council Tax levels to be proposed will include the precepts received from the parish councils, the North Yorkshire Police Authority and the North Yorkshire Fire and Rescue Authority. Members are reminded that the Council must word the resolution in precise language, as directed by legislation.

Parishes

7 The total of parish precepts have decreased by £10,033.00 (1.86%) from those levied in 2006/07. This masks a variety of changes in the individual parishes from a reduction of 50% to an increase of 104.55%. The individual precepts are only charged to the residents in that parish. The total rise in precepts over the last six years has been £163k (44.55%), but this includes the period when resources were redirected from direct aid to parishes to the ward committees, which resulted in substantial increases to the parish precepts. Figure 1 shows the comparison of Band D charges for each parish.

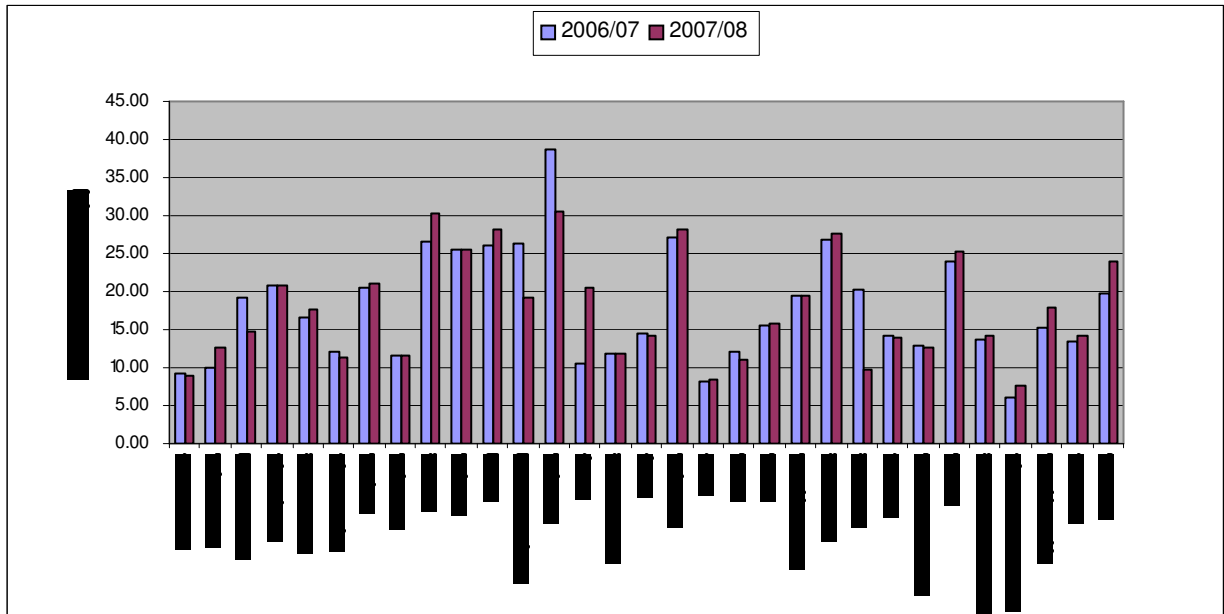


Figure 1 – Parish Council Tax Levels 2006/07 and 2007/08

North Yorkshire Police Authority

8 At its meeting on 8 February 2007 the North Yorkshire Police Authority approved an increase of 3.00% in its' precept (to £185.40 for a band D property) between 2006/07 and 2007/08.

North Yorkshire Fire and Rescue Authority

9 The meeting of the North Yorkshire Fire and Rescue Authority to set their precept for 2007/08 is not being held until 19 February 2007. The proposals being considered at that meeting are for an increase of 3.9% (to £56.04 for a band D property) between 2006/07 and 2007/08. This calculations in this report are based on this figure.

National Non-Domestic Rates (NNDR)

- 10 The level of the poundage for the NNDR is set by the government, and has no impact on the council tax set by the Council. The base amount for 2007/08 is 44.4p which is an increase of 1.1p (2.54%) from 2006/07. The rate for small properties has been set at 44.1p, an increase of 1.5p (3.52%) from 2006/07. The lower multiplier (44.1p) will apply to small properties provided they meet government specified criteria, which do not only relate to the individual property but to the aggregate of properties occupied by the ratepayer throughout the whole country. The net effect of the changes in the multipliers is expected to raise the cost of NNDR to businesses broadly in line with inflation.

RESOLUTION - BASED ON COUNCIL APPROVAL OF THE EXECUTIVE RECOMMENDATION ON 16 JANUARY 2007

11 **ESTIMATES**

That the revenue budget and the capital programme and its financing for 2007/08 as recommended by today's Council, 21 February 2007 be approved:

12 **COUNCIL TAX BASE**

That it be noted that the Director of Resources, under his delegated authority, calculated the following amounts for the year 2007/08 in accordance with regulations made under Section 33(5) of the Local Government Finance Act 1992:

- (a) **Whole of the Council's Area**
65,203.55 being the amount calculated in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 and the Local Government Act 2003, as its Council Tax Base for the year.
- (b) **Parts of the Council's Area**
the amounts mentioned in Column 1 of Schedule A to this Resolution, being the amounts calculated in accordance with Regulation 6 of the Regulations and the Local Government Act 2003, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

13 **DISTRICT/PARISH COUNCIL TAX RATES**

That the following amounts be now calculated by the Council for the year 2007/08 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:

- (a) **District/Parish Gross Expenditure**
£330,951,329.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act.

- (b) **Income**
£227,194,990.00 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act.
- (c) **District/Parish Net Expenditure**
£103,756,339.00 being the amount by which the aggregate at 13(a) above exceeds the aggregate at 13(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year.
- (d) **Government Grants and Collection Fund Surpluses**
£39,192,860 being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates and revenue support grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund to its General Fund in accordance with Regulation 4(7) of the Local Government Changes for England (Collection Fund Surpluses and Deficits) Regulations 1995 and increased by the amount of any sum which the Council estimates will be transferred from its Collection Fund to its General Fund pursuant to the Collection Fund (Local Government Changes for England)(Community Charges) Directions under Section 98(4) of the Local Government Finance Act 1988 made on 22 November, 1995.
- (e) **Basic Amount of Tax (including average parish precepts)**
£990.1835 being the amount at 13(c) above less the amount at 13(d) above, all divided by the amount at 12(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year.
- (f) **Parish Precepts and Special Expenses**
£529,789.00 being the aggregate amount of all special items referred to in Section 34(1) of the Act.
- (g) **Basic Amount of Tax (Unparished Area)**
£982.06 being the amount at 12(e) above less the result given by dividing the amount at 12(f) above by the amount at 11(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special item relates.
- (h) **Basic Amount of Tax (Parished Areas and Special Expenses Areas)**
the amounts mentioned in Column 2 of Schedule A to this Resolution (which will be circulated after the North Yorkshire Fire Authority have set their precept), being the amounts given by adding to the amount at 13(g) above the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned divided in each case by the amount at 12(b) above, calculated by the Council, in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate.

(i) **District/Parish Council Tax Rates**

the amounts mentioned in Columns 3 A to H of Schedule A to this Resolution, being the amounts given by multiplying the amounts at 13(g) and 13(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

14 **NORTH YORKSHIRE POLICE AUTHORITY TAX RATES**

That it be noted that for the year 2007/08 the North Yorkshire Police Authority has stated the following amounts in precept issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
123.60	144.20	164.80	185.40	226.60	267.80	309.00	370.80

15 **NORTH YORKSHIRE FIRE AND RESCUE AUTHORITY TAX RATES**

That it be noted that for the year 2007/08 the North Yorkshire Fire and Rescue Authority is considering recommendations that the following amounts in precept be issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
37.36	43.59	49.81	56.04	68.49	80.95	93.40	112.08

If the North Yorkshire Fire and Rescue Authority approve different figures at its meeting on 19 February 2007 substitute figures will be provided prior to Council on 21 February 2007.

16 **TOTAL COUNCIL TAX RATES**

That, having calculated the aggregate in each case of the amounts at 13(i), 14 and 15 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the amounts mentioned in Schedule B to this Resolution as the amounts of Council Tax for the year 2007/08 for each of the categories of dwellings shown therein.

SCHEDULE A

Parts of the Council's Area

	1. Council Tax Base	2. Basic Amount of Tax	3. Valuation Bands							
			A £	B £	C £	D £	E £	F £	G £	H £
Acaster Malbis Parish Council	276.54	991.06	660.71	770.82	880.94	991.06	1,211.29	1,431.53	1,651.75	1,982.11
Askham Bryan Parish Council	196.50	994.78	663.19	773.72	884.25	994.78	1,215.84	1,436.91	1,657.96	1,989.57
Askham Richard Parish Council	81.56	996.77	664.52	775.26	886.02	996.77	1,218.27	1,439.78	1,661.28	1,993.55
Bishopthorpe Parish Council	1,243.97	1,002.96	668.64	780.08	891.52	1,002.96	1,225.84	1,448.72	1,671.59	2,005.92
Clifton Without Parish Council	1,802.61	999.81	666.54	777.63	888.72	999.81	1,221.99	1,444.17	1,666.35	1,999.62
Copmanthorpe Parish Council	1,662.55	993.49	662.33	772.71	883.10	993.49	1,214.26	1,435.04	1,655.81	1,986.98
Deighton Parish Council	141.92	1,003.20	668.80	780.26	891.73	1,003.20	1,226.13	1,449.06	1,671.99	2,006.40
Dunnington Parish Council	1,366.95	993.56	662.38	772.77	883.16	993.56	1,214.35	1,435.14	1,655.93	1,987.12
Earswick Parish Council	413.96	1,012.26	674.84	787.31	899.78	1,012.26	1,237.20	1,462.15	1,687.09	2,024.51
Elvington Parish Council	466.33	1,007.47	671.65	783.58	895.53	1,007.47	1,231.35	1,455.24	1,679.11	2,014.94
Fulford Parish Council	956.45	1,010.29	673.53	785.78	898.03	1,010.29	1,234.79	1,459.31	1,683.81	2,020.58
Haxby Town Council	3,258.76	1,001.39	667.60	778.86	890.12	1,001.39	1,223.92	1,446.45	1,668.98	2,002.79
Heslington Parish Council	394.27	1,012.50	675.00	787.49	899.99	1,012.50	1,237.49	1,462.49	1,687.49	2,024.99
Hessay Parish Council	109.29	1,002.65	668.43	779.83	891.24	1,002.65	1,225.45	1,448.27	1,671.07	2,005.29
Heworth Parish Council	841.92	993.94	662.63	773.06	883.50	993.94	1,214.81	1,435.69	1,656.56	1,987.88
Holtby Parish Council	84.16	996.32	664.22	774.91	885.61	996.32	1,217.72	1,439.13	1,660.52	1,992.64
Huntington Parish Council	3,347.46	1,010.14	673.43	785.66	897.90	1,010.14	1,234.61	1,459.09	1,683.56	2,020.28
Kexby Parish Council	87.14	990.38	660.26	770.29	880.34	990.38	1,210.46	1,430.55	1,650.63	1,980.76
Murton Parish Council	164.22	993.02	662.02	772.35	882.68	993.02	1,213.69	1,434.36	1,655.03	1,986.04
Naburn Parish Council	221.32	997.87	665.25	776.12	887.00	997.87	1,219.62	1,441.37	1,663.12	1,995.75
Nether Poppleton Parish Council	882.71	1,001.55	667.70	778.98	890.26	1,001.55	1,224.11	1,446.68	1,669.24	2,003.09
New Earswick Parish Council	900.81	1,009.81	673.21	785.41	897.61	1,009.81	1,234.21	1,458.62	1,683.01	2,019.63
Osbalwick Parish Council	1,019.18	991.87	661.25	771.45	881.66	991.87	1,212.28	1,432.70	1,653.11	1,983.74
Rawcliffe Parish Council	2,273.42	996.10	664.07	774.74	885.42	996.10	1,217.45	1,438.81	1,660.16	1,992.21
Rufforth and Knapton Parish Council	426.92	994.71	663.14	773.66	884.18	994.71	1,215.75	1,436.80	1,657.84	1,989.42
Skelton Parish Council	611.50	1,007.41	671.61	783.53	895.47	1,007.41	1,231.27	1,455.14	1,679.01	2,014.82
Stockton-on-the-Forest Parish Council	493.32	996.31	664.21	774.90	885.61	996.31	1,217.71	1,439.11	1,660.51	1,992.62
Strensall and Towthorpe Parish Council	1,981.65	989.63	659.76	769.71	879.67	989.63	1,209.54	1,429.46	1,649.38	1,979.26
Upper Poppleton Parish Council	896.83	999.90	666.60	777.70	888.80	999.90	1,222.10	1,444.30	1,666.49	1,999.80
Wheldrake Parish Council	844.33	996.27	664.18	774.87	885.57	996.27	1,217.66	1,439.06	1,660.45	1,992.54
Wigginton Parish Council	1,371.12	1,006.13	670.76	782.54	894.33	1,006.13	1,229.71	1,453.29	1,676.87	2,012.26
All other parts of the council's area		982.06	654.71	763.82	872.94	982.06	1,200.29	1,418.53	1,636.76	1,964.12

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SCHEDULE B

Parts of the Council's Area

Valuation Bands

	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
Acaster Malbis Parish Council	821.67	958.61	1,095.55	1,232.50	1,506.38	1,780.28	2,054.15	2,464.99
Askham Bryan Parish Council	824.15	961.51	1,098.86	1,236.22	1,510.93	1,785.66	2,060.36	2,472.45
Askham Richard Parish Council	825.48	963.05	1,100.63	1,238.21	1,513.36	1,788.53	2,063.68	2,476.43
Bishopthorpe Parish Council	829.60	967.87	1,106.13	1,244.40	1,520.93	1,797.47	2,073.99	2,488.80
Clifton Without Parish Council	827.50	965.42	1,103.33	1,241.25	1,517.08	1,792.92	2,068.75	2,482.50
Copmanthorpe Parish Council	823.29	960.50	1,097.71	1,234.93	1,509.35	1,783.79	2,058.21	2,469.86
Deighton Parish Council	829.76	968.05	1,106.34	1,244.64	1,521.22	1,797.81	2,074.39	2,489.28
Dunnington Parish Council	823.34	960.56	1,097.77	1,235.00	1,509.44	1,783.89	2,058.33	2,470.00
Earswick Parish Council	835.80	975.10	1,114.39	1,253.70	1,532.29	1,810.90	2,089.49	2,507.39
Elvington Parish Council	832.61	971.37	1,110.14	1,248.91	1,526.44	1,803.99	2,081.51	2,497.82
Fulford Parish Council	834.49	973.57	1,112.64	1,251.73	1,529.88	1,808.06	2,086.21	2,503.46
Haxby Town Council	828.56	966.65	1,104.73	1,242.83	1,519.01	1,795.20	2,071.38	2,485.67
Heslington Parish Council	835.96	975.28	1,114.60	1,253.94	1,532.58	1,811.24	2,089.89	2,507.87
Hessay Parish Council	829.39	967.62	1,105.85	1,244.09	1,520.54	1,797.02	2,073.47	2,488.17
Heworth Parish Council	823.59	960.85	1,098.11	1,235.38	1,509.90	1,784.44	2,058.96	2,470.76
Holtby Parish Council	825.18	962.70	1,100.22	1,237.76	1,512.81	1,787.88	2,062.92	2,475.52
Huntington Parish Council	834.39	973.45	1,112.51	1,251.58	1,529.70	1,807.84	2,085.96	2,503.16
Kexby Parish Council	821.22	958.08	1,094.95	1,231.82	1,505.55	1,779.30	2,053.03	2,463.64
Murton Parish Council	822.98	960.14	1,097.29	1,234.46	1,508.78	1,783.11	2,057.43	2,468.92
Naburn Parish Council	826.21	963.91	1,101.61	1,239.31	1,514.71	1,790.12	2,065.52	2,478.63
Nether Poppleton Parish Council	828.66	966.77	1,104.87	1,242.99	1,519.20	1,795.43	2,071.64	2,485.97
New Earswick Parish Council	834.17	973.20	1,112.22	1,251.25	1,529.30	1,807.37	2,085.41	2,502.51
Osbalwick Parish Council	822.21	959.24	1,096.27	1,233.31	1,507.37	1,781.45	2,055.51	2,466.62
Rawcliffe Parish Council	825.03	962.53	1,100.03	1,237.54	1,512.54	1,787.56	2,062.56	2,475.09
Rufforth and Knapton Parish Council	824.10	961.45	1,098.79	1,236.15	1,510.84	1,785.55	2,060.24	2,472.30
Skelton Parish Council	832.57	971.32	1,110.08	1,248.85	1,526.36	1,803.89	2,081.41	2,497.70
Stockton-on-the-Forest Parish Council	825.17	962.69	1,100.22	1,237.75	1,512.80	1,787.86	2,062.91	2,475.50
Strensall and Towthorpe Parish Council	820.72	957.50	1,094.28	1,231.07	1,504.63	1,778.21	2,051.78	2,462.14
Upper Poppleton Parish Council	827.56	965.49	1,103.41	1,241.34	1,517.19	1,793.05	2,068.89	2,482.68
Wheldrake Parish Council	825.14	962.66	1,100.18	1,237.71	1,512.75	1,787.81	2,062.85	2,475.42
Wigginton Parish Council	831.72	970.33	1,108.94	1,247.57	1,524.80	1,802.04	2,079.27	2,495.14
All other parts of the council's area	815.67	951.61	1,087.55	1,223.50	1,495.38	1,767.28	2,039.16	2,447.00

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City of York Council

Committee Minutes

MEETING	Executive
DATE	16 January 2007
PRESENT	Councillors Steve Galloway (Chair), Sue Galloway, Macdonald, Orrell, Reid, Runciman and Waller
APOLOGIES	Councillors Jamieson-Ball and Sunderland

PART B - MATTERS REFERRED TO COUNCIL**142. Treasury Management Strategy Statement and Prudential Indicators for 2007/08 to 2010/11**

Members considered a report which asked them to recommend to full Council the proposed Prudential Indicators for 2007/08, an integrated Treasury Management Strategy Statement, and the use of Lender Options Borrower Options (LOBOs) for debt restructure purposes.

The Council was required to set Prudential Indicators (PIs) to ensure that its capital investment plans were affordable, prudent and sustainable. The PIs for 2007/08-2010/11 were illustrated and explained in Annex A to the report. The annual investment strategy reviewed projected interest rates over the next 3 years and sought to maximise returns to the Council, whilst minimising risks. In view of the significant capital investments which the Council was set to make over the next five years, the borrowing strategy aimed to minimise the risks of borrowing large amounts in any single year by giving the flexibility to borrow in advance, taking advantage of favourable interest rates as they arose.

Currently, the Council could restructure its debts by the use of Public Works Loans Boards (PWLBs). Another potential option was available in the form of Lender Options Borrower Options (LOBO) loans, which were offered by large financial institutions such as banks and offered very cheap primary period rates. It was therefore suggested that the Council restructure a limited amount of its current short term maturity PWLB debt into lower rate LOBO debt with matching primary periods.

RECOMMENDED: That Council approve:

- a) The Prudential Indicators for 2007/08 to 200/11, as set out in Annex A to the report;
- b) The proposed Treasury Management Strategy for 2007/08 to 2010/11;
- c) The annual investment strategy;
- d) The use of LOBOs for debt management purposes;
- e) The adoption of a predetermined LOBO repayment rate of 4% for LOBOs taken out before 31 March 2008;

- f) The use of the PWLB in year borrowing trigger rate as a trigger to repay LOBO loans;
- g) A maximum limit of 10% of total debt portfolio to be funded through LOBO loans at any one time.

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

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 3.05 pm].