



Notice of meeting of

Decision Session - Executive Leader

To: Councillor Waller (Executive Member)

Date: Wednesday, 27 January 2010

Time: 4.00 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 Tuesday 26 January 2010 if an item is called in before a decision is taken, or

4.00pm on Friday 29 January 2010 if an item is called in after a decision has been taken.

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

Written representations in respect of items on this agenda should be submitted to Democratic Services by 5.00pm on Monday 25 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 this agenda.

2. Minutes (Pages 3 - 4)

To approve and sign the minutes of the meeting held on 5 January 2010.

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 **5:00pm on Tuesday 26 December 2010.**

Members of the public may register to speak on:-

- an item on the agenda;
- an issue within the Executive Leader's remit;
- an item that has been published on the Information Log since the last session. Information reports are listed at the end of the agenda.

4. Revenue Budget Estimates 2010/11 - Chief Executive's (Pages 5 - 20)

This report presents the 2010/11 budget proposals for the Chief Executive's Directorate and invites the Leader to consider and comment upon the proposals prior to their submission to the Budget Executive meeting on 16 February 2010.

5. Revenue Budget Estimates 2010/11 - Economic Development (Pages 21 - 36)

This report presents the 2010/11 budget proposals for the Economic Development department and invites the Leader to consider and comment upon the proposals prior to their submission to the Budget Executive meeting on 16 February 2010.

6. Urgent Business

Any other business which the Chair considers urgent under the Local Government Act 1972

Information Reports

No information items have appeared on the Information Log since the last meeting.

Democracy Officers

Catherine Clarke and Louise Cook (job share)

Contact details:

- Telephone – (01904) 551031
- Email catherine.clarke@york.gov.uk and louise.cook@york.gov.uk

(If contacting by email, please send to both Democracy officers named above).

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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About City of York Council Meetings

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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Yeteri kadar önceden haber verilmesi koşuluyla, bilgilerin terümesini hazırlatmak ya da bir tercüman bulmak için mümkün olan herşey yapılacaktır. Tel: (01904) 551 550

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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;
- Public libraries get copies of **all** public agenda/reports.

City of York Council

Committee Minutes

MEETING	DECISION SESSION - EXECUTIVE LEADER
DATE	5 JANUARY 2010
PRESENT	COUNCILLOR WALLER (EXECUTIVE MEMBER)

4. DECLARATIONS OF INTEREST

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

Cllr Waller declared a personal non prejudicial interest as he is a member of the Regional Flood Defence Committee

5. MINUTES

RESOLVED: That the minutes of the last meeting of the Decision Session – Executive Leader, held on 6 October 2009 be approved and signed by the Executive Leader as a correct record.

6. PUBLIC PARTICIPATION

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

7. SURFACE WATER FLOOD RISK - APPLICATION FOR DEFRA FUNDING

The Executive Leader considered a report that informed him of two applications that had been made for grant aid through the recently announced Early Action Fund for Tackling Surface Water Flood Risk provided by the Department of Environment, Food and Rural Affairs (Defra).

The officer confirmed he had no further updates and in answer to the Leader's questions he confirmed that if the bid was successful the Drainage Department and a Foundation Degree Student would work on the projects and they would bring in specialist consultants and surveyors when required.

The Leader questioned if officers had contacted Ward Members regarding Westfield Beck. The officer confirmed they had not done any consultations and would start this process if the bids were successful. The current water

flow of the Foss was discussed and the officer confirmed the location of the lagoon and the high flow rates.

The Leader agreed to recommend option 1, which would provide the City with additional information on flooding and would alleviate flooding at a known location.

RESOLVED: That the Executive Leader agrees to progress the “SWMP for Central York” and the “Westfield Beck, York - SUDS Project”, if the bids for grant aid are approved by Defra and the EA, respectively.

REASON: Because these two projects will identify or mitigate, respectively, sites of flooding thereby relieving all the hardship that is attracted to such events.

Cllr Waller, Executive Leader

[The meeting started at 4.15 pm and finished at 4.26 pm].



Executive Leader Decision Session**26 January 2010**

Joint Report of the Director of People and Improvement and the Director of Resources

Revenue Budget Estimate 2010/11 – Chief Executive's**Purpose of Report**

1. This report presents the 2010/11 budget proposals for Chief Executive's. 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 Executive Leader is therefore asked to consider the budget proposals included in this report and identify the preferences (after considering the proposals in annexes 2, 3 and 4) which will be considered by the Executive as part of the consultation exercise. The Executive Leader 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. The key issue within Chief Executive's has been the impact of the economic downturn on the Commercial portfolio as well as Legal services supporting Children's social care requirements. 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 Chief Executive's

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	4,933.7
Allocation for pay increases	16	72.0
Allocation for price increases	17	0.0
Service Pressure proposals (Annex 2)	18	513.0
Savings proposals (Annex 3)	20-23	-468.0
Proposed Budget 2010/11		5,050.7

Base Budget (£4,934k)

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. The breakdown of the base budget is shown in Annex 1.

Pay Inflation (£+72k)

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 (+£0k)

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 (+£513k)

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 Chief

Executive's. 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. There are a number of income shortfalls across the Directorate that have been identified primarily as a result of the Economic downturn. The issues are listed in Table 2 below. The Executive will decide on 16 February 2010 whether or not to set a general contingency for 2010/11.

Table 2 - Contingency Issues for 2010/11

	£'000
Contingency Issues for 2010/11	
Reduced income as a result of Economic Downturn	
Downturn in rent from Commercial Portfolio	200
Additional costs of holding onto unsold surplus properties	50
Total	250

Savings Proposals (-£468k)

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 the Chief Executive's Directorate.

23. It should also 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 Human Resources and Property services as well as a blueprint being compiled for the other functions due to be under the control of the Chief Executive following the organisational review such as Policy, Performance, Equalities and Marketing and Communications. The savings assumed from More for York in 2010/11 will be considered corporately at the Executive meeting 16th February 2010.

Fees and Charges

24. The details of the proposed fees and charges for the services provided by this portfolio are set in Annex 4. Where fees and charges increases are being set above the inflation requirement they have been included in Annex 3.

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 Leader 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 Chief Executive's 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 identified relate to the reduction of upto 4.8 posts across the directorate of which 2.8fte posts are vacant. This means there is potentially two redundancies across the service area. Where requested HR has been involved in the development of the budget proposals and has worked with local managers to identify

the HR implications of the proposals. HR implications will be managed in accordance with established council change management procedures.

- 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.

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 Leader is invited to consider whether the budget proposals are in line with the Council's priorities.
33. The Executive Leader 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.
34. The Executive Leader is asked to consider the budget proposals for consultation for Chief Executive's for 2010/11 contained in this report and listed below and provide comments to be submitted to 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 proposals as set out in Annex 4.

Contact Details

Authors:

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Tel 551633

Chief Officers responsible for the report:

Heather Rice
Director of People and Improvement
Tel: 551700
Ian Floyd
Director of Resources
Tel: 551100

Specialist Implications Officer(s) None

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

All

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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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Chief Executive's Directorate
Service Plan

<u>DETAILED EXPENDITURE</u>		<u>COST CENTRE EXPENDITURE</u>	
	ORIGINAL ESTIMATE		ORIGINAL ESTIMATE
	2010/11 £'000		2010/11 £'000
Employees	8,034	Chief Executive	513
Premises	3,570	Director Of People & Improvement	235
Transport	72	Civic, Democratic and Legal	2,224
Supplies & Services	2,113	Human Resources	132
Miscellaneous	7,743	Marketing & Communications	(28)
Capital Financing	1,965	Corporate And Democractic Core	1,613
		Property Services	245
Gross Expenditure	23,497		
Income	(18,563)		
Net Expenditure	<u><u>4,934</u></u>	Net Expenditure	<u><u>4,934</u></u>

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**Chief Executive's Directorate
Service Pressures**

Annex 2

Ref	Brief Description	Net Cost 2010/11 £(000)	One- Off
CEXEG01	<u>Increments</u> Cost of increments across the Directorate for 2010/11	141	
CEXEG02	<u>Cost of Pay and Grading Appeals</u> The cost of succesful pay and grading appeals across the directorate totals £155k.	155	
CEXEG05	<u>Water Management (Legionella)</u> The council agreed at Executive 9th June 2009 to undertake water monitoring at its establishments. The growth bid would support the majority of the additional costs of undertaking this work.	100	
CEXEG06	<u>Leeds City Region</u> Continuation of the Leeds City Region growth agreed in 2008/09 as a two year bid. The regional agenda has moved quickly and given the consequences of becoming a forerunner region the secretariat costs have increased. The ongoing cost of this therefore remains within the council budget. Further liabilities will be supported by secondments etc.	23	
CEXEG07	<u>Coroner's Pay Budget</u> The Coroner's terms and conditions are set by the Ministry of Justice based on workload. Latest figures suggest an increase cost to the council of £10k.	10	
CEXEG08	<u>Additional savings 2009/10</u> Unallocated savings from the 2009/10 budget resolution. The allocation of the savings are being formalised within 2010/11 savings proposals.	84	

Recurring Bids Total 513One-off Bids Total 0

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Ref	Brief Description	Net Cost
		2010/11 £(000)
CEXES01	<u>Vacancy Factor 3%</u> Introduction of a vacancy factor to most staffing areas across the Directorate of 3%.	-163
CEXES02	<u>Increased Income from the recruitment pool</u> Due to the increased volume of temporary work now being processed through the Recruitment Pool, the operation is able to return a greater surplus than is currently budgeted for.	-68
CEXES03	<u>Savings from rebasing of Chief Executive's Office Budget</u> A number of factors have resulted in a saving on the salary budget for the Chief Executive's Office.	-16
CEXES04	<u>Cessation of Shadow Executive</u> Effect of changes to the Council's political structure in 2009/10.	-23
CEXES05	<u>Fewer SRA's Following Abolition of EMAP's</u> Effect of changes to the Council's political structure in 2009/10.	-17
CEXES06	<u>Saving From rebasing the Central Marketing Salary Budget</u> Follows the completion of a restructure within the Central Marketing team.	-5
CEXES08	<u>Delete Vacant Scrutiny Assistant Post</u> Proposal to delete the Scrutiny Assistant post that has been held vacant since its creation in 2006/07. This is likely to impact on service delivery and given the recent increase in the number of scrutiny committees, it was planned to recruit to this post to provide support to the existing 2 Scrutiny Officers.	-21
CEXES10	<u>Delete vacant post of PA to Director</u> It is proposed to delete this post and share support between other teams across the directorate.	-26
CEXES13	<u>Completion of Graduate Management Trainee Programme</u> The Graduate Management Trainee Programme is due for completion in October 2009 and it is not proposed to continue the post funded from the Chief Executive's budget.	-12
CEXES14	<u>Remove Ad-Hoc Hospitality Budgets</u> Deletion of a number of small hospitality budgets within the Directorate.	-11
CEXES15	<u>CMT Administrative Support</u> Delete part time vacant post to provide Corporate Management Team with administrative support. This role is undertaken within current resources.	-10
CEXES16	<u>Delete one fte Democracy Services Officer</u> Proposal to reduce the number of Democracy Support Officers from 5 to 4. Whilst there are fewer public meetings to support, this will impact on service delivery within the team. This will lead to a potential redundancy within the team.	-27
CEXES17/18	<u>Review of Responsibility Allowances</u> Proposals to reduce by on the number of planning sub-committees and also to merge the Licensing and Regulation committee with the Licensing and Gambling committee.	-10
CEXES19	<u>Review of Directorate Overhead Budgets</u> Proposed cut of 20% on staff travel, equipment and stationary budgets across the Directorate will provide a saving of £18k.	-18
CEXES20	<u>Delete 0.5fte vacant Civic Administrator</u> The proposal is to delete 0.5fte vacant post within civic services. This is unlikely to have an impact on service as alternative arrangements have been put in place.	-8
CEXES21	<u>Reduce Marketing and Communications team by one fte</u> Proposal to review the functions undertaken with in the team with the intention to reduce the establishment by one fte. This will have an impact on the Council's ability to market to and communicate with residents. This will lead to a potential redundancy within the team.	-33

Total Savings**-468**

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HIRE OF MANSION HOUSE

	Charge 2009/10	Proposed Charge 2010/11	£ Increase	% Increase over 2009/10
	£	£	£	%
Exclusive hires. Daily rate (external customers)	1,050	1,050	0.00	0.00
York Based Community Groups & Partnerships				
State room hourly rate	51.00	52.00	1.00	1.96
Dining Room hourly rate	40.00	41.00	1.00	2.50
Blue Room hourly rate	28.00	29.00	1.00	3.57
Internal hires- other CYC depts.				
State room hourly rate	49.00	50.00	1.00	2.04
Dining Room hourly rate	38.00	39.00	1.00	2.63
Blue Room hourly rate	27.00	28.00	1.00	3.70
Tours				
House tours per person	5.00	5.00	0.00	0.00
House tours - concessions per person	4.00	4.00	0.00	0.00
Silver Tours per person	9.00	9.00	0.00	0.00

HIRE OF GUILDHALL

	Charge 2009/10	Proposed Charge 2010/11	£ Increase	% Increase over 2009/10
	£	£	£	%
Monday - Friday				
Morning	79.00	81.00	2.00	2.53
Charities - 30% reduction	55.00	57.00		
Afternoon	79.00	81.00	2.00	2.53
Charities - 30% reduction	55.00	57.00		
Evening	140.00	144.00	4.00	2.86
Charities - 30% reduction	98.00	101.00		
All Day	255.00	261.00	6.00	2.35
Charities - 30% reduction	179.00	183.00		
Saturday				
Morning	122.00	125.00	3.00	2.46
Charities - 30% reduction	85.00	88.00		
Afternoon	122.00	125.00	3.00	2.46
Charities - 30% reduction	85.00	88.00		
Evening	182.00	187.00	5.00	2.75
Charities - 30% reduction	127.00	131.00		
All Day	365.00	374.00	9.00	2.47
Charities - 30% reduction	256.00	262.00		
Sunday				
Morning	146.00	150.00	4.00	2.74
Charities - 30% reduction	102.00	105.00		
Afternoon	146.00	150.00	4.00	2.74
Charities - 30% reduction	102.00	105.00		
Evening	207.00	212.00	5.00	2.42
Charities - 30% reduction	145.00	148.00		
All Day	413.00	423.00	10.00	2.42
Charities - 30% reduction	289.00	296.00		
Council Chamber			0.00	
Per session (4 hours)	121.00	124.00	3.00	2.48
Committee Rooms				
Per session (4 hours)	57.00	58.00	1.00	1.75
Per session (2 hours)	30.00	31.00	1.00	3.33



Executive Leader Decision Session**26 January 2010**

Joint Report of the Director of City Strategy and the Director of Resources

Revenue Budget Estimates 2010/11 – Economic Development**Purpose of Report**

1. This report presents the 2010/11 budget proposals for Economic Development. 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 Executive Leader is therefore asked to consider the budget proposals included in this report and identify the 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 Leader 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 Councils 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 The key issues within Economic Development has been the impact of the economic downturn on local businesses and individuals as well as income

from Newgate Market. 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 Economic Development

- 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	2,698.3
Allocation for pay increases	16	21.2
Allocation for price increases	17	9.8
Service Pressure proposals (Annex 2)	18	136.0
Savings proposals (Annex 3)	20-22	-95.0
Proposed Budget 2010/11		2,770.3

Base Budget (£2,698k)

- 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 (+£21k)

- 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 (+£10k)

- 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 (+£136k)

- 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 Economic Development. 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. There is one area of income shortfalls across the service that has been identified primarily as a result of the economic downturn. The issues are listed in Table 2 below. The Executive will decide on 16 February 2010 whether or not to set a general contingency for 2010/11.

Table 2 - Contingency Issues for 2010/11

	£'000
Contingency Issues for 2010/11	
Reduced income as a result of Economic Downturn	
Newgate Market Income	20
Total	20

Savings Proposals (-£95k)

- 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 the Economic Development service.

Fees and Charges

- 23 The details of the proposed fees and charges for the services provided by this portfolio are set out in Annex 4. Given the increases at Newgate market have been higher than inflation over the last few years it is proposed to freeze them for one year. However there are proposals to increase fees for specialist event markets.

Consultation

- 24 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 the business communities of the city.

Options

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

Analysis

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

Corporate Priorities

- 27 The budget represents the opportunity to reprioritise resources towards corporate priority areas. Key examples of this happening within this portfolio area are:
- proposals to freeze market charges will support the thriving city corporate priority.
 - The roll out of the Kingsway West pilot programme into other areas of the city will support the inclusive city corporate priority.
 - Contribution to the Learning City Partnership is a key objective within the Learning City and Inclusive City corporate priorities.

Implications

- 28 The implications are:
- Financial - the financial implications are dealt with in the body of the report.
 - Human Resources – there are no significant HR implications arising from the options within the report.
 - 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.

Risk Management

- 29 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.
- 30 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

- 31 The Executive Leader is invited to consider whether the budget proposals are in line with the Council's priorities.
- 32 The Executive Leader is asked to consider the budget proposals for Economic Development for 2010/11 contained in this report and listed below and provide comments to be submitted to 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 the consultation for the Economic Development 2010/11 budget

Contact Details

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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

Equalities Impact Assessment 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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ECONOMIC DEVELOPMENT**SERVICE PLAN****SUMMARY**

<u>Detailed Expenditure</u>		<u>Cost Centre Expenditure</u>	
DETAIL	2010/11 Base Budget £'000	COST CENTRE	2010/11 Base Budget £'000
Employees	2,294	Economic Development	2,698
Assets & Premises	387		
Transport	29		
Supplies And Services	2,092		
Miscellaneous	7		
Recharges	909		
Capital Financing	256		
Gross Expenditure	5,974		
Income	(3,276)		
Net Expenditure	2,698	Net Expenditure	2,698

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**ECONOMIC DEVELOPMENT
SERVICE PRESSURES**

Annex 2

Ref	Brief Description	Net Cost 2010/11 £(000)
CSTRG01/02	<u>Staffing Cost increases</u> Cost of increments across the service area (£51k) and Pay and Grading appeals (£25k)	76
CSSTRG09	<u>Roll Out of Kingsway West Initiative</u> It is intended to learn from the successful Kingsway West Pilot targeting more deprived parts of the council and roll out into other areas of the city.	40
CSTRG11	<u>Learning City Partnership</u> Funding is required to support the work of the Learning City Partnership to address economic inclusion and adult skills across the city; this issue has increased in importance to enable residents to be well equipped to respond to the current economic situation.	20

Service Pressures Total

136

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Economic Development

		Net Cost 2010/11 £(000)
Ref	Brief Description	
CSTRS01	<u>Vacancy Factor 2.5%</u> Introduction of a vacancy factor to most staffing areas across the Directorate	-15
CSTRS08	<u>Economic Assessments</u> The council has been awarded additional grant of £65k to fund Economic Assessments of the city. A lot of this work has already been carried out in-house therefore can be funded without the full grant.	-40
CSTRS10	<u>Seek external funding to support Economic Development activity</u> Seek to maximise regional and other external funding to support economic development programme.	-40
Total Savings		-95

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PROPOSED 2010/11**NEWGATE MARKET TOLLS**

DAY	ZONE	AVERAGE OCCUPANCY	Current Fee	Proposed Fee	Increase over
			2009/10	2010/11	2009/10 (+ or -)
MONDAY	A	95.0%	17.00	17.00	Nil
	B	95.0%	15.00	15.00	Nil
	C	78.0%	10.00	10.00	Nil
	D	25.0%	6.00	6.00	Nil
	E - o/s	78.0%	18.00	18.00	Nil
	F - o/s	100.0%	40.00	40.00	Nil

DAY	ZONE	AVERAGE OCCUPANCY	Current Fee	Proposed Fee	Increase over
			2009/10	2010/11	2009/10 (+ or -)
FRIDAY	A	95.0%	25.00	25.00	Nil
	B	95.0%	24.00	24.00	Nil
	C	75.0%	22.00	22.00	Nil
	D	50.0%	13.00	13.00	Nil
	E - o/s	78.0%	20.00	20.00	Nil
	F - o/s	100.0%	40.00	40.00	Nil

TUESDAY	A	95.0%	21.00	21.00	Nil
	B	95.0%	19.50	19.50	Nil
	C	70.0%	17.00	17.00	Nil
	D	30.0%	12.00	12.00	Nil
	E - o/s	78.0%	20.00	20.00	Nil
	F - o/s	100.0%	40.00	40.00	Nil

SATURDAY	A	100.0%	33.00	33.00	Nil
	B	100.0%	30.00	30.00	Nil
	C	78.0%	24.50	24.50	Nil
	D	50.0%	21.00	21.00	Nil
	E - o/s	78.0%	20.00	20.00	Nil
	F - o/s	100.0%	45.00	45.00	Nil

WEDNESDAY	A	95.0%	20.00	20.00	Nil
	B	95.0%	18.00	18.00	Nil
	C	70.0%	16.00	16.00	Nil
	D	30.0%	11.00	11.00	Nil
	E - o/s	78.0%	20.00	20.00	Nil
	F - o/s	100.0%	40.00	40.00	Nil

SUNDAY	A	100.0%	23.00	23.00	Nil
	B	100.0%	22.00	22.00	Nil
	C	78.0%	19.00	19.00	Nil
	D	30.0%	7.00	7.00	Nil
	E - o/s	75.0%	20.00	20.00	Nil
	F - o/s	100.0%	40.00	40.00	Nil

THURSDAY	A	100.0%	22.00	22.00	Nil
	B	95.0%	21.50	21.50	Nil
	C	75.0%	19.00	19.00	Nil
	D	50.0%	11.00	11.00	Nil
	E - o/s	78.0%	20.00	20.00	Nil
	F - o/s	100.0%	40.00	40.00	Nil

KEY :-

A	Jubbergate
B	Prime Stalls
C	Standard Stalls
D	Rear Stalls
E - o/s	Open spaces pitches
F - o/s	Brunch Wagon

Event Markets	Current Fee 2009/10	Proposed Fee	Increase over 2009/10 (+ or -)	Effect on total Income
	£	£	£	£
Easter Fayre Market	100	103	3	
St Nicholas Fayre - Parliament Street	150	155	5	
St Nicholas Fayre - Kings Square/Coppergate	100	103	3	3,000
St Nicholas Fayre - Guildhall	30	31	1	
Misc. Events (Farmers, York's Day ,Cont. etc)	various	various		
TOTAL ADDITIONAL INCOME (EVENT MARKETS)				3,000
CASUAL MARKET TRADERS - levy	2.00	2.00	0.00	
Parking Waivers (applicable during footstreet hours)	20.00	20.00	0	

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Decision Session – Executive Leader

Wednesday 27 January 2010

Annex of Additional Comments received from Members and members of the public since the agenda was published

Written representations in respect of Annex 3 to agenda item 4 (Revenue Budget Estimates 2010/11 – Chief Executive’s)

Received from:	Comments:
Peter Weck, Unison	<p>Savings proposal no. CEXES 16 proposes the deletion of one full time Democracy Officer post, reducing the number of Democracy Officers from 5 to 4.</p> <p>The Democracy Officer team provides support for the Council’s decision-making process, servicing a wide range of meetings from Executive Decision Sessions to Overview and Scrutiny Committees. All five Democracy Officer posts are currently filled and each Officer has a full portfolio of meetings to service. Predominantly, the work of Democracy Officers is a statutory service.</p> <p>The proposal, if accepted, would result in a redundancy - very likely a compulsory redundancy. As well as the adverse effect on the person made redundant, this would place a great deal of pressure on the remaining members of the team. The abolition of EMAPs and the Shadow Executive are noted, but EMAPS have been replaced with public Executive Member Decision Making Sessions and more Scrutiny Committees. In addition, 2 more Working Groups are now being serviced by the team.</p> <p>The report to the Executive Leader states that the savings proposals have been subjected to ‘<i>a rigorous assessment process</i>’. However, there has been no prior consultation with unions on this particular proposal and no information is provided in the report to explain the assessment process. The potential impact of the cut on service delivery is mentioned but not explained. Neither does the report evidence that there is less work to be covered by the team.</p>

There is also the effect on the wider team to consider. The Democracy team works closely with Scrutiny and Member Services. A proposal to delete the vacant Scrutiny Assistant post has also been put forward, when plans were in place to fill the post following the increase in scrutiny committees arising from the Council restructure in May 2009. Losing a vacant post in this very tightly resourced team is bad enough but to potentially make an existing member of staff redundant as well, when there are clearly pressing work needs across all the areas which make up Democratic Services, does not make for effective work planning.

In summary:

- this proposal has been poorly thought through in the context of the current and future workload of Democratic Services (incorporating Democracy, Scrutiny & Members Services) as a whole
- there has been inadequate consultation on the proposal with unions and staff; and
- not enough thought has been given to alternative proposals which could achieve the required saving without creating a redundancy.