
MEETING	EXECUTIVE
DATE	26 JUNE 2007
PRESENT	COUNCILLORS STEVE GALLOWAY (CHAIR), ASPDEN, SUE GALLOWAY, JAMIESON-BALL, REID, RUNCIMAN, SUNDERLAND, VASSIE AND WALLER
IN ATTENDANCE	COUNCILLORS SCOTT (FOR AGENDA ITEMS 1-4 & 13) AND TAYLOR

PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS

11. Declarations of Interest

Members were invited to declare at this point in the meeting any personal or prejudicial interests they might have in the business on the agenda.

Cllr Waller declared a personal non-prejudicial interest in agenda item 9 (Capital Programme Outturn 2006/07 and Revisions to the 2007/08 Capital Programme) as a governor of Westfield Primary School, York High School and Oaklands School.

12. Exclusion of Press and Public

RESOLVED: That the press and public be excluded from the meeting during consideration of the following:

Annex 3 to Agenda Item 9 (Capital Programme Outturn 2006/07 and Revisions to the 2007/08 Programme) (minute 18 refers) on the grounds that it contained information relating to the financial or business affairs of any particular person (including the authority holding that information). This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

13. Minutes

RESOLVED: That the minutes of the Executive meeting held on 12 June 2007 be approved and signed by the Chair as a correct record.

14. Public Participation & Other Speakers

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

Representations were received on agenda item 13 (Notice of Motion to the Executive Concerning Re-provision of a Pool on the Kent Street Site) from Councillor Scott, the proposer of the motion. He circulated details of an amendment to the motion that he was going to move at Full Council and explained that it allowed all the options for re-provision of a pool to be kept open pending the review of leisure and swimming facilities.

15. Executive Forward Plan

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

16. Minutes of the Economic Development Partnership Board

Members received a report which presented the minutes of a recent meeting of the Economic Development Partnership Board and asks them to consider the advice given by the Board in its capacity as an advisory body to the Council.

The report drew Members' attention to the Board's decision to support, in principle, the establishment of a single tourism organisation (minute 18).

RESOLVED: That the minutes of the Economic Development Partnership Board meeting held on 13 March 2007 be noted and the advice therein be accepted.

REASON: To fulfil the requirements of the Council's Constitution in relation to the role of Working Groups.

17. General Fund - Provisional Revenue Outturn 2006/07

Members received a report which set out the projected 2006/07 outturn position on the General Fund Revenue Account, the Housing Revenue Account (HRA), the Collection Fund and the Public Sector Agreements (PSAs) for 2006/07. In line with this information it asked them to consider requests for underspent project budgets to be carried forward and resultant transfers to reserves.

It was reported that all general fund portfolio areas except Children's Services had managed to outturn within their budget level of funding and that even in that instance the net overspend for Learning, Culture & Children's Services' (LCCS) General Fund services was just £12k. Overall these areas had combined to provide an underspend of £2.44m. In addition corporate budget areas had also contributed a £1.37m underspend providing an overall underspend of £3.81m.

As a result of the action taken within directorates to manage the overspends identified in earlier monitoring reports there had been an improvement of £2.604m from the last monitor. This would enable £2.290m to be transferred into the General Fund reserve. The level of total reserves at 31 March 2007 incorporating these underspends but before allowing for agreed carry forwards was £9.637m. After allowing for the use of balances already approved as part of the 2007/08 budget process (£1.312m), the carry forward requests (£1.519m), requests for supplementary estimates in 2007/08 (£223k), and assumed use of Neighbourhood Services trading account reserves (£0.109m), the available level of reserves at 31 March 2008 was forecast to reduce to £7.396m. The minimum level of recommended reserves for 2006/07 was £4.95m (£5.2m in 2007/08).

It was highlighted that while the overall reserves position and outturn had improved due to a number of one-off occurrences this masked the true financial position of the authority. In overall terms the Council faced a number of on-going budget pressures and in future budget rounds would need to identify appropriate actions to control and mitigate them. The use of reserves to plug such gaps was unsustainable as it merely offset problems to the future and could lead to a continuing deterioration in the Council's underlying financial position. The Council's policy of only using one-off resources to meet one-off spending pressures was designed to explicitly negate such a risk.

The options available to the Executive related to the approval of individual carry-forward requests and supplementary estimates.

The Executive thanked all the Directorates who had outturned within their budget targets.

- RESOLVED:
- (i) That the provisional outturn position be noted;
 - (ii) That the requests to carry forward funds into 2007/08, totalling £1,519k for General Fund services, detailed in Annex 4 and summarised in paragraph 55 of the report, be approved;
 - (iii) That the supplementary estimate in 2006/07 of £135k in relation to the changes in accounting treatment of the costs of capital disposals be agreed, as highlighted in paragraph 36 of the report;
 - (iv) That the supplementary estimates in the 2007/08 budget for the Chief Executive's department for £123k and Neighbourhood Services for £100k be agreed;
 - (v) That the request to carry forward £39.3k for the housing revenue account, as detailed in Annex 4 and summarised in paragraph 58 of the report, be approved;

- (vi) That the increase in the Neighbourhood Services Trading Account Reserve by £139k to £439k be approved;
- (vii) That the transfer of the remaining underspend to revenue reserves be approved;
- (viii) That the enhanced priority placed by the Director of Resources on the need to address the issues identified as part of future monitoring rounds be noted;
- (ix) That, as detailed in paragraph 79 of the report, the commitment of the Executive to funding the additional resources up to £155m required to make the Waste Private Finance Initiative (PFI) project affordable over the life of the contract be reaffirmed.

REASON: To enable the Executive to set a revised budget in 2007/08 and monitor it effectively.

18. Capital Programme Outturn 2006/07 and Revisions to the 2007/08 Capital Programme

Members received a report which provided them with the final outturn position of the capital programme for 2006/07 reflecting the capital outturn reports taken to Executive Member and Advisory Panel (EMAP) meetings for each department and sought approval of the statutory declaration on the funding of the 2006/07 capital programme to show how the Council's expenditure had been financed, along with any financial implications this may result in. It also highlighted significant achievements from the Council's largest ever capital programme, informed Members of any under or overspends and sought approval for any resulting changes to the programme, and informed them of any slippage and sought approval for the associated funding to be slipped to or from the financial years to reflect this.

It was reported that capital expenditure in 2006/07 totalled £48.5m. This represented the largest ever capital programme delivered by the City of York Council and was a £8.3m (20.6%) increase on the 2005/06 outturn. Capital receipts raised during 2006/07 were also at a Council high of £31.5m, compared with £6.2m in 2005/06.

The options available to the Executive related to the approval of requests for slippage.

The Executive thanked officers for their contribution in making these major improvements to the lives of many York residents.

RESOLVED: (i) That the 2006/07 capital outturn position be noted and the requests for slippage to and from

the 2007/08 capital programme be approved, with the addition that the carry forward for Neighbourhood Services be increased by £29,000;

- (ii) That the statutory declaration of the 2006/07 capital expenditure be approved, as required by the Local Government Act 2003 part 1.

REASON:

- (i) To allow the continued effective management of the capital programme in 2007/08 and beyond;
- (ii) To fulfil its statutory function.

19. Waste PFI - Update on Approach to Procurement and Sites Planning

Members received a report which sought approval to start formal procurement of future long term waste treatment services subject to approval of the business case by the Department for Environment, Food & Rural Affairs (DEFRA) and updated them on the proposed approach to sites and planning.

It was reported that the Procurement Project for long term Waste Management Services had now moved from the planning stage into delivery. There was therefore a need for the Councils (City of York and North Yorkshire) to confirm new intentions and begin to identify sites for potential development, and work towards planning applications that would demonstrate the deliverability of the project. An essential part of this next stage was effective communication with stakeholders and the public. Subject to approval of the business case by Treasury Project Review Group (PRG), the final procurement of the long-term service would start with publication of a notice in the European Journal. This required the Councils to have identified the broad criteria by which they would assess bids. The criteria proposed in the report reflected industry standards and were in line with financial regulations and would ensure the successful bid was technically sound, environmentally responsible and cost effective.

The report presented the following options for consideration:

- Option i. – To approve the recommendations arising from the report, thus enabling the project to move into the procurement phase;
- Option ii. – To reject the proposed recommendations, which would mean that City of York Council would need to re-negotiate the criteria, delaying the issue of the Prior Information Notice (PIN) at a potential cost in Land Allowance Trading Scheme (LATS) penalties of £940k per month to the partnership.

RESOLVED:

- (i) That the Director of City Strategy be authorised to:
 - a) Commence formal procurement of residual waste treatment facilities, in line with the Private Finance Initiative (PFI), following successful approval of the

Outline Business Case by the Treasury Project Review Group;

- b) Utilise the proposed evaluation methodology (most economically advantageous tender) identified in the report;
 - c) Develop and implement evaluation criteria subject to a further report setting out the evaluation process and resource input required;
- (ii) That a further update report be brought by the Director of City Strategy to the Executive identifying sites suitable for residual waste treatment facilities.

REASON: To progress the Waste PFI project into the procurement phase.

PART B - MATTERS REFERRED TO COUNCIL

20. 2007/08 Best Value Performance Plan (BVPP) and Year-End Performance Review of 2006/07

Members received a report which provided them with an overview of how the Council had performed in 2006/07 and presented a 'first draft' version of the 2007/08 Best Value Performance Plan (BVPP) for referral to Full Council for approval and to provide full details of past, current and future performance across all areas of the Council.

Copies of the BVPP had been circulated separately to Members and made available in the Members' Library, and it could also be viewed on the Council's website.

Overall there had been widespread improvement across the Council's services, particularly in areas of street cleanliness, community safety, waste collection and management, housing re-lets and repairs, and parts of the benefits services. Education provision and attainment continued to perform highly and the Council's comparative performance had improved, especially in areas such as 'environment & cleanliness' and 'housing & benefits'. The overall Comprehensive Performance Assessment score remained firmly within the 3 star banding, with some noticeable improvements in the housing service band.

There were also a few areas for concern. Overall satisfaction with Council services had declined for the fourth year running, although this reflected a national trend. Staff sickness absence was also getting worse, despite a number of targeted initiatives in key directorates.

The Executive recorded its thanks to officers and Members for the substantial improvements in service quality achieved during the last 12 months.

RECOMMENDED: (i) That the performance issues identified in the report be noted and approval of the draft 2007/08 Best Value Performance Plan be recommended to Full Council, so that it can be published before 30 June.

REASON: (i) To ensure Members have a full understanding of how the Council is performing and what the key areas are that need to be improved;

(ii) The BVPP provides staff, Members, the Council's partners and members of the public with important information about how the Council is performing and its intention for future service improvement. This needs to be checked and approved by Members to make sure it does this effectively. Also, under the Council's constitution, the BVPP must be considered by the Executive and recommended to Full Council for approval.

21. Statement of Accounts 2006/07

Members received a report which enabled them to undertake an examination of the Council's financial accounts for the financial year 2006/07 and to then submit them for approval by Full Council on the 28 June. As such this report provided the Executive with an opportunity to review and comment on the content and presentation of the Accounts prior to their finalisation.

A revised version of the report, which made reference to the Statement of Internal Control being part of the Statement of Accounts rather than appearing as a separate agenda item, had been circulated to Members.

Originally copies of the Statement of Accounts had been distributed subject to internal validation work by officers. This had now been completed and revised copies, containing additional information, had been circulated to Members for consideration.

RECOMMENDED: (i) That the Statement of Accounts be recommended to Full Council for their approval before 30 June 2007.

REASON: Under the current constitution Full Council must approve the Statement of Accounts. It is a statutory requirement that this approval be made no later than 30 June.

22. The Corporate Procurement Strategy 2007-2010

Members received a report which advised them of progress made in drafting a new Corporate Procurement Strategy for 2007-2010, invited comments from them on its scope and content, sought their views as to where the organisation should seek to position itself in relation to a series of key continuums relating to the nature, performance, function and organisation of procurement activities in the future, invited comments on the medium term action plan, and sought endorsement of the Strategy and referral to Full Council for approval.

Revised copies of page 151 of the report, to include the wording of the vision statement, and pages 161-171, to improve the clarity of the printing of the shaded table, had been circulated to Members.

Members welcomed the draft CPS and expressed support for the inclusion of an up front statement of commitment to 'sustainable' procurement by way of introduction to the Strategy itself.

RECOMMENDED: (i) That the draft Corporate Procurement Strategy (CPS) and medium term action plan be noted and formally endorsed, subject to the inclusion of a general statement of the Council's commitment to 'sustainable' procurement along the lines of the example text included as Annex B to the covering report, and referred to Full Council for approval in accordance with the requirements of the constitution.

REASON: To formally adopt the CPS and medium term action plan on behalf of the Council.

23. Notice of Motion to the Executive Concerning Re-provision of a Pool on the Kent Street Site

Members received a report which provided officer advice regarding a notice of motion, concerning re-provision of a pool on the Kent Street site, that had been submitted to the Executive for consideration and referral on to Full Council.

The notice of motion, proposed by Cllr Scott and seconded by Cllr Potter, read as follows:

"Council instructs Council officers as a matter of urgency to seek to retain the option of a pool on the Kent Street site. To enable the re-provision of a pool on the site this Council asks

- a) That officers take no active steps to promote the sale of the site, save as might be required by law;
- b) That officers enter into negotiations to withdraw from the agreed sale.
- c) The £2m funding currently earmarked for a University Pool to be retained by the Council for pump priming a pool development at the Kent Street site or other appropriate city centre location.

- d) Officers provide a report which examines alternative design solutions for a replacement pool including examining:
- i) whether an agreement can be reached with the car park owner for car parking facilities to provide the customer parking off the coach park site, or
 - ii) the possible release of the end bay of the car park, and the redesigning of the previously proposed pool etc to provide front servicing to remove the need for the access road to the back.”

The report presented two options for consideration:

- Option 1 – to refer the notice of motion to Council on 28 June 2007, with comments from the Executive;
- Option 2 – to seek further information before referring the notice of motion to Council.

The Executive were only able to formally comment on the motion submitted and not the amendment that Councillor Scott had circulated. They opposed to the motion on the following grounds:

- The sale of the site was committed and it would be extremely expensive to repurchase the site and would jeopardise the Council’s reputation;
- Any premium paid in repurchasing the site could be subject to investigation by the District Auditor;
- The coach park site was not large enough to accommodate a pool, fitness facilities and associated parking and access requirements;
- The Heslington pool was a requirement of the Planning permission for the campus expansion, and if run in competition with nearby Council facilities, it would abstract customers and possibly make the Council pool completely uneconomic;
- Only about £500K would be available to fund a Kent Street facility (instead of £2 million for Heslington). The facility would cost around £7 million to build. If the balance of the funding were borrowed, then this would suggest annual running costs of £3/4 million. In the absence of any headroom in the Council’s revenue budget, this suggested swimming charges of around 2 to 3 times current levels to break even;
- The Heslington alternative was affordable, was progressing well and was expected to break even on running costs. It would also provide vastly better facilities – covering both indoor and outdoor sports activities - than could be provided at Kent Street including a competition standard pool;
- The original proposals for a Kent Street pool and fitness centre would now be in its first 6 months of operation if legal action had not been taken to prevent the building work commencing;
- Part of the political management agreements for the current municipal year required the £2 million allocation for the Heslington pool to be frozen until a comprehensive review of the Council’s swimming and leisure strategy has been considered by Council.

RECOMMENDED: (i) That Council be advised not to support the notice of motion.

REASON: To comply with Council Standing Orders.

S F Galloway, Chair

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