

**Notice of a public meeting of
Cabinet**

To: Councillors Alexander (Chair), Crisp, Cunningham-Cross, Levene, Looker, Merrett, Simpson-Laing (Vice-Chair) and Williams

Date: Tuesday, 11 February 2014

Time: 5.30 pm

Venue: The George Hudson Board Room - 1st Floor West Offices (F045)

AGENDA

Please can you retain your copy of this agenda and budget reports for consideration at Council on 27 February 2014.

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:

4:00 pm on Thursday 13 February 2014, if an item is called in *after* a decision has been taken.

*With the exception of matters that have been the subject of a previous call in, require Full Council approval or are urgent which are not subject to the call-in provisions. Any called in items will be considered by the Corporate and Scrutiny Management Committee.

1. **Declarations of Interest**

At this point, Members are asked to declare:

- any personal interests not included on the Register of Interests
- any prejudicial interests or
- any disclosable pecuniary interests

which they may have in respect of business on this agenda.

2. **Minutes** (Pages 3 - 14)

To approve and sign the minutes of the last meeting of Cabinet held on 7 January 2014.

3. **Public Participation**

At this point in the meeting members of the public who have registered to speak can do so. The deadline for registering is **5.00pm on Monday 10 February 2014**. Members of the public can speak on agenda items or matters within the remit of the committee.

To register to speak please contact the Democracy Officer for the meeting, on the details at the foot of the agenda.

Please note that this meeting, including public speakers, will be filmed and webcast to allow members of the public to view the proceedings without having to attend the meeting.

<http://www.york.gov.uk/webcasts>

4. **Forward Plan** (Pages 15 - 24)

To receive details of those items that are listed on the Forward Plan for the next two Cabinet meetings.

5. **The Co-operative Council: A Community Benefit Society for Libraries and Archives** (Pages 25 - 104)

This report updates the Cabinet on progress with the establishment of Explore Libraries and Archives Mutual (Explore). It asks Members to approve the award of a contract to Explore, the key principles of the founding legal agreements and the 1 April, 2014 as the date on which to transfer the operation of the Council's libraries and archives services to Explore.

6. Finance Monitor 3 2013-14 (Pages 105 - 112)
This report provides details of the headline financial performance issues for 2013-14, covering the period 1 April 2013 to 31 December 2013. The report assesses performance against budgets, progress on the council's savings programme, the council's revenue and reserves and provides an update on localisation of business rates.

7. Capital Programme Monitor 3 2013-14 (Pages 113 - 128)
This report sets out the projected capital programme outturn position for 2013-14, including any under/over spends and adjustments, along with requests to re-profile budgets to/from current and future years.

8. Treasury Management Strategy Statement and Prudential Indicators for 2014/15 to 2018/19 (Pages 129 - 168)

The purpose of this report is to ask the Cabinet to recommend that Council approve the:

- Integrated treasury management strategy
- Prudential indicators for 2014/15 to 2018/19
- Revised treasury management policy statement
- Specified and non-specified investments schedule and
- Treasury management scheme of delegation and role of the section 151 officer

9. Financial Strategy 2014/15 to 2018/19 (Pages 169 - 308)
This report presents the Financial Strategy 2014-2019, including detailed revenue budget proposals for 2014/15 and 2015/16, and asks Members to recommend to Council approval of the proposals.

10. Capital Strategy 2014/15 to 2018/19 (Pages 309 - 338)
This report sets out the Capital Strategy for 2014/15 to 2018/19, and in particular sets out new capital schemes. Members are asked to consider the proposed new capital schemes and their requirement for funding covering the period 2014/15 to 2018/19 and to recommend to Council the overall capital investment programme.

11. Transformation Programme - "Re-wiring Public Services" (Pages 339 - 382)
The purpose of this paper is to set out the key dimensions of the programme: Re-wiring Public Services.

12. Urgent Business

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

Democracy Officer:

Name: Jill Pickering

Contact details:

- Telephone – (01904) 552061
- E-mail – jill.pickering@york.gov.uk

For more information about any of the following please contact the Democratic Services 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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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 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.

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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.**

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Holding the Cabinet to Account

The majority of councillors are not appointed to the Cabinet (39 out of 47). Any 3 non-Cabinet councillors can 'call-in' an item of business following a Cabinet meeting or publication of a Cabinet Member decision. A specially convened Corporate and Scrutiny Management Committee (CSMC) will then make its recommendations to the next scheduled Cabinet meeting, 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

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City of York Council

Committee Minutes

Meeting	Cabinet
Date	7 January 2014
Present	Councillors Alexander (Chair), Crisp, Cunningham-Cross, Levene, Looker, Merrett, Simpson-Laing (Vice-Chair) and Williams
In attendance	Councillors Taylor and Warters

83. **Declarations of Interest**

Members were asked to declare, at this point in the meeting, any personal interests, not included on the Register of Interests, or any prejudicial or disclosable pecuniary interests they may have in respect of business on the agenda.

Cllr Simpson-Laing declared a personal non-prejudicial interest in relation to agenda item 6 (Community Stadium Update) as her daughter was a member of York City Athletics Club.

Cllr Levene declared a personal non-prejudicial interest in relation to agenda item 11 (Business Rate Discount Policy) as his employer, Social Enterprise Yorkshire and the Humber, had a number of members who were affected by the policy.

84. **Exclusion of Press and Public**

Resolved: That it was agreed to exclude the press and public from the meeting during consideration of Annex 2 to agenda item 12 (Disposal of and Investment in Council Assets) on the grounds that it contained information relating to the financial or business affairs of particular persons (including the authority holding that information). Such information is considered 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).

85. Minutes

Resolved: That the minutes of the last Cabinet meeting held on 3 December 2013 be approved and signed by the Chair as a correct record.

86. Public Participation

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

General Comments

Gwen Swinburn spoke to request the addition of wording on agendas to confirm that members of the public were now able to film, record and tweet during public meetings of the City of York Council.

5. Forward Plan

Cllr Warters expressed concern at the slippage of the Draft Local Flood Risk Management Strategy report on the Council's Forward Plan.

6. Community Stadium Update

Gwen Swinburn questioned whether state aid rules, in respect of this scheme, would be compromised by this project.

8. Controlling the Concentration of Houses in Multiple Occupation Supplementary Planning Guidance

Cllr Warters spoke to raise concerns regarding the frequency of updating the database in connection with dwellings registered as Houses in Multiple Occupation. Particularly as these figures had been used when granting further planning applications.

12. Disposal of and Investment in Council Assets

Gwen Swinburn, expressed her concern at the lack of transparency in respect of the availability of background

information/documents in relation to the disposal and investment of properties referred to in this report.

Denise Craghill, spoke on behalf of the York Green Party, to request Members to reconsider the bidding process for the Reynard's Garage site taking account of the sites heritage and housing value. She asked Members to consider public opinion and publicise the scoring of bids.

Cllr Taylor made reference to his understanding that advanced negotiations were in progress, in relation to the Reynard's site, for use as an air museum. He reiterated the earlier speaker's comments that further thought was required regarding the sites use, particularly as the building was important to York and its history.

87. Forward Plan

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

88. Community Stadium Update

Consideration was given to a report which provided an update on progress of the Community Stadium, including details of the stadium's design, increased base capacity, the procurement timetable at paragraph 25, together with delivery risks, which had also been considered by the Council's Audit and Governance Committee. A delivery plan for the athletics facility at the University of York was also provided at Annex A of the report.

It was confirmed that, once a preferred bidder had been identified, a more detailed paper would be presented to Cabinet, later in the year.

It was noted that, following submission of bids for the project, final proposals were being prepared by two of these bidders with final dialogue relating to detailed design, commercial and operational arrangements, due to end in March, prior to receipt of competitive bids.

Details of the review undertaken with clubs and the design team regarding stadium capacity and funding from the Football

Stadium Improvement Fund were reported. This had led to changes in the design criteria for the stadium which were reported in detail at paragraphs 17 to 21 of the report. Officers confirmed that much had been learnt from the bidding process which would ensure that the best stadium for the city was obtained with the capital available. It was highlighted that a robust risk management process was in place with regular updates being considered by the Project Board.

Members confirmed that any change in stadium size would require planning approval, part of which would include any required highway mitigation measures. Reference was made to the timescales which, although lengthy owing to the project size and complexity were progressing well.

Following further discussion it was

Resolved: That Cabinet agree:

- (i) To note progress on the project and procurement to date, particularly that:
 - The project is proceeding into the final procurement stage within the existing financial parameters.
 - The changes made to the estimated project timetable and key milestones.
 - Match-day agreements and leases for the project partners will be finalised and that these will all be subject to the overall project contract.
 - A detailed report is presented to Cabinet prior to contract award setting out the results of the procurement and the financial implications.¹

- (ii) That tenders will be sought that encourage cost effective design solutions for the stadium that:

- Meets current Football League and Rugby Football League entry requirements.
 - Removes any 'built-in' expansion requirement.
 - Results in a well balanced and attractive stadium bowl.
 - As an option, considers the use of some terracing as a means of increasing the base capacity.
 - Makes provision within the design to increase the capacity as an all seat solution if the Football Stadium Improvement funding can be legally secured and / or promotion to the Football League 'Championship' is achieved at a later date.
 - Demonstrates an all seat capacity of 10,000 can be achieved at a later stage, within the stadium footprint. ².
- (iii) The new Athletics track being delivered at Heslington West Campus as set out in the report, including the payment of a grant of £31,000 for the delivery of a community athletics programme. ³.
- (iv) To note the risks highlighted and agree that the Project Board continue to manage the project risks.

Reason: To ensure the effective delivery of this procurement exercise and that it remains within the financial parameters set.

Action Required

- | | |
|------------------------------------------------------------------------------------------------------|--------|
| 1. Schedule item on Forward Plan to report on results of procurement and financial implications. | TA, CC |
| 2. Seek tenders in line with agreed requirements. | TA, CC |
| 3. Implement delivery of the track and the payment of a grant for the community athletics programme. | TA, CC |

89. Neighbourhood Planning

Members considered a report which requested approval of the formal application by Copmanthorpe Parish Council to allow the Copmanthorpe Neighbourhood Plan to progress, including the Plan boundary.

It was noted that several other Parish Councils had also shown interest in producing Neighbourhood Plans and consideration was given to the resources, officer input and financial implications arising from their production.

Consideration was also given to the estimated timetable, based on the experience of other Local Authorities, it was noted that the Copmanthorpe Plan would be influenced by progress on the York Local Plan.

Consideration was then given to the following options:

Option 1a – approve the application for a Copmanthorpe Neighbourhood Plan, including the proposed boundary (as at Annex A of the report);

Option 1b – approve the application subject to amendments to the Neighbourhood Plan boundary;

Option 1c – reject the application.

Resolved: That Cabinet approve the Copmanthorpe Parish Council's application for a Copmanthorpe Neighbourhood Plan, including the proposed boundary as set out at Option 1a of the report.¹

Reason: To allow Copmanthorpe Parish Council to proceed with the preparation of their Neighbourhood Plan.

Action Required

1. Inform Parish Council of formal approval of their application and that CYC will support progression. RM

90. Controlling the Concentration of Houses in Multiple Occupation Supplementary Planning Document Review

Consideration was given to a report which presented Members with details of the review of the Controlling the Concentration of Houses in Multiple Occupation Supplementary Planning Document (SPD). The review had looked at whether the approach the authority was taking was working, the impact on stakeholders, data collection and best practice elsewhere.

The paper had been considered by the Local Plan Working Group at its meeting on 9 December 2013 when a number of amendments had been agreed, as set out in the amended report at Annex E.

It was noted that extensive consultation had been undertaken as part of the review and the Cabinet Member expressed his appreciation to all respondents.

The Cabinet Member referred to staff resources and HMO turn over which had an effect on updating the HMO database and the need to be able to provide up to date information in relation to planning appeals. Reference was also made to the impact on student families which had been highlighted and to the quality of HMO accommodation which it was proposed to address by way of a flexible C3/C4 permission and with the introduction of an accreditation scheme.

Other Members expressed their support for the revised scheme and following consideration of the following options:

Option 1: Approve the proposed amendments to the SPD as shown at Annex E

Option 2: Make no changes to the SPD

Option 3: Request officers to undertake further work, it was

Resolved: That Cabinet agree to:

- i) Note the contents of the report;
- ii) Approve the proposed amendments to the Supplementary Planning Document at Annex E of the report;

- iii) Delegate to the Director of City and Environmental Services, in consultation with the Cabinet Member for Transport, Planning and Sustainability, the making of the amendments to the SPD and the republishing of the SPD. ¹

Reason: So that the SPD be fit for purpose and can continue to be used effectively for Development Management purposes to support the emerging Local Plan and the Article 4 Direction which came into force on 20 April 2012.

Action Required

1. Republish SPD and proceed to use for Development Management Purposes following consultation and the making of final amendments. MG

91. Review of the York Financial Assistance Scheme

Consideration was given to a report which provided Members with an update on the operation of the York Financial Assistance Scheme (YFAS), which included consultation feedback and recommendations to enhance the present scheme. The scheme provided emergency and community assistance based on eligibility criteria and individual circumstances.

The scheme had been established from April 2013, following the transfer of government funding to the local authority, details of which were set in paragraphs 2 to 10 of the report.

Following an examination of the spend against budget and an analysis of feedback, the lowest cost option, in terms of alternative service delivery models considered, required the Council to work closely across departments to ensure referrals were made and funding opportunities maximised.

The Cabinet Member expressed concern regarding future funding which he understood would be by way of the General Fund rather than a ring fenced grant. Concern was also expressed at the number of claims now being received and the need to assist those in crisis without them becoming dependent on the assistance.

Resolved: That, following consultation feedback, Cabinet agree to:

- (i) The full administration of the Financial Assistance Scheme remaining within the Council's Benefits Service with a strengthening of advice, referrals and researching of other sources of funding.
1.
- (ii) The Financial Inclusion Steering Group having overall control over the general distribution of the fund and the commissioning of other organisations as necessary to target specific initiatives.
- (iii) Reports to Cabinet from the FISG to be produced every year in June (Annual Report) and November (Interim Report) to update progress on financial inclusion activities with particular emphasis on the York Financial Assistance Scheme.

Reason: To ensure ongoing improvements so there is no gap in provision of urgent financial resources available to our most vulnerable residents at times of crisis or other difficulty. To mitigate the impacts of wide ranging welfare benefits changes. To meet the priorities set down in the Council Plan and Financial Inclusion Strategy.

Action Required

- 1. Continue administration of the Scheme by the Benefits Service. JM
- 2. Schedule reports on the Forward Plan in June and November each year. JM

92. Discretionary Rate Relief Awards 2014 - 2016

Consideration was given to a report which provided Cabinet with details of a new application received for Discretionary Rate Relief (DRR) for the period 1 April 2014 to 31 March 2016. Details of the Council's existing DRR commitments against the available budget were set out at Annex A of the report.

The new application for DRR for 2014 had been received from the Steiner School, a registered charity and not for profit organisation, which currently received 80% mandatory relief. As a non-local authority school Members were asked to consider whether this could set a precedent for applications from other fee paying schools and Government funded academies.

It was confirmed that as from April 2014 all new awards would take account of budget availability and consideration of applications against Council priorities.

Following further discussion it was

Resolved: That Cabinet agree to reject the application for discretionary rate relief for 2014 received from the Steiner School, as it could set a precedent for future applications. ¹.

Reason: To provide a transparent process for awarding discretionary rate relief as approved by Cabinet in February 2013.

Action Required

1. Inform the applicant of the outcome of the meeting.

DW

93. Business Rate Discount Policy

Members considered a report which provided Cabinet with an updated business rate discount policy for approval. The revised policy used the following three ambitions to target discounts:

- Supporting Young Business in Economic Growth Sectors
- Bringing empty listed buildings back into use and
- Significant business relocations to York

The policy built upon that approved by Cabinet in February 2013 to present a consistent approach across the Leeds City Region for businesses who may wish to make an application.

Resolved: That Cabinet approve the revised business rate discount policy attached to the report at Annex A. ¹.

Reason: To provide a policy to deal with any requests for business rate discounts.

Action Required

1. Implement revised policy. DW

94. Disposal of and Investment in Council Assets

Consideration was given to a report which set out details of progress made on a number of asset management projects, involving the disposal of surplus assets, to assist in the delivery of key Council project priorities together with the acquisition of the remaining freehold part of Stonebow House. The proposed disposals related to:

- Clementhorpe Maltings, Lower Darnborough Street
- The former Manor School site
- 17/21 Piccadilly
- Land adjacent to A59/A1237 Roundabout

It was noted that one of the key principles for the asset review of all Council property and land was to identify opportunities to generate capital receipts by rationalising and sharing the occupation of properties, thereby reducing the number of properties the Council owned and occupied.

The Leader acknowledged earlier comments and confirmed that no final decision had yet been made in relation to the site at 17/21 Piccadilly. However, he confirmed that it was the responsibility of the Council to ensure that it received best value from disposals.

Members also referred to speaker's earlier comments confirming that the dereliction of the building on Piccadilly was a major concern to residents however it was hoped that the history and heritage of the site would be reflected in any future development.

Resolved: That Cabinet:

- (i) Approves the sale of Clementhorpe Maltings and land adjoining the A59/A1237 roundabout for the capital receipts detailed in confidential Annex 2. ^{1.}
- (ii) Approves the acquisition of the remainder of the freehold for Stonebow House for £62,250. ^{1.}
- (iii) Approve the sale of the Former Manor School off market to ABF Ltd with delegation of the conclusion of negotiations to the Director of Customer and Business Support Services in consultation with the Cabinet Member for Finance Performance and Customer Services subject to the provision of adequate supporting valuations. ^{2.}
- (iv) Delegate the final evaluation and selection of a purchaser for 17-21 Piccadilly to the Director of Customer and Business Support Services in consultation with the Cabinet Member for Finance Performance and Customer Services subject to the provision of adequate supporting valuations. ^{3.}

Reason: To support the economic development of the city and create jobs and provide capital receipts to fund the Council's capital programme.

Action Required

- 1. Proceed with the sales and acquisition of these properties. PC
- 2. Proceed with sale subject to delegation of conclusion of negotiations to Director of CBSS and Cabinet Member. PC
- 3. To note final evaluation and selection of purchaser for this property delegated to Director of CBSS and Cabinet Member. PC

Cllr J Alexander, Chair

[The meeting started at 5.00 pm and finished at 6.40 pm].

FORWARD PLAN

Table 1: Items scheduled on the Forward Plan for the Cabinet Meeting on 4 March 2014

Title & Description	Author	Portfolio Holder
<p>Refresh of the Private Sector Housing Strategy Purpose of Report: The existing 5 year private sector strategy ends in 2013. The report aims to provide an update on its progress and asks members to approve a new 5 year strategy having regard to the new challenges faced by homeowners and the private rented sector within the current national and local policy context.</p> <p>Members are asked to approve a new 5 year private sector housing strategy.</p>	<p>Ruth Abbott and Paul Mccabe</p>	<p>Cabinet Member for Health, Housing and Adult Social Services</p>
<p>Cycle Hire Scheme for York - Update & Approval Purpose of Report: To provide an update as regards the proposed 24 month trial of a city wide public cycle hire scheme within York which received in principle agreement from Cabinet (July 2013) following an initial feasibility report.</p> <p>The Cabinet Member is asked to approve the presented business case and grant officers authority to award contract(s) and proceed with implementation of the scheme.</p>	<p>Richard Holland</p>	<p>Cabinet Member for Transport, Planning & Sustainability</p>
<p>City Centre Retail Offer Purpose of Report: to consider options that improve the City Centre Parking offer to residents and businesses.</p> <p>Members are asked: to consider the "Business Case" for changes to parking uses on CYC car parks.</p>	<p>Darren Richardson</p>	<p>Cabinet Leader</p>

<p>Get York Building - Delivering Homes & Economic Growth Purpose of Report: to outline to Members proposals and options for interventions and policy changes over the next 12 months.</p> <p>Members are asked: to note the content of the report and agree recommendations.</p>	<p>Steve Waddington and Mike Slater</p>	<p>Cabinet Member for Health, Housing and Adult Social Services and Cabinet Member for Transport, Planning & Sustainability</p>
<p>Get York Building - 1 Year Update Purpose of Report: To outline to members the work undertaken as part of the Get York Building programme and its impact.</p> <p>Members are asked to: note the content of the report.</p>	<p>Steve Waddington</p>	<p>Cabinet Member for Health, Housing and Adult Social Services and Cabinet Member for Transport, Planning & Sustainability</p>
<p>Tour De France - 100 days to go Purpose of Report: To update Cabinet on the arrangements for the staging of the Tour de France, the accompanying Cultural Festival and the local legacy arrangements.</p> <p>Members are asked to note and agree the arrangements put in place to support the events and the legacy.</p>	<p>Gill Cooper</p>	<p>Cabinet Member Leisure Culture and Tourism and, Cabinet Member for Transport, Planning & Sustainability</p>
<p>Y.P.O. Formation of a Limited Company Purpose of Report: To outline the proposals to establish a Limited Company owned by the thirteen Founder Members of Y.P.O. and managed by the current Y.P.O. Management Team.</p> <p>Members are asked: To approve the formation of the Limited Company and agree the management arrangements</p>	<p>Andy Docherty</p>	<p>Cabinet Member for Finance, Performance & Customer Service</p>

<p>Loans & Grants Scrutiny Review Final Report Purpose of Report: To present the Cabinet with the Final Report arising from the Loans & Grants Scrutiny Review Members are asked to: Approve the Recommendations arising from the review</p>	<p>Melanie Carr</p>	<p>Cabinet Member for Finance, Performance & Customer Service</p>
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<p><i>Table 2a: Items scheduled on the Forward Plan for the Cabinet Meeting on 1 April 2014</i></p>		
<p>Title & Description</p>	<p>Author</p>	<p>Portfolio Holder</p>
<p>Safeguarding and Looked After Children - Overview Report Purpose of Report: To provide an overview of local safeguarding children arrangements.</p> <p>In a national climate of heightened public awareness and concern about child protection issues the report identifies a significant increase in referrals locally to children’s social care. Work to safely address the consequent pressures on these services is described in the context of a programme of continuous improvement. The role and involvement of partner agencies in this process is also considered. The report will include an update on York’s Local Safeguarding Children Board developments. The report also provides a commentary on corporate parenting developments and describes progress against the strategy to safely reduce the number of children who need to become looked after in York.</p> <p>Members will be asked to (i) Endorse the strategy to address the pressures at the front door of children’s social care. (ii) Note the development work to strengthen the Local Safeguarding Children Board. (iii) Note the progress of the work to safely reduce the Looked After Population in York.</p>	<p>Eoin Rush</p>	<p>Cabinet Member for Education, Children and Young People's Services</p>

<p>Review of the Housing Revenue Account Business Plan Purpose of Report: To review the Housing Revenue Account Business Plan.</p> <p>Members are asked to approve the changes to the Business Plan.</p>	<p>Tom Brittain</p>	<p>Cabinet Member for Health, Housing and Adult Social Services</p>
<p>Refresh of the York Equality Scheme Purpose of Report: To refresh and update the York Equality Scheme from April 2014 in light of progress with the current scheme and issues arising from new data and from consultation.</p> <p>Members are asked to agree the new York Equality Scheme.</p>	<p>Charlie Croft</p>	<p>Cabinet Member for Crime & Stronger Communities</p>
<p>Safeguarding and Looked After Children – Overview Report</p> <p>Purpose of Report: To provide an overview of local safeguarding children arrangements.</p> <p>In a national climate of heightened public awareness and concern about child protection issues the report identifies a significant increase in referrals locally to childrens social care. Work to safely address the consequent pressures on these services is described in the context of a programme of continuous improvement. The role and involvement of partner agencies in this process is also considered. The report will include an update on York’s Local Safeguarding Children Board developments. The report also provides a commentary on corporate parenting developments and describes progress against the strategy to safely reduce the number of children who need to become looked after in York.</p> <p>Members will be asked to:</p> <ul style="list-style-type: none"> -endorse the strategy to address the pressures at the front door of childrens social care -note the development work to strengthen the Local Safeguarding Children Board 	<p>Eoin Rush</p>	<p>Cabinet Member for Education, Children and Young People's Service</p>

- note the progress of the work to safely reduce the Looked After Population in York		
<p>School Improvement Report Purpose of Report: To focus on the impact of actions to secure more good and outstanding Ofsted judgements and to improve outcomes in primary schools. The paper will seek cabinet endorsement of the School Improvement Strategy and will present models related to the future structure of school improvement arrangements.</p> <p>Members will be asked to endorse the School Improvement Strategy.</p>	Maxine Squire	Cabinet Member for Education, Children and Young People's Services

Table 3: Items slipped on the Forward Plan

Title & Description	Author	Portfolio Holder	Original Date	Revised Date	Reason for Slippage
<p>Cycle Hire Scheme for York - Update & Approval Purpose of Report: To provide an update as regards the proposed 24 month trial of a city wide public cycle hire scheme within York which received in principle agreement from Cabinet (July 2013) following an initial feasibility report.</p> <p>The Cabinet Member is asked to approve the presented business case and grant officers authority to award contract(s) and proceed with implementation of the scheme.</p>	Richard Holland	Cabinet Member for Transport, Planning & Sustainability	Jan 14	March 14	To allow further consideration of the best funding routes in light of the current budget process and Tour de France Legacy Strategy.

<p>Safeguarding and Looked After Children - Overview Report</p> <p>Purpose of Report: To provide an overview of local safeguarding children arrangements.</p> <p>In a national climate of heightened public awareness and concern about child protection issues the report identifies a significant increase in referrals locally to children’s social care. Work to safely address the consequent pressures on these services is described in the context of a programme of continuous improvement. The role and involvement of partner agencies in this process is also considered. The report will include an update on York’s Local Safeguarding Children Board developments. The report also provides a commentary on corporate parenting developments and describes progress against the strategy to safely reduce the number of children who need to become looked after in York.</p> <p>Members will be asked to</p> <ul style="list-style-type: none"> (i) Endorse the strategy to address the pressures at the front door of children’s social care. (ii) Note the development work to strengthen the Local Safeguarding 	<p>Eoin Rush</p>	<p>Cabinet Member for Education, Children and Young People's Services</p>	<p>Feb 14</p>	<p>April 14</p>	<p>To allow input to the report from the new Chair of York’s Local Safeguarding Children Board this item will now be considered at Cabinet in April.</p>
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<p>Children Board.</p> <p>(iii) Note the progress of the work to safely reduce the Looked After Population in York.</p>					
<p>Review of the Housing Revenue Account Business Plan Purpose of Report: To review the Housing Revenue Account Business Plan.</p> <p>Members are asked to approve the changes to the Business Plan.</p>	<p>Tom Brittain</p>	<p>Cabinet Member for Health, Housing and Adult Social Services</p>	<p>March 14</p>	<p>April 14</p>	<p>To allow officers more time to produce the report.</p>
<p>Late Night Levy Purpose of Report: To inform Cabinet of a recent consultation carried out in relation to a proposal to introduce a late night levy within the authority area. Members are asked to consider the report and findings of the consultation and recommend to Full Council if they believe the late night levy should be introduced within the authority area.</p> <p>This report will now be taken to Cabinet in March in order to allow for further consultation and consideration of options</p>	<p>Lesley Cooke</p>	<p>Cabinet Member for Crime and Stronger Communities</p>	<p>Dec 2013</p>	<p>May 14</p>	<p>To allow the incorporation of current scrutiny reviews and research on York After Five.</p>

<p>Draft Local Flood Risk Management Strategy</p> <p>Purpose of Report: The Council is required to produce a Local Flood Risk Management Strategy under Section 9 of the Flood and Water Management Act 2010. In consultation with flood risk management partners a draft strategy has been produced. Following Cabinet approval of this, it will be subject to public consultation and final Cabinet approval.</p> <p>Members are asked to give approval of the draft strategy to enable public consultation to commence.</p> <p>This report has been slipped to the November Cabinet because the draft Flood Risk Management Strategy requires internal and external consultation to be carried out and the results incorporated into the document to be taken to Cabinet. It is intended to discuss the draft in a workshop format to bring together all interested parties. While the writing of the draft is progressing well it will not be possible to set up a workshop in the timescale required by the Cabinet process, which is further aggravated by the summer holidays. In order to ensure that a robust document can be presented to Cabinet</p>	<p>Mike Tavener</p>	<p>Cabinet Member for Transport, Planning and Sustainability</p>	<p>Nov 2013</p>	<p>Sept 2014</p>	<p>This report will now be taken to Cabinet in September 2014 to allow consideration of the alignment of flood strategies. It has therefore been withdrawn from the Forward Plan for the time being.</p>
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<p>it is requested that the item be slipped to the November meeting, by which time satisfactory consultation will have been achieved. There is no statutory deadline for the production of the strategy and minimal risk to the Council in delaying its production.</p> <p>Due to a high volume of business scheduled for 5 November meeting, CMT agreed in conjunction with officers that this item can be deferred to 3 December meeting.</p> <p>The decision has been deferred until the January Cabinet meeting as the strategy document that is scheduled to accompany the report is still in draft form and is currently out to internal consultation.</p>					
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Cabinet

11 February 2014

Report of the Cabinet Member for Leisure, Culture and Tourism

The Co-operative Council: A Community Benefit Society for Libraries and Archives**Summary**

1. This report updates the Cabinet on progress with the establishment of Explore Libraries and Archives Mutual (Explore) and asks members to approve:
 - the award of a contract to Explore through a single tender action
 - the key principles of the founding legal agreements:
 - ⇒ The Transfer agreement
 - ⇒ The Contract for Services between the Council and Explore
 - ⇒ Leases to be used for the premises
 - ⇒ The Collections Loan and Management Agreement
 - 1 April, 2014 as the date on which to transfer the operation of the Council's libraries and archives services to Explore

Background

2. In July 2013 Cabinet agreed to:
 - Library and Archive Staff establishing *Explore York Libraries and Archives Mutual* (Explore) as a Community Benefit Society
 - The award of a 5 year contract to Explore through a single tender action at a fixed contract value
 - Nominate an individual to Explore board
 - Delegate to the Director of Communities and Neighbourhoods in consultation with the Director of Customer and Business Support Services the negotiation of the contract terms with these to be brought back to Cabinet for approval
3. Since that time an implementation plan has been driven forward by a project board consisting of staff from York Libraries and Archives, human resources, finance, information technology, legal, procurement, Veritau, and Unison. Further support has been

received through the Cabinet Office's Mutuels Support Programme from *Mutual Ventures*.

4. Key areas of work are:

- The Rules and Governance documents are being completed and Explore will shortly be registered with the Financial Conduct Authority
- The key legal documents governing the relationship between the Council and Explore have been drafted and the due diligence process is underway
- Three non executive directors are in place: James Henderson, Head of Business Development at Aviva, Lesley Booth MBE, Director of Community Relations and Lifelong Learning at the University of York, and Victoria Pierce who has been elected by staff as the staff director. Work is being undertaken to recruit the community directors.
- Consultation has begun under the Transfer of Undertakings (Protection of Employment) Regulations
- A report will be taken to the February meeting of the North Yorkshire Pensions Committee with a view to securing admitted body status for Explore
- The staff payroll is being built to run in shadow form during March
- Explore's Staff Advisory Group is now meeting regularly chaired by the chair of the board
- Information Technology transfer work is almost complete
- Training required for the management team has been identified through the *Going For Growth* Cabinet Office programme. This training will take place in March. A training needs analysis for all staff is being undertaken.

Consultation and Engagement

5. Staff have been keeping the public up to date with progress with the setting up of Explore and once it is established as a legal entity, recruitment of members will begin. The Staff Advisory Group has been working on the recruitment process and how it will be delivered alongside library membership. As a community benefit society, Explore will be jointly owned by staff and the community who are eligible to be members with voting rights and the ability to stand for election to the Board. A Membership development plan is being

established which will set out how engagement will become a core value of the organisation. A series of workshops and other sessions will be held to help residents understand what the new arrangements mean for them and to encourage people from all walks of life to participate.

6. Children and young people under the age of 16 will not legally be able to be Members of Explore; however, it is vital that they are able to participate in the development and delivery of the service. An Advisory Group will be set up that children of all ages will be able to join and its work will feed directly into the Management Team and the Board.
7. Specific advisory groups will also be established shortly around learning, digital services, etc. to act as advisors to the Board and to allow a great many people to have their voice heard at the heart of the organisation.
8. Explore is collaborating with York Council for Voluntary Services to ensure close working with the third sector. They are helping with the recruitment process for the first two community directors, using their expertise to ensure we can attract the right candidates with the suitable experience and skills. Explore is already a partner in the York Volunteering Partnership and will be working with York Council for Voluntary Services to develop the volunteering offer.

Community Hubs

9. The vision of Explore is to “*encourage people to lead fuller, more connected and engaged lives*”. Explore will work with our communities to promote active citizenship and enable people to participate in society:
 - Ensuring all libraries are community hubs, offering a range of activities and services
 - Creating flexible, safe, welcoming spaces that are open to all
 - Building partnerships with the community
 - Supporting the Council’s neighbourhood working
 - Ensuring everything it does is customer focused
 - Developing and delivering activities to improve well-being that allow people to fulfil their potential
 - Increasing volunteering and community engagement opportunities

10. Central to Explore's approach will be the development of community hubs, flexible and welcoming space where everyone can come together for a wide range of activities and events. A model has been developed for how such a hub will work (see Annex 5). Starting with local demographic information, each hub will be built around a number of themes such as health and wellbeing, social isolation, digital inclusion, citizenship and democracy, employment and learning, young people, older people, etc. The hubs will be a partnership between the public sector, the community and voluntary sector and the private sector, bringing expertise into communities and delivering on local need.
11. This concept will deliver tangible benefits for the Council and the city in terms of reduced cost of service delivery through:
 - Realigning service provision within a network of community assets with the potential for co-ordinated community management
 - The transition of other Council and third sector community based services into the hub
 - New "paid for" services for example linked to economic growth, new jobs
 - Opportunities and resources to support residents to get involved in their community and the decisions that affect its development

The service contract will provide for co-operation between the Council and Explore in co-location of services within the hubs without charge to the Council (other than cost recovery).

12. The new mechanism for service delivery which the hubs will create will deliver savings across the Council's agenda. They will provide opportunities for reshaped business models, maximising partnership opportunities, co-design, and customer insight, to facilitate customer focused and led transformation within the Council's Place Based Services and Public Realm transformation programme.
13. The hubs will be a resource for local members to act as champions for local priorities. They will promote Council priorities such as community recycling; they will support the Smarter York agenda helping to provide a focus for and support to community action, for example around the management of local parks and open spaces.
14. One small, early example of this new way of working is the Toy Bus service which will now be delivered through our Mobile Library in

partnership with Children's Centres. This will be achieved with no additional funding, taking advantage of our reach into communities.

15. Work is being undertaken with the Council's Customer Services team to plan how the hubs can be used to deliver Council front line services in communities, supporting the central delivery at West Offices.
16. Work has already begun within Communities and Equalities to develop the hub concept. The next step is mapping of local need on the basis of community profiling, identification of existing resources, gaps and pressure points, followed by discussion with a broad range of partners. This will be done through a workshop approach. This will lead to identification of key opportunities to develop hubs.

Key Principles of the Legal Agreement

17. The following are the key components that need to be in place in order to effect a transfer of the Council's libraries and archives service to Explore. The templates for the legal documentation have been provided by BWB lawyers as part of the Cabinet Office support and the legal agreements are being drafted by internal Legal Services.
18. **The Rules:** This document describes the Community Benefit Society and how it will work. The rules of Explore will be based on a standard model (See Annex 1). The key elements of the Rules are the Objects of the Society and the make up of the board of directors. In the case of Explore the rules will allow for two members of staff on the board: the head of service and the staff nominated director. It is proposed that membership with voting rights will be open to everyone aged over 16 who support the objects of the society and who lives, works or studies in York. Each Member will have a single vote based on the issue of a single share valued at £1. Young people under 16 cannot legally be members so other means will be used to include them.
19. Membership of the society will be separate to membership of the Library, which will remain free of charge. People will have the choice of belonging to just the library or to the society as well.
20. **The Contract for Services:** This sets out the services the Council will receive in return for its funding and the reporting arrangements that are proposed. It reflects the previous agreement to enter into a 5 year contract with funding fixed at the level of 2013/14 less £150k

saving in 14/15 and a further £50k saving in 15/16 (with some adjustment for those budgets which the Council will need to retain, for example Asset Rentals, and potentially from year 2 if Explore negotiates changes to the support services that it wishes to buy from the Council).

21. Schedule 2 of the contract, attached at Annex 2, sets out the outcomes to be delivered. At the heart of this is the requirement to deliver a comprehensive and efficient public library service on behalf of the Council, increasing access to library services by providing excellent services and delivering 4 “core offers”: the Health and Social Care Offer, the Universal Reading Offer, the Universal Information Offer, and the Universal Digital Offer. Explore is required to manage and promote access to the archive collections and to deliver the Heritage Lottery Fund funded Gateway to History project. The schedule also details other services that Explore will be required to provide.
22. Critically, this schedule sets out the key outcomes that the Council wishes to see including the development of community hubs.
23. The Council will monitor the performance of Explore regularly via a set of agreed performance indicators (see Annex 3) and Explore will provide the information quarterly to enable the Council to evaluate progress against the outcomes set out in the contract as well as its financial performance. Explore will produce its own statutory accounts, which will be available for inspection by the Council and the taxpayers. The Council has the right to suspend, reduce or withdraw funding from Explore during the year if there is any wilful breach of the terms of the Contract or improper use of the funding.
24. The contract requires Explore to deploy appropriately qualified staff to carry out the service including:
 - Retaining a professionally qualified chief librarian
 - Retaining a qualified and designated Civic Archivist
 - Retaining a core of qualified professionals
 - Staff and volunteers appropriately trained to deliver the comprehensive and efficient service
 - Paying all staff no less than the living wage
25. The contract ensures that Explore must continue to maintain and replenish the bookstock at no less than the current level of

expenditure. The asset lock in the rules of Explore will protect the bookstock.

26. The Council will have a number of obligations under the Contract for Services in addition to providing funding including:
- Providing Support Services including office accommodation (at least for the first year of the contract)
 - Allowing Explore to submit bids for capital through the Council's Capital Resource Allocation Model process
 - Actively supporting Explore's work to raise investment funding from external sources
 - Ensuring that Explore's ambitions fit with and are part of the Council's economic development plans
 - Enabling Explore to become involved in relevant key strategic partnerships
 - Involving Explore at an appropriate level in City projects of cultural importance
27. **The Transfer Agreement:** This document formally transfers to Explore the activity of providing libraries and archives services together with the staff and the assets. The schedules list staff and their present terms and conditions (part of the Transfer of Undertakings (Protection of Employment) Regulations requirements), any contracts with third parties, and equipment). The assets exclude the archive and local history collections which are subject to a separate agreement (see below).
28. **The Leases:** A generic lease has been prepared to be used for the current library sites for which we have the freehold. (For the others either assignment or a sub-lease will be put in place). 10 year leases are proposed with a break clause at 5 years (or 5 year leases in cases where this is more advantageous from the point of view of costs). It is a full repairing lease subject to schedules of existing condition, allowing sub-letting up to 15% of the building area. Assignment is only allowed to another not for profit organisation and only with the Council's consent. Permitted uses include all current activities, and there are a number of reservations to the Council including for elections and for placing public notices. Either Explore or the Council can give 12 months' notice to break if alternative delivery options have been identified.

29. The lease for York Explore will commence once the Explore Phase II capital works are complete. Prior to that Explore will occupy the building under a licence.
30. Release rentals are proposed whereby the rental value will only be made available to Explore if the lease is determined (in order to assist in creating alternative arrangements and reflecting the value of the asset being released to the Council). Rental values will be calculated two ways as appropriate: firstly, at Market Value for Use Class D1 property, secondly at 4.5% per annum of Depreciated Replacement Cost. Explore will be responsible for business rates and other outgoings. Explore will decide which facilities management services to take from the Council in liaison with the Council's Facilities Management service.
31. The Council will retain building fabric insurance under its block policy, and recharge the premium at cost. Other insurance including public liability insurance will be obtained by Explore.
32. **The Collections Loan and Management Agreement:** Ownership of the collections will not change: the Council will retain ownership. The agreement provides for a loan period of 10 years with a break clause at 5 years. It sets out Explore's obligations to operate the collection, in accordance with best professional practice, by achieving Archive Service Accreditation as overseen by The National Archives within the duration of this contract. Explore will operate within the Council's existing collections policies which will preclude Explore or the Council from inappropriately disposing of items, e.g. by selling them.
33. The Council will grant Explore an exclusive world-wide royalty-free all-media licence to use and exploit for both commercial and non-commercial purposes any intellectual property rights in the Collections which are owned by the Council. Any income generated as a result of the use of such intellectual property rights shall be ring-fenced within Explore's accounts and used solely for the maintenance, conservation and development of the Collections.
34. Explore will, as agent for the Council, specifically discharge the Council's responsibilities towards the Collections under s224 of the Local Government Act 1972, including implementing wherever applicable all guidance issued by the Secretary of State and The National Archives to clarify and define those responsibilities.

35. Explore will, as agent for the Council; more generally manage the Collections in accordance with best current professional practice guidance as issued by The National Archives as lead body for the archives and library sectors respectively.
36. More detail of the Collections Loan and Management Agreement is provided in Annex 4.
37. These documents form the foundations of the arrangement. As such, they are relatively fixed and would not be expected to change significantly. They aim to strike the necessary balance between on the one hand ensuring that the Council as the Trust's main funder sees results in line with the agreed outcomes and can be satisfied as to the proper use of public funds, and on the other that a genuinely independent organisation is established capable of achieving growth and developing the services.

Other Issues

Support Services (and other centrally procured contracts):

38. It was previously agreed by Cabinet that support functions (such as human resources, payroll, finance, legal and information and communication technology) would continue to be purchased by Explore from the Council, at the level of the current recharge values, in the first year of its operation. The Council would then set out the charge it proposes to make for its support services from year 2 onwards based on actual costs. Its annual contribution to Explore will be adjusted to reflect these revised charges. At that point Explore will be able to review its needs for these services. The Council will also be able to decide on what basis it is willing to offer support services and this may lead to a renegotiation of arrangements or Explore deciding to procure support services from another provider.

Pension Liabilities:

39. An actuarial review has assessed the future pension contribution rates for Explore. It is proposed that the Council continues to fund the pension deficit in relation to the pool of employees transferring to the new organisation that has arisen up to the point of transfer, consistent with other similar staff transfers. This means that Explore will pay a contribution rate of 14.5% with an additional cap of 5%. A new valuation will be due in 3 years' time and this will determine whether Explore's contribution will increase; the maximum increase being capped at 5%. Any increase will be the responsibility of Explore.

40. Under this arrangement the Council will build up a provision to deal with any end liabilities by retaining the difference between the current 19.7% contribution rate and the 14.5% that it will transfer to Explore.
41. These figures are based on the 31 March, 2010 valuation and are subject to change once a further actuarial valuation has been completed after the North Yorkshire Pension Committee decision has been taken with regard to admitted body status. The principles of the proposal will not change, however.

Implications

Financial:

42. Cabinet previously agreed to fund Explore at a fixed level based on the current budget less £150k of savings in 14/15 and a further £50k in 15/16 (in addition to the £250k of savings delivered by the service in 13/14) .
43. The contract sum has been further adjusted to take account of the following deductions:
 - £38,840 – representing the cost to the Council of Explore receiving rate relief
 - £70,683 – retained by the Council to fund any pension liabilities that will fall to the Council (see paragraph 39 above)

And the following additions:

- £13,008 – 9 months additional funding for apprentices (first year only)
- £16,212 – to fund the 1% pay award in 2014/15
- The budget for support services which will be held by the Council during Year 1 and then transferred in Year 2 once it has been assessed in line with the terms of paragraph 38 above

Additionally, £78k of Library Service funding currently used to repay prudential borrowing will continue to be held by the Council until the prudential borrowing is repaid and will then be added to the contract sum.

44. This produces a contract sum of £1,942,000 for 2014/15. (This assumes a 1 April start date and will be pro rata in the event of any delay. It is subject to further adjustment in the light of final negotiations on apportionment of budgets).

45. The further £50k saving will be applied in 2015/16.
46. Inflation will be added to the contract sum each year in respect of pay only calculated according to the rate that the Council uses in its own budget process (no inflation will be provided in respect of other expenditure).
47. The contract sum will be paid in 4 quarterly instalments in advance.
48. It should be noted that the business plan projections show only a marginal surplus for the first 2 financial years (£3k in 2014/15, £10k in 2015/16). Furthermore, there are risks within the business plan in terms of targets for income growth across a number of areas and further management challenges to identify savings required to balance the budget. There is therefore a significant challenge to Explore, especially in the initial years, to manage its budget and this will require tight expenditure control.
49. It must also be noted that the Explore Phase II capital scheme, which is due to be completed in October, will remain under the management of the Council. Should any significant issues or delays arise from this scheme, due to unforeseen circumstances, which impact financially on Explore, the contract will require a discussion between the Council and Explore about how these financial impacts are to be handled.

Legal:

50. The proposed contract between the Council and Explore will be subject to the Public Contracts Regulations 2006. Contracts of this nature are classified as “Part B” services and are not subject to the full European Union procurement regime, but the Regulations do require the Authority to comply with the detailed requirements relating to technical specifications; and also a requirement to publish a contract award notice in the Official Journal, no later than 48 days after the contract has been awarded.
51. New European Union Directives on procurement will abolish the distinction between Part A and Part B services and a fully compliant procurement process will be required, except for procurements in education, or community services where the contract value is less than €750k (£624,993 as at 16th January 2014). There will also be a new requirement to publish a contract notice. The new Directive, once implemented, will also allow public authorities to make a direct contract award to mutuals set-up to provide cultural services. The United Kingdom Government has two years in which to implement

the new Directives, and it's expected that this will happen by autumn this year.

52. Additionally, if there is likely to be any cross-border interest in providing the service the principles set-out in the Treaty on the Functioning of the European Union will apply. The Authority would need to comply with the key principles of proportionality; mutual recognition; transparency; non-discrimination; and equal treatment. Taken together, these principles require transparency in the procurement process. The impact of this is the necessity to advertise to inform potential providers in other Member States of the procurement to give them an opportunity to express an interest. There is no requirement to have a formal tender process and a more flexible process of evaluation and selection can be adopted.
53. The Council's own Contract Procedure Rules also require contracts with a value of over £139k to be tendered, unless a waiver is granted prior to entering into the contract.
54. If a direct contract is awarded to Explore and the Authority is providing financial or other aid to the Society this may amount to State Aid under Article 107 of the Treaty on the Functioning of the European Union. Aid includes grants, capital payments, preferential loans, and the use of the Council's assets, for example. Such assistance, however, will not amount to State Aid if it does not have the potential to distort competition and affect trade between Member States, or the level of aid is below the current de minimis exemption of €200k.
55. Clauses 14 and 29 of the Heritage Lottery Fund Terms of Grant for the Gateway to History project Heritage Lottery Fund require the Council to retain ownership and exclusive control over the archive facility unless it has Heritage Lottery Fund's consent to do otherwise. This means that consultation is taking place with the Heritage Lottery Fund about the proposal to transfer the operation of the Council's archive to Explore.
56. The service is subject to statutory regulation. The Council, being a library authority, has a duty, under s7 (1) Public Libraries and Museums Act 1964, to provide a comprehensive and efficient library service.
57. The City Archives has been designated by the Lord Chancellor as a place of deposit for local public records under the Public Records Acts of 1958 and 1967. The City Archives also holds manorial

documents as designated by the Master of the Rolls and under the supervision of the Secretary of The National Archives: Historical Manuscripts Commission. The City Archives holds on deposit (i.e. loan) various archives from non-civic organisations and individuals under powers granted to the Council by the Local Government (Records) Act 1962. Under s224 of the Local Government Act 1972 the Council is obliged to make suitable arrangements for its own archives and for any archives held on behalf of others. The National Archives and the owners of the deposited archives will need to be consulted further about the implications of the transfer of the service to Explore.

58. The Council would use primarily the general power of competence set out in section 1 of the Localism Act 2011 to establish the community benefit society.

Equalities:

59. A Community Impact Assessment has been undertaken (see Annex 6). The action plan will deliver on the following recommendations:
- Ensure opportunities to engage and participate in the decision-making process are offered to all.
 - Ensure representatives from the communities are consulted with regard to changes to service delivery.
 - Volunteer opportunities will be inclusive – use of equalities monitoring data will capture details of all volunteers.
 - Explore will deliver the Council’s public sector duty.
 - All library and archives users will be updated regularly via briefings and meetings on the development of the organisation.

Human Resources:

60. Transfer of Undertakings (Protection of Employment) Regulations consultation with staff and unions is ongoing.
61. Discussions have taken place with the North Yorkshire Pension provider regarding the transferring of existing pension rights for transferring staff and a formal report will be made to the North Yorkshire Pension Committee in February to seek formal approval to grant Explore ‘admitted body status’ which will enable it to offer continued eligibility for the Local Government Pension Scheme.

Property:

62. All buildings which the Library Service occupies are included in the Council's current Asset Management Strategy Review which seeks to ensure that the Council uses its assets to:

- Make best use of publicly owned assets across York
- Encourage shared use of property resources
- Minimise the cost of occupation of land and buildings
- Ensure the assets comply with sustainability policies

The principles and process for this strategic review approved by Cabinet in November 2012 will be used to work with Explore to look at all the library buildings and to ensure delivery of the transition to community hubs, situated in the right locations to meet local need.

63. It will be a priority for Explore to attract investment and to create new partnership in order to generate improved premises solutions.

Risk Analysis

64. The key risks to transferring the service to Explore by 1 April identified at this stage, together with mitigation are as follows:

- Timely implementation of new finance systems appropriate to the needs of Explore: Requirements have been specified and additional capacity brought in to design systems
- Completion of the transfer agreement: We do not yet have copies of all of our contracts which are necessary for completion of the transfer agreement. We are currently working with the Head of Facilities to resolve this.
- Insufficient time or resources to deliver the plan at this critical stage: The support delivered from the Cabinet Office will significantly help with this risk. We have also set up a delivery team utilising key managers within the service to drive forward the remaining 3 months of the plan. This is supported by a monthly project board of key senior managers within the Council with responsibility for the various support services e.g. human resources, finance.
- Loss of key staff: This could occur for example due to illness. This has been mitigated by the approach outlined above together with the temporary appointment of an administrator and a project worker to support key staff.

- Heritage Lottery Fund approval to the York Explore lease: The timetable is dependent on timely approval from the Heritage Lottery Fund in respect of the arrangements for the archives. This risk is being mitigated by early discussion with the Heritage Lottery Fund.
- Resistance to change and fast pace: The project requires new ways of working and thinking. The support of senior officers and councillors is helping to mitigate this risk together with the project board approach outlined above.

Next Steps

65. Following approval by Cabinet the Director of Communities and Neighbourhoods in consultation with the Director of Customer and Business Support Services would conclude:
- ⇒ The key legal agreements
 - ⇒ Targets against the indicators set out in Annex 3
66. The aim is to conclude these in time for a transfer on 1 April in line with the project plan; however, in view of the risks set out in the risk section above there is potential for this to slip by a short period.

Corporate Priorities – Delivering the Council Plan

67. The proposals within this paper help to deliver the Council Plan in the main priority areas:

Build Strong Communities – through:

- Roll out of Explore centres as community hubs for learning
- The primary place of Explore Centres as community information hubs
- Creation of centres of community learning in the larger explore centres located in some of the most deprived communities in the city
- Access to other council services and facilitating community consultation
- Develop volunteering opportunities
- Safe places for communities to meet particularly for children and vulnerable adults

Protect Vulnerable People – through:

- Safe, welcoming community spaces

- Delivering library services to housebound people

Create Jobs and grow the Economy – through:

- Important role in providing first step learning and opportunities for progression into work
- Creation of jobs through the roll out of Explore cafés
- Work placement opportunities for some of the most disadvantaged
- Support for people with mental health problems and learning difficulties to access learning and preparation for work
- Provide opportunities for the development of digital skills

Recommendations

68. Cabinet is asked to:

- Approve the award of a contract to Explore Libraries and Archives Mutual through a single tender action
- Approve the key principles of the founding legal agreements set out in the report together with Schedule 2 of the Contract for Services set out at Annex 2, and delegate to the Director of Communities and Neighbourhoods in consultation with the Director of Customer and Business Support Services authority to conclude:
 - ⇒ The Transfer agreement
 - ⇒ The Contract for Services between the Council and Explore
 - ⇒ Leases to be used for the premises
 - ⇒ The Collections Loan and Management Agreement
 - ⇒ Targets against the indicators set out in Annex 3
- Approve 1 April, 2014 as the earliest date on which to transfer the operation of the Council's libraries and archives services to Explore

Reason: To create the best delivery model for libraries and archive services in York.

Contact Details

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Report Approved ✓ Date: 30 January, 2014		
Specialist Implications Officer(s)		
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Wards Affected: List wards or tick box to indicate all	All	✓

For further information please contact the author of the report

Background Papers:

Document/reports/cabinet/Libraries and Archives Community Benefit Society IV.docx

Annexes:

1. Standard Rules
2. Contract for Services: Summary of Services
3. Performance measures
4. Collections Loan and Management Agreement – Heads of Terms
5. The Community Hub model
6. The Community Impact Assessment

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Industrial and Provident Societies Act 1965

Rules of

.....

NAME

1. The name of the society shall be Limited.

REGISTERED OFFICE

2. The registered office of the society shall be at.....

INTERPRETATIONS

3. In these rules:

"Address" means a postal address or, for the purposes of electronic communication, a fax number, email address or telephone number for receiving text messages;

"the Act" refers to the Industrial and Provident Societies Act 1965 or any Act or Acts amending or in substitution of it or them for the time being in force;

"Auditor" means a person eligible for appointment as a company auditor under section 25 of the Companies Act 1989;

"The Board of Directors" or "Board" means all those persons appointed to perform the duties of directors of the society;

"Board Meeting" includes, except where inconsistent with any legal obligation a physical meeting, a meeting held by electronic means and a meeting held by telephone;

"Clear Days" in relation to the period of notice does not include the day on which the meeting is to be held and the day on which the notice is handed to someone or left at their Address, or the day on which it is sent, is in the process of being sent and is assumed to be delivered;

"Director" means a director of the society and includes any person occupying the position of director, by whatever name called;

"Document" includes, unless otherwise stated, any document sent or supplied in electronic form;

"Electronic Means" shall include, for example, email, video links and secure authenticated website transactions;

"Employee" means anyone holding a contract of employment with the Society;

"Extraordinary Resolution" means, unless the context requires otherwise, those decisions requiring an extraordinary resolution as detailed under 'Resolutions' in these rules;

"Founder Member" means a subscriber to these rules for the purposes of registration;

"Member" has the meaning as detailed under 'Membership' in these rules;

"Office Holder" means a receiver, administrative receiver, liquidator, provisional liquidator or administrator of a Member of all or substantially all of the Member's assets;

"Officer" has the meaning as detailed under 'Officers' in these rules;

"Person" means, unless the context requires otherwise, a natural person, unincorporated body, firm, partnership, corporate body or the nominee of an unincorporated body, firm, partnership or corporate body;

"Registrar" means the Financial Services Authority (FSA) or any body that succeeds its function;

"Regulations" has the meaning as detailed under 'Regulations' in these rules;

"Rules" means these Rules;

"Secretary" means any person appointed to perform the duties of the Secretary of the society;

"Society" means the above named society;

"Transferable" means shares that are transferable to another Person who also qualifies for membership of the Society in accordance with these Rules;

"Withdrawable" means shares with the associated right for the Member to withdraw and receive in return the value of their shares from the Society;

"Writing" means the representation or reproduction of words, symbols or other information in a visible form by any method or combination of methods, whether sent or supplied by Electronic Means or otherwise.

INSERTION

OBJECTS

The Rules of all societies must include an objects provision. Please insert a description of the Society's activities after the text below:

4. The objects of the Society shall be to carry on any business for the benefit of the community by.....

5. The Society shall be owned and controlled by its Members on a fair and equitable basis.

POWERS

6. The Society may do all such lawful things as may further the Society's objects and, in particular, may borrow or raise funds for any purpose that is beneficial to the Society.

BORROWING

7. The Society shall have the power to borrow money from its Members and others in order to further its objects providing that the amount outstanding at any one time shall not exceed £10,000,000.
8. The Society shall have the power to mortgage or charge any of its property, including the assets and undertakings of the Society, present and future, and to issue loan stock, debentures and other securities for money borrowed or for the performance of any contracts of the Society or its customers or Persons having dealings with the Society.
9. The rate of interest on money borrowed, except on money borrowed by way of bank loan or overdraft or from a finance house or on mortgage from a building society or local authority, shall not exceed 5% per annum or 2% above the Co-operative Bank's base rate at the commencement of the loan, whichever is the greater.
10. The Society may receive from any Person, donations or loans free of interest in order to further its objects but shall not receive money on deposit.

FINANCIAL SERVICES AND MARKETS ACT 2000 ACTIVITY

11. For the avoidance of doubt the Society shall not engage in any activity by virtue of any of these Rules that would require a permission from the Registrar to carry on that activity without first having applied for and obtained such permission.

INVESTMENT OF FUNDS

12. The Society may invest any part of its funds in the manner set out in Section 31 of the Act.

MEMBERS

13. The first Members of the Society will be the Founder Members. The Board may at its discretion admit to membership any individual, corporate body or nominee of an unincorporated body, firm or partnership who supports the objects of the Society and who has paid or agreed to pay any subscription or other sum due in respect of membership for the time being in force.

Applications for Membership

14. No natural person shall be admitted into membership of the Society unless they have attained the age of 16. All those wishing to become a Member must support the objects of the Society and complete an application for membership which shall include an application for at least one share in the Society. Such an application form must be

approved by the Directors and the Directors must approve each application for membership.

15. A corporate body which is a Member shall by resolution of its governing body appoint a representative who may during the continuance of her/his appointment be entitled to exercise all such rights and powers as the corporate body would exercise if it were an individual person. Each such corporate body Member shall supply notification in Writing to the Society of its choice of representative.

Member Commitment

16. All Members agree to participate in general meetings and take an active interest in the operation and development of the Society and its business. Members have a duty to respect the confidential nature of the business decisions of the Society.

Termination of Membership

17. A Member shall cease to be a Member of the Society immediately that they:
 - (a) Fail to hold the minimum shareholding; or
 - (b) Fail to pay the annual subscription (if any) within 3 months of it falling due; or
 - (c) Resign in Writing to the Secretary; or
 - (d) Are expelled from membership in accordance with these Rules; or
 - (e) Die, are wound up or go into liquidation.

Expulsion from Membership

18. A Member may be expelled for conduct prejudicial to the Society by an Extraordinary Resolution, provided that the grounds for expulsion have been specified in the notices calling the meeting and that the Member whose expulsion is to be considered shall be given the opportunity to make representations to the meeting or, at the option of the Member, an individual who is there to represent them (who need not be a Member of the Society) has been allowed to make representations to the general meeting.
19. If on due notice having been served the Member fails to attend the meeting the meeting may proceed in the Member's absence.
 - (a) An expelled Member shall be paid the nominal value of shares held by them at the time of expulsion;
 - (b) No Member expelled from membership shall be re-admitted except by an Extraordinary Resolution.

PROCEEDINGS ON DEATH OR BANKRUPTCY OF A MEMBER

20. Upon a claim being made by:
 - (a) The personal representative of a deceased Member; or

- (b) The trustee in bankruptcy of a Member who is bankrupt; or
 - (c) The Office Holder to any property in the Society belonging to such a Member, the Society shall transfer or pay property to which the Office Holder has become entitled as the Office Holder may direct them.
21. A Member may in accordance with the Act nominate any individual or individuals to whom any of her/his property in the Society at the time of her/his death shall be transferred, but such nomination shall only be valid to the extent of the amount for the time being allowed in the Act. On receiving a satisfactory proof of death of a Member who has made a nomination the Society shall, in accordance with the Act, either transfer or pay the full value of the property comprised in the nomination to the individual or individuals entitled thereunder.

Share Capital

22. The shares of the Society shall be of the nominal value of £1. The minimum shareholding required of a Member shall be defined as such number of fully paid shares as the Board may determine subject to the Act, or as may be required by a particular offer of shares, or, failing such determination or requirement, shall be one share.
23. A Member may apply for shares in tranches of shares which are smaller in number than the minimum shareholding, provided that any Member who does not achieve the minimum shareholding within 12 months of their first payment may, at the discretion of the Board, cease to be a Member. Any person ceasing to be a Member under this rule shall have the value of their shares as at the date on which they ceased to be a Member returned to them and the relevant shares shall be cancelled.
24. Applications for shares shall be made to the Board of the Society who shall allot to Members, upon their admission, the share or shares for which they have applied provided that the total number of shares allotted to any Member shall not exceed the maximum shareholding permitted by law. Shares shall be paid for in full on allotment.
25. If a Member who is required to withdraw from membership under these Rules is unable to transfer their shares and the right to withdraw shares has been suspended, then the nominal value of their share capital shall be converted into loan stock upon such terms as may be agreed between the Board and the Member, or their personal representative, trustee in bankruptcy, or Office Holder provided that such agreement shall require the repayment of the loan within a period not exceeding three years.
26. Shares shall be Withdrawable only in accordance with the provisions of these Rules. Shares shall be non-Transferable except:
- (a) on death or bankruptcy; or
 - (b) (in the case of an unincorporated organisation or partnership), on a change of nominee(s) and only to the new nominee(s).

Withdrawal of share capital

27. Shares may be withdrawn by Members upon giving three months' notice to the Society (though the Board retain sole discretion to return money paid for them), provided that:
- (a) All withdrawals shall be paid in the order in which the notices were received by the Society;
 - (b) A Member shall not be entitled to withdraw shares which would leave them with less than the minimum shareholding, unless they intend to terminate their membership of the Society;
 - (c) The Board may waive the notice required for a withdrawal and may direct payment to be made without notice or on such shorter notice as they consider fit;
 - (d) The Board may, at their sole discretion, suspend the right to withdraw either wholly or partially, and either indefinitely or for a fixed period. The suspension shall extend and apply to all notices of withdrawal which have been received and remain unpaid at the time the Board suspends the right to withdraw. Where the suspension is for a fixed period, such period may be extended from time to time by the Board;
 - (e) During any period when the right of withdrawal has been suspended under the provision immediately above, the shares of deceased Members may, if the Board agree, be withdrawn by their personal representatives upon giving such notice as the Board may require;
 - (f) The amount to be paid to a Member on withdrawal shall be the amount paid up or credited on the shares to be withdrawn, except where the shares are subject to a reduction in their value in accordance with the provisions of these Rules;
 - (g) Interest shall be payable on any share in respect of which a notice of repayment has been given until the date of repayment.
28. Any share withdrawn in accordance with these Rules shall be cancelled.
29. Members may withdraw from the Society by withdrawing all their shares in the Society in accordance with these Rules or, if the right to withdraw has been suspended, by surrendering all their shares to the Society. Upon such surrender the Board may at their discretion pay to the withdrawing Member the amount paid up or credited on the shares surrendered.
30. The Society may deduct such reasonable sum to cover any administrative costs of withdrawal from the monies payable to a Member on the withdrawal of shares in the Society.

Reduction in Share Values

31. If the Society's Auditors (or any independent qualified accountants appointed for this purpose by the Board) certify at any time that the aggregate of the Society's liabilities plus the amount of its issued share capital exceeds its assets, then (unless in the meantime the excess has been removed) the Board may determine that the amount of this excess, or part of it, shall be apportioned among the Members in proportion to (but

not beyond) the amount of the nominal value of the shares paid up and held by each Member. This apportionment shall be based on the value of the shares paid up and held by each Member at the close of business on the date of such determination. The value of shares held by each Member shall be reduced accordingly for the purposes of withdrawal of shares, provided that the value of shares held by any Member shall not be reduced below the minimum shareholding as specified in these Rules.

Lien on Shares and Right of Offset

32. The Society shall have a lien on the shares of a Member for any debt due to it by the Member and may offset any sum standing to the Member's credit with the Society in or towards payment of such debt.

GENERAL MEETINGS

33. The Society shall, within six months of the end of the financial year, hold a general meeting of the Members as its annual general meeting and shall specify the meeting as such in the notice calling it.
34. The business of an annual general meeting shall comprise, where appropriate:
- (a) The receipt of the accounts and balance sheet and of the reports of the Board and Auditor (if any);
 - (b) The appointment of an Auditor, if required;
 - (c) The election of the Board or the results of the election if held previously by ballot;
 - (d) The application of profits;
 - (e) The transaction of any other business included in the notice convening the meeting.

Calling a General Meeting

35. The Secretary, at the request of the Board of Directors may convene a general meeting of the Society. The purpose of the general meeting shall be stated in the notice of the meeting.
36. The Board of Directors upon an application signed by one-tenth of the total number of Members, or 100 Members, whichever is the lesser, delivered to the registered office of the Society, shall convene a general meeting. The purpose of the general meeting shall be stated in the application for and notice of the meeting. No business other than that stated in the notice of the meeting shall be conducted at the meeting.
37. If within one month from the date of the receipt of the application the Board have not convened a general meeting to be held within six weeks of the application, any three Members of the Society acting on behalf of the signatories to the application may convene a general meeting, and shall be reimbursed by the Society for any costs incurred in convening such a meeting.

Notices

38. The Directors shall call the annual general meeting giving 14 Clear Days' notice to all Members. All other general meetings shall be convened with at least 14 Clear Days' notice but may be held at shorter notice if so agreed in Writing by 90% of the Members..
39. Notices of meetings shall either be given to Members personally or sent to them at their Address or alternatively, if so agreed by the Society in general meeting, notices of general meetings may be displayed conspicuously at the registered office and in all other places of business of the Society to which Members have access. Notices shall specify the date, time and place at which the meeting is to be held, and the business which is to be transacted at that meeting. A general meeting shall not transact any business other than that specified in the notices calling the meeting.
40. A notice sent to a Member's Address shall be deemed to have been duly served 48 hours after its posting. The accidental omission to send any notice to or the non-receipt of any notice by any Person entitled to receive notice shall not invalidate the proceedings at the meeting.
41. All notices shall specify the date, time and place of the meeting along with the general nature of business to be conducted and any proposed resolutions.
42. If the Society has appointed an Auditor in accordance with these Rules they shall be entitled to attend general meetings of the Society and to receive all notices of and communications relating to any general meeting which any Member of the Society is entitled to receive. The Auditor shall be entitled to be heard at any meeting on any part of the business of the meeting which is of proper concern to an Auditor.

Quorum

INSERTION

The Rules of all societies must include a quorum for general meetings. Please insert the preferred figure in [brackets] below.

43. No business shall be transacted at a general meeting unless a quorum of Members is present which shall include those Members not present in Person. Unless amended by Extraordinary Resolution, a quorum shall be 3 Members or **[Insert figure here]** of the membership, whichever is the greater.

Chairing General Meetings

44. The chairperson of the Society shall facilitate general meetings. If s/he is absent or unwilling to act at the time any meeting proceeds to business then the Members present shall choose one of their number to be the chairperson for that meeting.

Attendance and Speaking at General Meetings

45. A Member is able to exercise the right to speak at a general meeting and is deemed to be in attendance when that Person is in a position to communicate to all those attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a general meeting to exercise their rights to speak or vote at it including by Electronic Means. In determining attendance at a

general meeting, it is immaterial whether any two or more Members attending are in the same place as each other, provided that they are able to communicate with each other.

46. The chairperson of the meeting may permit other persons who are not Members of the Society to attend and speak at general meetings, without granting any voting rights.

Adjournment

47. If a quorum is not present within half an hour of the time the general meeting was due to commence, or if during a meeting a quorum ceases to be present, the chairperson must adjourn the meeting. If within half an hour of the time the adjourned meeting was due to commence a quorum is not present, the Members present shall constitute a quorum.
48. The chairperson of a general meeting may adjourn the meeting whilst a quorum is present if:
- (a) The meeting consents to that adjournment; or
 - (b) It appears to the chairperson that an adjournment is necessary to protect the safety of any persons attending the meeting or to ensure that the business of the meeting is conducted in an orderly manner.
49. The chairperson must adjourn the meeting if directed to do so by the meeting.
50. When adjourning a meeting the chairperson must specify the date, time and place to which it will stand adjourned or that the meeting is to continue at a date, time and place to be fixed by the Directors.
51. If the meeting is adjourned for 14 days or more, at least 7 Clear Days' notice of the adjourned meeting shall be given in the same manner as the notice of the original meeting.
52. No business shall be transacted at an adjourned meeting other than business which could properly have been transacted at the meeting if the adjournment had not taken place.

Voting

53. A resolution put to the vote at a general meeting shall be decided on a show of hands unless a paper ballot is demanded in accordance with these Rules. A declaration by the chairperson that a resolution has on a show of hands been carried or lost with an entry to that effect recorded in the minutes of the general meeting shall be conclusive evidence of the result. Proportions or numbers of votes in favour for or against need not be recorded.
54. In the case of an equality of votes, whether on a show of hands or a poll, the chairperson shall not have a second or casting vote and the resolution shall be deemed to have been lost.

Paper Ballot

55. A paper ballot on a resolution may be demanded before or on the declaration of the result of the show of hands by three Members at a general meeting.
56. If a paper ballot is duly demanded it shall be taken in such a manner as the chairperson directs, provided that no Member shall have more than one vote, and the result of the ballot shall be deemed to be the resolution of the meeting at which the ballot was demanded.
57. The demand for a paper ballot shall not prevent the continuance of a meeting for the transaction of any other business than the question upon which a ballot has been demanded. The demand for a paper ballot may be withdrawn.

Resolutions

58. Decisions at general meetings shall be made by passing resolutions:
- (a) The following decisions must be made by Extraordinary Resolution:
- (i) Decisions to expel Members;

Option 1: Choose this option if the Society will not have an asset lock

- (i) Any amendment to the Society's Rules;

Option 2: Choose this option if the Society will have an asset lock

- (ii) Any amendment to the Society's Rules, subject always to regulation 7 of the Community Benefit Societies (Restriction on use of Assets) Regulations 2006, which has the effect of making the 'Application of Profits' rule dealing with the restriction on use of assets irrevocable.

- (iv) The decision to wind up the Society.
- (b) All other decisions shall be made by ordinary resolution.
59. An Extraordinary Resolution is one passed by a majority of not less than 75% of votes cast at a general meeting and an ordinary resolution is one passed by a simple majority (51%) of votes cast.
60. Resolutions may be passed at general meetings or by written resolution. A written resolution may consist of several identical Documents signed by one or more Members.

DIRECTORS

61. The Society shall have a Board of Directors comprising not less than three Directors.
62. The initial Directors of the Society from registration until the first annual general meeting shall be appointed by the Founder Members.
63. Only persons of the Society who are aged 18 years or more may serve on the Board of Directors.

OPTION 1: Elected Board of Directors

64. The Board of Directors shall be elected by and from the Society's Members. The maximum number of Directors serving on the Board shall be determined by a general meeting of the Society from time to time.

OPTION 2: Board Composition

65. The composition of the Board shall be as follows:
- (a) [Up to] [X] Directors elected by and from the Society's Members;
 - (b) [Up to] [X] Directors as representative[s] appointed/nominated by [insert name of organisation] (or any body that succeeds to its function);
 - (c) A person appointed as a Director ex officio the holder of the office of [...];
 - (d) [Up to] [X] Directors, who must be Members, appointed to the Board by co-option. Co-opted Directors are to be selected by the Board of Directors for their particular skills and/or experience.

Retirement Cycle

66. At the first annual general meeting all elected Directors shall stand down. At every subsequent annual general meeting one-third of the elected Directors, or if their number is not a multiple of three then the number nearest to one-third, shall retire from office. The Directors to retire shall be the Directors who have been longest in office since their last election. Where Directors have held office for the same amount of time the Directors to retire shall be decided by lot. A retiring Director shall be eligible for re-election.

Co-option of Directors

67. In addition the Board of Directors may co-opt up to two external independent Directors who need not be Members and are selected for their particular skills and/or experience. Such external independent Directors shall serve a fixed period determined by the Board of Directors at the time of the co-option, subject to a review at least every 12 months. External independent Directors may be removed from office at any time by a resolution of the Board of Directors.
68. The Board of Directors may at any time fill a casual vacancy on the Board by co-option. Co-opted individuals must be Members of the Society and will hold office as a Director only until the next annual general meeting.

Powers and Duties of the Board of Directors

69. The business of the Society shall be managed by the Board who may exercise all such powers of the Society as may be exercised and done by the Society and as are not by statute or by these Rules required to be exercised or done by the Society in general meeting.

70. All decisions made by a meeting of the Board of Directors or by any person acting as a Director shall remain valid even if it is later discovered that there was some defect in the Director's appointment or that the individual had previously been disqualified from acting as a Director.
71. All cheques, promissory notes, drafts, bills of exchange and other negotiable instruments, and all receipts for monies paid to the Society shall be signed, drawn, accepted, endorsed, or otherwise executed in such manner as the Board shall from time to time direct.
72. Without prejudice to its general powers, the Board may exercise all the powers of the Society to borrow money and to mortgage or charge its undertaking and property or any part of it and to issue debentures and other securities whether outright or as security for any debt, liability or obligation of the Society or of any third party.
73. No Regulation made by the Society in general meeting shall invalidate any prior act of the Board which would have been valid had that Regulation not been made.

Delegation

74. Subject to these Rules, the Directors may delegate any of the powers which are conferred on them under these Rules to any Person or committee consisting of Members of the Society, by such means, to such an extent, in relation to such matters and on such terms and conditions as they think fit.
75. The Directors may specify that any such delegation may authorise further delegation of the powers by any Person to whom they are delegated.
76. The Directors may revoke any delegation in whole or in part or alter any terms and conditions.

Sub-Committees

77. A sub-committee to which the Directors delegate any of their powers must follow procedures which are based as far as they are applicable on those provisions of these Rules which govern the taking of decisions by Directors.
78. The Directors may make Regulations for all or any sub-committees, provided that such Regulations are not inconsistent with these Rules.
79. All acts and proceedings of any sub-committee must be fully and promptly reported to the Directors.

PROCEEDINGS OF THE BOARD OF DIRECTORS

Calling a Meeting of the Board of Directors

80. Any Director may, and the Secretary on the requisition of a Director shall, call a meeting of the Board of Directors by giving reasonable notice of the meeting to all Directors. Notice of any meeting of the Board of Directors must indicate the date, time and place of the meeting and, if the Directors participating in the meeting will not be in the same place, how they will communicate with each other.

Proceedings of a Meeting of the Board of Directors

81. The Board of Directors may meet together for the despatch of business, adjourn and otherwise regulate their meetings as they think fit.
82. A Director is able to exercise the right to speak at a meeting of the Board of Directors and is deemed to be in attendance when that person is in a position to communicate to all those attending the meeting. The Directors may make whatever arrangements they consider appropriate to enable those attending a meeting of the Board of Directors to exercise their rights to speak or vote at it including by Electronic Means. In determining attendance at a meeting of the Board of Directors, it is immaterial whether any two or more Directors attending are in the same place as each other.
83. Questions arising at any meetings of the Board shall be decided by a majority of votes. In the case of an equality of votes the status quo shall be maintained and the Board of Directors may choose to refer the matter to a general meeting of the Society.
84. A written resolution, circulated to all Directors and signed by a simple majority (51%) of Directors, shall be valid and effective as if it had been passed at a Board meeting duly convened and held. A written resolution may consist of several identical Documents signed by one or more Directors.
85. The Board of Directors may, at its discretion, invite other persons to attend its meetings with or without speaking rights and without voting rights. Such attendees will not count toward the quorum.

Quorum

86. The quorum necessary for the transaction of business at a meeting of the Board of Directors shall be 50% of the Directors or 3 Directors, whichever is the greater and shall include those Directors not present in person.
87. If at any time the total number of Directors in office is less than the quorum required, the Directors are unable to take any decisions other than to appoint further Directors or to call a general meeting so as to enable the Members to appoint further Directors.

Chairing Board Meetings

88. The chairperson shall facilitate meetings of the Board of Directors. If s/he is absent or unwilling to act at the time any meeting proceeds to business then the Directors present shall choose one of their number to be the chairperson for that meeting.

Declaration of Interest

89. A Director shall declare an interest in any contract or matter in which s/he has a personal, material or financial interest, whether directly or indirectly, and shall not vote in respect of such contract or matter, provided that nothing shall prevent a Director voting in respect of her/his terms and conditions of employment or any associated matter.

Expenses

90. The Society may pay any reasonable expenses which the Directors properly incur in connection with their attendance at meetings or otherwise in connection with the exercise of their powers and the discharge of their responsibilities in relation to the Society.

Termination of a Director's Appointment

91. A person ceases to be a Director of the Society as soon as:

OPTION

Choose one or more of the following options if you have chosen one or more corresponding options under Option 2: Board Composition.

- (a) **Where there is co-option of Directors for their skills/experience:** That person is removed from office by a resolution of the Board of Directors, where the person is a co-opted Director appointed for their particular skills and/or experience;
- (b) **Where ex officio Directors:** That person ceases to hold that office or that office ceases to exist, where the person is a Director ex officio;
- (c) **Where there are representatives of organisations on the Board:** The organisation they are representing removes their endorsement of them;
- (d) **Where there are representatives of organisations on the Board:** The organisation they are representing ceases to exist;
- (e) That person resigns from office in Writing to the Secretary of the Society, and such resignation has taken effect in accordance with its terms;
- (f) That person is removed from office by an ordinary resolution of the Society in general meeting, the notices for which specified that the question of the Director's removal was to be considered;
- (g) That person is prohibited from being a Director by law;
- (h) A bankruptcy order is made against that person;
- (i) A registered medical practitioner who is treating that person gives a written opinion to the Society stating that the person has become mentally incapable of acting as a Director and may remain so for more than three months;
- (j) By reason of that person's mental health, a court makes an order which wholly or partly prevents that person from personally exercising any powers or rights which that person would otherwise have.

OFFICERS

92. The Board shall elect from among their own number a chairperson and Secretary and such other Officers as they may from time to time decide. These Officers shall have such duties and rights as may be bestowed on them by the Board or by law and any

Officer appointed may be removed by the Board. A serving Officer who is not re-elected to the Board at the annual general meeting shall nevertheless continue in office until the first Board meeting following the annual general meeting.

DISPUTES

93. In the event of a dispute between the Society or its Board and a Member of the Society or a former Member, such dispute shall be referred to an independent arbitrator whose appointment is acceptable to both parties to the dispute or in the absence of agreement to be nominated by the Secretary General of Co-operatives UK (or any role or body that succeeds to its function). The decision of such an arbitrator shall be binding. In the event that a dispute cannot, for whatever reason, be concluded by reference to an arbitrator, the matter may be referred to the county court (or in Scotland, to the sheriff). Any Person bringing a dispute must, if so required, deposit with the Society a reasonable sum (not exceeding £100) to be determined by the Board. The arbitrator will decide how the costs of the arbitration will be paid and what should be done with the deposit.

REGULATIONS

94. The Society in a general meeting, or the Board of Directors, may from time to time make, adopt and amend such Regulations in the form of bye-laws, standing orders, secondary rules or otherwise as they think fit for the management, conduct and regulation of the affairs of the Society and the proceedings and powers of the Board of Directors and sub-committees. Such Regulations (if any) shall be made available to Members. No Regulation shall be made which is inconsistent with these Rules or the Act. All Members of the Society and the Board of Directors shall be bound by such Regulations whether or not they have received a copy of them.

LIABILITY OF MEMBERS

95. The liability of a Member is limited to the amount of their shareholding.

APPLICATION OF PROFITS

96. Members of the Society will be rewarded primarily through a social dividend rather than a monetary dividend. Any profits of the Society shall be applied as follows in such proportions and in such manner as may be decided by the Society at the annual general meeting:
- (a) To a general reserve for the continuation and development of the Society;
 - (b) To paying interest on issued share capital at such rate or rates as determined by the Board from time to time, but not exceeding 5% per annum or 2% above the Co-operative Bank's base rate, whichever is the greater;
 - (c) To making payment for social or community purposes within the community served by the Society.

OPTION

ASSET LOCK

Choose this option if the Society is to have an asset lock

97. Pursuant to regulations made under section 1 of the Co-operatives and Community Benefit Societies Act 2003 all of the Society's assets are subject to a restriction on their use. The Society must not use or deal with its assets except:
- (a) Where the use or dealing is, directly or indirectly, for a purpose that is for the benefit of the community;
 - (b) To pay a Member of the Society the value of his withdrawable share capital or interest on such capital;
 - (c) To make a payment pursuant to section 24 (proceedings on death of nominator), 25 (provision for intestacy) or 26 (payments in respect of mentally incapable persons) of the Industrial and Provident Societies Act 1965;
 - (d) To make a payment in accordance with the Rules of the Society to trustees of the property of bankrupt Members or, in Scotland, Members whose estate has been sequestrated;
 - (e) Where the Society is to be dissolved or wound up, to pay its creditors; or
 - (f) To transfer its assets to one or more of the following:
 - (i) a prescribed community benefit society whose assets have been made subject to a restriction on use and which will apply that restriction to any assets so transferred;
 - (ii) a community interest company;
 - (iii) a registered social landlord which has a restriction on the use of its assets which is equivalent to a restriction on use and which will apply that restriction to any assets so transferred;
 - (iv) a charity (including a community benefit society that is a charity); or
 - (v) a body, established in Northern Ireland or a State other than the United Kingdom, that is equivalent to any of those Persons.
 - (g) Any expression used in this rule which is defined for the purposes of regulations made under section 1 of the Co-operatives and Community Benefit Societies Act 2003 shall have the meaning given by those regulations.

AMALGAMATION, TRANSFER OF ENGAGEMENTS AND CONVERSION

98. The Society may, by special resolution passed in the way required by the Act, amalgamate with or transfer its engagements to any other society or non-profit body subject to at least the same degree of restriction on the distribution of profits and assets as is imposed on this Society by virtue of these Rules. The Society may also accept a transfer of engagements and assets by resolution of the Board or of a general meeting.

99. The Society may, by special resolution passed in the way required by s52(3) of the Act, amalgamate with or transfer its engagements to a company or convert itself into a company under the provisions of the Act. In relation to calling a general meeting for the purpose of such resolution, the following provisions shall apply:
- (a) The Society shall give to Members not less than two months' notice of the meeting;
 - (b) Notice of the meeting shall be posted in a prominent place at the registered office and at all trading premises of the Society to which Members have access;
 - (c) The notice shall be accompanied by a separate statement setting out for Members:
 - (i) the reasons for the proposal;
 - (ii) whether the proposal has the support of the Board of the Society;
 - (iii) what alternative proposals have been considered, and whether they are viable;
 - (iv) details of the number of shares in the Society held by Members of the Board, and Persons connected with them;
 - (v) a recommendation by reputable independent financial advisors that the Members should support the proposal rather than any alternative proposal.
 - (d) Where the separate statement is contained in another Document, information shall be provided in the notice specifying where Members can obtain a copy of the Document.
 - (e) The quorum for a meeting at which a special resolution to amalgamate with, transfer engagements to or convert into a company is to be voted upon shall be 150 Members or 50% of the Members present in Person, whichever is the greater, subject to an absolute minimum of three Members.

DISSOLUTION

100. The Society may be dissolved by the consent of three quarters of the Members by their signatures to an instrument of dissolution, or by winding up in a manner provided for by the Act.
101. If on the winding up or dissolution of the Society any of its assets remain to be disposed of after its liabilities are satisfied, these assets shall not be distributed among the members, but shall be transferred instead to some other non-profit body or bodies subject to at least the same degree of restriction on the distribution of profits and assets as is imposed on this Society by virtue of these Rules, as may be decided by the members at the time of or prior to the dissolution.

ADMINISTRATIVE ARRANGEMENTS

Means of Communication

102. A Member may provide their consent to receive communications from the Society by Electronic Means.
103. A notice sent to a Director's Address shall be deemed to have been duly served 48 hours after its posting. A Director may agree with the Society that notices or Documents sent to her/him in a particular way are to be deemed to have been received within a specified time of their being sent, and for the specified time to be less than 48 hours.

Seal

104. If the Society has a seal, it shall only be used by the authority of the Board of Directors acting on behalf of the Society. Every instrument to which the seal shall be attached shall be signed by a Director and countersigned by a second Director or the Secretary.

Registers

105. The Board of Directors shall ensure accurate registers are maintained which shall include a register of Members, a register of Directors and a register of Officers.

Register of Members

106. The Board shall ensure that the register is maintained in accordance with the Act and that the particulars required by the Act are available for inspection and accessible without the need to disclose other particulars contained in the register.

Register of Directors and Officers

107. The Society shall maintain a register of Directors and Officers which shall include the following particulars:
- (a) Name of the Director;
 - (b) Address of the Director;
 - (c) The date on which they assumed office;
 - (d) The date on which they vacated office; and
 - (e) The position held by a Director if s/he is also an Officer and the date on which the Director assumed and vacated his/her Officer position.

Amendments to Rules

Option 1: Choose this option if the Society will not have an asset lock

108. Any of these Rules may be rescinded or amended or a new rule made by Extraordinary Resolution at a general meeting of which 14 Clear Days' notice has been given, such notice to include details of the change(s) to be proposed at that meeting. No amendment of Rules is valid until registered by the Registrar. When submitting the rule amendments for registration, the Secretary may at their sole

discretion accept any alterations required or suggested by the Registrar without reference back to a further general meeting of the Society.

Option 2: Choose this option if the Society will have an asset lock

109. Subject always to regulation 7 of the Community Benefit Societies (Restriction on Use of assets) Regulations 2006, which has the effect of making the 'Application of Profit' rule dealing with the restriction on use of assets unalterable, any of these Rules may be rescinded or amended or a new rule made by Extraordinary Resolution at a general meeting of which 14 Clear Days' notice has been given, such notice to include details of the change(s) to be proposed at that meeting. No amendment of Rules is valid until registered by the Registrar. When submitting the rule amendments for registration, the Secretary may at their sole discretion accept any alterations required or suggested by the Registrar without reference back to a further general meeting of the Society.

Copies of the Society's Rules

110. A copy of these Rules and any amendments made to them shall be given free of charge to every Member upon admission to membership and shall be provided to any other Person on demand and on payment of the statutory fee chargeable for the time being in force.

Minutes

111. The Society shall ensure that minutes are kept of all:
- (a) Proceedings at general meetings of the Society; and
 - (b) Proceedings at meetings of the Board of Directors and its sub-committees which include names of the Directors present, decisions made and the reasons for those decisions.

Annual Return

112. Every year and within the period prescribed by the Act, the Secretary shall send the annual return in the prescribed form to the Registrar. The annual return shall be accompanied by:
- (a) A copy of the Auditor's report on the Society's accounts for the period covered by the annual return or a copy of such other report (if any) as is required by statute for such a period; and
 - (b) A copy of each balance sheet made during that period and report of the Auditor or other appropriate person as required by statute on that balance sheet.
113. The Society shall on demand supply free of charge to any Member or any person with an interest in the funds of the Society a copy of the latest annual return together with a copy of the Auditor's report on the accounts and balance sheet contained in the annual return and the Auditor's Report (if any).

114. The Society shall at all times keep a copy of the latest balance sheet of the Society together with a copy of the corresponding Auditor's report (if any) hung up in a conspicuous place at the registered office and displayed on the Society's website (if any).

Audit

115. Unless the Society meets the criteria set out in section 4(2) of the Friendly and Industrial and Provident Societies Act 1968 or fulfils the exemptions set out in sub-sections 4(A) (1) and (2) of the Friendly and Industrial and Provident Societies Act 1968, the Board shall in each financial year appoint an Auditor as required by section 7 of the Friendly and Industrial and Provident Societies Act 1965 as amended, to audit the Society's accounts and balance sheet for the year. This provision also applies if the Society is in its first financial year.
116. The following persons shall not be appointed as Auditor of the Society:
- (a) An Officer or Employee of the Society;
 - (b) A person who is a partner or employee of, or who employs an, Officer of the Society.
117. The Board may appoint an Auditor to fill a casual vacancy occurring between general meetings.
118. An Auditor for the preceding financial year shall be re-appointed as Auditor of the Society for the current financial year unless:
- (a) A decision has been made by the Board to appoint a different Auditor or expressly decided that s/he shall not be re-appointed; or
 - (b) S/he has given notice in writing to the Secretary of her/his unwillingness to be re-appointed; or
 - (c) S/he is ineligible for appointment as Auditor of the Society for the current financial year; or
 - (d) S/he has ceased to act as Auditor of the Society by reason of incapacity.
119. Any ordinary resolution of a general meeting of the Society either to remove an Auditor from office or to appoint another person as Auditor shall not be effective unless notice of the proposed resolution has been given to the Society at least 28 days prior to the meeting at which the resolution is to be considered. At least 14 days' notice of such resolution must then be given to Members of the Society in the manner prescribed in these Rules and in Writing to the Auditor(s).

Social Accounting and Reporting

120. In addition to any financial accounts required by the Act, the Members may resolve to undertake an account of the activities of the Society which will endeavour to measure its social and environmental performance using whatever methodology the Members deem appropriate. Following the completion of such an account the Society shall report any findings to its Members and other stakeholders.

Indemnity and Insurance

121. Subject to the following rule, any Director or former Director of the Society may be indemnified out of the Society's assets against:
- (a) Any liability incurred by that Director in connection with any negligence, default, breach of duty or breach of trust in relation to the Society;
 - (b) Any liability incurred by that Director in connection with the activities of the Society in its capacity as a trustee of an occupational pension scheme;
 - (c) Any other liability incurred by that Director as an Officer of the Society.
122. The above rule does not authorise any indemnity which would be prohibited or rendered void by any provision of law.
123. The Directors may decide to purchase and maintain insurance, at the expense of the Society, for the benefit of any Director or former Director of the Society in respect of any loss or liability which has been or may be incurred by such a Director in connection with their duties or powers in relation to the Society or any pension fund or employees' share scheme of the Society.

Signatures of Founder Members	Full Names of Founder Members in BLOCK CAPITALS (no initials)
1.	
2.	
3.	
Signature of Secretary	Full Name of Secretary in BLOCK CAPITALS (no initials)
1.	

- Accepted as a model by the Financial Services Authority 2011 v.1 -

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Schedule 2

Summary of Services

1. Description of the Services

The service shall fulfil the Council's statutory duty under the Public Libraries and Museums Act 1964 which states that: *It shall be the duty of every library authority to provide a comprehensive and efficient library service for all persons desiring to make use thereof.*

The service shall further Explore's vision, *to enable people to live fuller, more connected and engaged lives.*

Explore will deliver a comprehensive and efficient public library service increasing access to library services by providing excellent services, encouraging everyone to be a library member from birth, and giving York residents universal membership of all public libraries in England and Wales through membership of the Society of Chief Librarians.

Explore shall provide the following core offers:

i. The Health and Social Care Offer:

- A network of local hubs offering non-clinical community space where people can access free, impartial information and advice
- Community outreach supporting vulnerable people such as a home library service, and books on prescription
- Expert staff with up to date knowledge of health care services and providers in their local community and who will be able to signpost customers effectively to providers where clinical or specialist support is needed. They will do this with respect and confidentiality.
- Assisted on-line access to a range of websites by staff who are expert in mediated searches and able to locate information and online resources appropriate for the customer need and to facilitate and enable digital literacy
- Self-help, independent library resources including impartial health information to support people in making independent life decisions

- Health and care information services through partnership with agencies such as Age UK, Macmillan to signpost customers
- All sites to be dementia friendly
- Public health promotion activity working with the public health team
- Social and recreational reading opportunities like reading groups
- Volunteering and community engagement activities

ii. The Universal Reading Offer:

- Promoting the joy of reading through a range of activities and events
- Free access to book stock to browse and borrow in a variety of formats for all ages in which readers claim a legitimate interest
- A stock policy that reflects the community's requirements, promotes the stock, and provides the widest range of material within the resources available
- Average annual spend on stock over the life of the contract no lower than that spent by the Council in 2013/14
- Access to the national book collection through inter library loan
- Support for reading groups
- Interactive catalogue and events that support and develop a community of readers. Connecting readers to other readers
- Promoting reading for children and young people, working with schools and early years settings
- Supporting literacy development at all ages
- Taking part in national reading promotions
- Services for targeted audiences within the universal offer

iii. The Universal Information Offer:

- Information from all sources, which has been researched by information professionals, giving a level of quality assurance to the user
- Expert staff, trained in reference work
- Provision of community information at each site and management of Yortime.org.uk
- Impartial reference and information allowing people to make informed decisions

- Access to local and family history resources
- Business and enterprise information supporting Small and Medium Sized Enterprises (SME's) and people looking to start up in business
- Information on jobs and careers as well as job search workshops in partnership with York Learning
- Work with the Council's benefits team to deliver information on the range of and changes to benefits
- Expert help accessing rights, democracy and citizenship information
- Expert help accessing Gov.uk, york.gov.uk and other national and local government websites

iv. The Universal Digital Offer:

- Free access to the Internet for every resident
- Free WiFi in every library
- Clear and accessible online information about library services
- A range of online reference sources
- Ebooks
- Free help to get online and support once you are online
- Targeted work to get people online
- Surgeries to try out new technology such as tablets, ereaders etc.
- Mediated help online
- Staff trained to help customers access digital information
- Ability for customers to join online
- Ability to be contacted online/via email for answers to customer enquiries
- 24/7 access to services through a virtual library presence
- Ability to reserve & renew items remotely via an online catalogue

Explore shall deliver the following additional services:

i. An archive and local history service:

- Promoting access to the collections
- Ensuring, conservation, acquisitions and disposal of the collection
- Achieving archive accreditation within 4 years

- Supporting local democracy and accountability by identifying and preserving the key original records of York's local government through best practice professional records management
- Maintain free hands-on public access to the archive and local history collections both in York Explore and throughout our network of libraries
- Maintaining York as a National Archives Approved repository for legally-protected Public Records and Manorial Documents
- Developing partnerships with local community groups to increase the use of the archive and local history collections, and volunteer opportunities to get involved in preserving the collections
- Increasing the proportion of the archive and local history collections which are available online
- Working with local partners to increase educational use of the archive & Local history collections, and to develop the archives collections to support economic and tourism development
- Pursuing external funding to support these objectives
- Working in partnership with the Council to deliver all the Heritage Lottery Fund approved purposes of the York Gateway to History project grant, and specifically
- Delivering Approved Purpose Three ("to give hands on access to the archives") through the Heritage Lottery Fund approved Activity Plan attached as Annex 1 of this schedule

ii. Management of the Learning Network:

- Developing it in partnership with York Learning to support the curriculum

iii. Administration of YorkCard for the Council:

- Negotiating new discounts from other providers
- Marketing the benefits of YorkCard
- Maintaining a marketing database for the use of the Council and administering the Yortime ebulletin

iv. Provision of learning space for York Learning:

- Making no less than 50% of available room capacity for hire, free of charge, to York Learning

v. *Toy Library:*

- Administering the toy library on the Library Mobile service in partnership with Children's Centres

Explore shall ensure that appropriate staff are deployed to carry out the service by:

- Retaining a professionally qualified chief librarian
- Retaining a qualified and designated Civic Archivist
- Retaining a core of qualified professionals
- Staff and volunteers appropriately trained to deliver the comprehensive and efficient service
- Paying all staff no less than the living wage

2. Specification Outcomes

The service shall deliver the following outcomes:

- a. Increased opportunities for residents to shape local services through volunteering roles and opportunities, evidenced by:
 - A widening range of volunteer roles within the service to support paid staff
 - Active membership of the York Volunteering Partnership
 - Partnerships with organisations to deliver services such as with the Royal Voluntary Service to deliver the Home Library Service
- b. "Co-production": the active involvement of residents in decisions and service redesign of Explore's services to meet local needs, evidenced by:
 - Opportunities for residents to elect two board members and to stand for the board
 - Friends groups and advisory groups which will be open to everyone of all ages
 - Workshops designed to include everyone and actively encouraging people from disadvantaged communities to take part which will build capacity through topics such as "how to be a board member"

- c. Residents increasingly supported to engage in planning, priority setting and problem solving generally in their communities, evidenced by:
- Partnership working with the Council's Communities and Equalities team to deliver a programme of engagement activities at each library designed to build community capacity
 - An identified space at every library where the Council can engage with and consult communities both online and face to face
- d. Increased investment in and championing of innovation, evidenced by:
- Seeking out national and international models of excellence and innovation, working with innovation platforms, such as Genius, promoting innovation through case studies, and implementing ideas in York where appropriate.
 - Innovative approaches to the preservation of and public access to the archives and local history collections through the "Gateway to History" and the "City Making History" projects including
 - Attracting external funding to invest in innovation
 - Partnerships with the Council's ICT service to deliver innovative approaches to the use of new technology
- e. A wide range of communication channels enabling new ways for the Council and other agencies to interact with residents, evidenced by:
- Partnership working with the Council's Customer Services to develop a new model of customer services in communities ranging from telephone access, to web access to face to face contact, with staff trained to support Council enquiries and to help people to get online
- f. Opportunities for children and young people to be actively involved in shaping Explore, evidenced by:
- Development of a special Advisory group for those age groups
 - Regular consultation with children and young people undertaken across the City

- g. Residents increasingly enabled to find answers to local problems, evidenced by:
- Improved access to life-critical information
 - Partnerships developed with other local providers to identify local need and develop appropriate solutions
 - Work with residents to develop skills that increase self-sufficiency, reducing demand on public services
- h. Communities placed at the heart of everything Explore does through the development of community hubs - a flexible and welcoming space where everyone can come together for a wide range of activities and events – evidenced by:
- Realigned service provision within a network of community assets meeting identified community need providing a single point of co-ordination for community management
 - Modern, outward looking, welcoming, customer first, flexible spaces where local residents can come together for a wide range of community activities
 - The transition of other Council and third sector community based services into the hub
 - Initiatives that reduce the Council's service delivery
 - New “paid for” services for example linked to economic growth, new jobs
 - Opportunities and resources to support residents to get involved in their community and the decisions that affect its development

The Council and Explore will cooperate to further the co-location of services within the hubs. Explore will not charge the Council or its key partners for their location and/or operation within hubs (other than to achieve cost recovery).

- i. Enhanced transformation and efficiency across the business of the Council and other delivery agencies, evidenced by:
- Support to the Council's transformation projects notably in the area of Adult Social Care
 - Provision of facilities and resources to engage the community in new ways of working

- j. Inspiring learning available for all, evidenced by:
- Partnership with York Learning to support their delivery of a range of programmes in skills development and to prepare people for work
 - State of the art learning spaces accessible to all
 - Explore's active membership of the York Community Learning Trust
 - Management of the Learning Network, planning developments with York Learning
 - Delivery of a range of learning programmes such as family and local history, reading, IT
 - Delivery of a digital inclusion learning programme that will get people online for free. All of our sites are UK Online Centres
 - Support for literacy at all ages
 - Access to the national book collection through inter library loan
 - Information literacy programmes delivered
 - Resources to support the National Curriculum
 - Developing self-organised learning
 - Quiet study spaces for individuals and groups
- k. Good relations between different communities living in York, evidenced by:
- Opportunities to celebrate diversity such as the Human Library, book displays and lectures
 - The building of York's multiple collective identities and memories by working with local people to identify and preserve the key records of all cultures and communities in the city
- l. The creation of high quality employment opportunities, evidenced by:
- New employment opportunities for residents including apprenticeships, employment support and employee assistance programmes
 - We will work with York Learning to provide a range of opportunities for NEETs, adults with learning disabilities and people recovering from mental health

- m. A Fairer York and narrowing the gaps, evidenced by:
 - Furthering the principles of the Fairness Commission
 - Support for the financial inclusion strategy through the Small Changes partnership with CAB and Aviva

- n. Increased customer satisfaction with the service
 - Explore's Customer First standard, an in house programme to ensure excellent customer care
 - Achievement of the Customer Service Excellence award by year two of the contract

3. Performance Information

Explore shall provide the following information quarterly in respect of each quarter of the financial year no later than 6 weeks after the end of the respective period: (See Annex 3)

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Performance Indicators

Annex 3

Category	Baseline 2012/13	Quartile position (compared to unitaries)	Comments
Number of staff	58.7 FTE	2nd	Professional: 6.8 libraries, 4 archives Non professional: 47.9 libraries
Number of physical visits across all libraries	1,005,595 11/12 1,009,148 10/11 940,251	Upper	
Issues Issues of all stock including renewals	984,593 11/12 1,062,054 10/11 1,111,327	2nd	Upper quartile translates to 1,046,800.
Issues of Children's books	308,793 11/12 319,914 10/11 319,396	3rd	Includes fiction, non-fiction and audiobooks 309,900 is 2 nd , 383,660 is upper.
Stock count Total number of stock items on 31 st March 2013	222,683 11/12 227,289 10/11 212,593	Bottom	3 rd quartile would be 241,580

Total number of children's items	59,557 11/12 56,019 10/11 51,666	Third	2 nd quartile would be 69,380
Stock turn Adult Non fiction Adult Fiction Children non fiction Children fiction	4.6 6.6 3.8 5.5	Upper Upper Upper 2 nd	Upper quartiles: 3.6 6.5 3.4 6.4 This demonstrates how hard the stock is working i.e. how many times per year an average item is borrowed. It gives an indication of quality.
Number of Explore Members			Not yet begun
Number of residents with current Yorkcards	35,712		
Number of Home Library users	113		We are working with RVS to improve this figure

Active library borrowers All ages	41,222 (=20.6% of local population) 11/12 43,203 10/11 45,846	Upper	Members who have borrowed at least one item in the last year
Child active borrowers (upto age 11)	11/12 11,364 (47.0%) (12/13 not available)	Not collected nationally	
Number of visits per week to Archives and Local History spaces	1583*	Bottom or 3 rd depending on whether you divide by population	*Estimate
Number of hours per week for access to archives	14	Bottom	
Number of visits to use archives	783	Bottom	
Number of original documents retrieved	804	Bottom	
Number of remote enquiries received	953	Bottom	Telephone, email, letter

Number of attendees at learning or engagement sessions/events	162	Bottom	
Number of volunteers at 31 st March	69		
Number of volunteer hours in the year	6205		
Number of young volunteers 18 and below			Funding from Cabinet Office and The Reading Agency to increase numbers
WiFi take up Number of log ons			This will be possible once we have a new Smoothwall in operation
Number of PC log ons	128,469 10/11 115,314 09/10 111,383	Not available	
Number of people helped to get online			
Searches of online reference resources	223,759 11/12 216,093	Not available	There are 15 online reference resources including Ancestry, OED, Driving Theory, Cobra

Customer Service Excellence Accreditation			Awarded by the Cabinet Office. To be achieved by 2015
Dementia Friendly Status			Awarded by Dementia Forward. To be achieved by 2015
Investing in Volunteering			Awarded by UK Volunteering Forum To be achieved by 2015

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**COLLECTIONS LOAN AND MANAGEMENT AGREEMENT
– MAIN TERMS**

1. The Loan

- 1.1. The City Council agrees to lend the Collections to Explore and Explore agrees to accept the Collections on loan for the Term for the purposes of the management of the Collections subject to the terms of this Agreement.
- 1.2. The City Council and Explore acknowledge that certain items in the Collections are on loan to the City Council (“the Loaned Collections”) by third parties and the City Council does not assert any rights of ownership or otherwise in respect of it.
- 1.3. In the light of the acknowledgement expressed in Clause 2.2 the City Council hereby agrees to allow Explore to take custody of the Loaned Collections upon the terms of this Agreement but **SUBJECT ALWAYS** to the rights and titles of any person claiming ownership of it as against the City Council to remove it (with or without notice) or otherwise deal with it as owner and Explore hereby agrees that it will comply with the request of the City Council or any third party asserting title to or ownership of any item within the Loaned Collections and will deliver up custody of it immediately on request to the City Council or to such third party.
- 1.4. The City Council hereby warrants and undertakes to Explore that it is entitled to loan to Explore the Loaned Collections and has obtained all consents, permits, authorisations, approvals and permissions of any kind required from any third party to enable the City Council to grant the loan of and custody of the Loaned Collections to Explore.
- 1.5. The City Council shall indemnify and hold Explore harmless against and from any and all actions, claims, costs (including legal expenses properly incurred) damages, demands and liabilities raised against or suffered or incurred by Explore in connection with or arising out of a breach or the warranty in clause 2.4 by the City Council.

- 1.6. Explore agrees that the City Council is and remains the legal custodian of the Collections under all terms and conditions by which the Council originally came into possession or custody of the Collections and that Explore has no proprietary right or interest in the Collections and will not by virtue of this Agreement acquire any such right or interest other than in accordance with the terms of this Agreement.
- 1.7. The City Council agrees that nothing in this Agreement except where specifically otherwise stated shall transfer to Explore any of the City Council's statutory obligations and duties relating to the Collections and the Intellectual Property Rights arising from the provisions of any enactment.
- 1.8. Subject as provided elsewhere in this Agreement, the parties to this Agreement agree that the Collections shall be permanently kept at the Premises during the Term.

2. Intellectual Property Rights

- 2.1. The Council hereby grants to Explore an exclusive world-wide royalty-free all-media licence to use all Intellectual Property Rights currently owned or otherwise exploited or used by the City Council in the Collections and the Loaned Collections for the purposes of Explore managing the Collections, the Loaned Collections, providing and developing the Library & Archive Activity, marketing, advertising and promoting the Collections, the Loaned Collections, the Premises and/or the Library & Archive Activity and in connection with any merchandise of any nature produced by or on behalf of Explore in connection with the Library & Archive Activity ("the IPR Licence").
- 2.2. The City Council hereby warrants and undertakes to Explore that it is entitled to grant to Explore the IPR Licence and has obtained all consents, licences, permits, authorisations, approvals and permissions of any kind required from any third party to enable the City Council to grant the IPR Licence to Explore.
- 2.3. The City Council shall pay all costs of any kind (including without limiting the generality of the foregoing any maintenance, renewal, application or registration costs) in

connection with or arising out of the Intellectual Property Rights granted pursuant to the IPR Licence and owned by the City Council for the Term to ensure that such Intellectual Property Rights remain in full force and effect for the Term.

- 2.4. The City Council shall at the request of Explore and at the City Council's own expense do and execute all such further acts things and documents and obtain all such consents, licences, permits, authorisations, approvals and permissions of any kind required from any third party to give full effect to the IPR Licence.
- 2.5. Explore agrees that all income generated as a result of the IPR Licence will be clearly and separately identified within Explore's published accounts.

3. Temporary Removal

- 3.1. Explore may make such arrangements in relation to the management of the Collections as it, in its absolute discretion, decides PROVIDED ALWAYS that Explore shall act in accordance with its Rules, the Contract, the Collections Protocol and all relevant trust deeds, schemes and other such documents.
- 3.2. For the avoidance of doubt Explore shall be permitted to remove the Collections from the Premises for the purpose of temporary exhibition at a location other than the Premises. Such removals shall be at Explore's own expense unless otherwise provided for elsewhere in this Agreement.

4. Explore's obligations

- 4.1. Explore agrees that it will:
 - a) manage the Collections in accordance with the terms of the Contract, the Collections Protocol and relevant trust deeds, schemes and other such documents hereof or such updated and/or equivalent documents in force from time to time;
 - b) provide free of charge expert professional advice to the City Council on the most economical and efficient discharge of the City Council's obligations and duties towards its records

and archives as required by s224 of the Local Government Act 1972;

- c) conserve the Collections at its own expense and take such suitable advice and steps as seem fit and appropriate to protect and care for them;
 - d) keep the Collections in good repair as the same are now, fair wear and tear and ageing excepted, and will take proper precautions to prevent damage to or theft of the Collections;
 - e) allow the City Council to inspect the Collections on reasonable notice;
 - f) identify the City Council as the owner or custodian trustee of the Collections by labelling or in any collections management documentation relating to the Collections or by such other means (as far as it is possible to do so).
- 4.2. Explore will effect or procure to be effected and maintained such insurances as are necessary to protect the Collections.
- 4.3. Explore shall use its reasonable endeavours to procure that the cover provided by such insurances is substantially similar to the cover provided by the City Council immediately prior to the date of this Agreement.
- 4.4. Each of the City Council and Explore will procure that there be given to the other such information in connection with the insurances and copies of the policies as the other may reasonably require and Explore will promptly notify the City Council of renewals made and variations and cancellations of policies made or, to the knowledge of Explore, threatened or pending.
- 4.5. Explore shall procure prompt payment of all premiums (and provide evidence of the same to the City Council to keep the insurance policies (referred to above) in force provided that they are respectively available upon reasonable terms and if Explore determines that any of the insurances (save for mandatory insurances) is not so available it will promptly notify the City Council.

- 4.6. If Explore fails to comply with any of the provisions of Clauses 5.2 to 5.5 inclusive, the City Council shall immediately be entitled (but not obliged) to effect or renew the insurances concerned at the expense of Explore.

5. Termination of this Agreement

- 5.1. This Agreement shall terminate if:

- a) There is any material breach by Explore of any of this Agreement, the Contract, the Collections Protocol or the Leases and Licences and, in the case of a breach capable of remedy, the breach is not remedied within a reasonable time but, in any event, not later than sixty (60) days of Explore receiving notice specifying the breach and requiring its remedy; or
- b) The Term of the Leases and Licences shall expire or otherwise determine; or
- c) Explore ceases to exist or to operate; or
- d) An Insolvency Event occurs; or
- e) The Loan shall determine and the City Council shall recover the Collections; or
- f) Explore shall give six months written notice of its wish to terminate this Agreement.

- 5.2. In default of an agreement between Explore and the City Council as to whether:

- a) any situation act or omission constitutes a breach of the covenants or obligations herein contained; or
- b) circumstances have arisen which materially prejudice the condition, well being or repair of the Collections; or
- c) a particular period of time is reasonable in the circumstances in which to remedy a breach of covenant or other obligation;

the provisions of Clause 11.2 will apply.

- 5.3. On termination of this Agreement Explore agrees to deliver up the Collections to the City Council.

6. Removal of Collections

- 6.1. If the Collections are at any time at immediate risk of damage, loss or destruction for whatever reason, the City Council may remove the Collections which belong to them from the Premises without giving notice to Explore to a place of safety. Except where the Collections were at risk by reason of Explore's breach of the covenants and obligations herein contained and CYC has, in consequence of this breach, determined the Loan the Collections shall be returned to the Premises when in the opinion of the City Council they are no longer at risk.

7. New acquisitions

- 7.1. Any new items added to the Collections during the Term by way of deposit, loan, gift, purchase or bequest to Explore shall be transferred to the ownership or custodian trusteeship of the City Council.
- 7.2. Except as specified below, Explore shall pay the all initial costs ("the Transfer Costs") and other storage and conservation costs relating to transfers of new Civic Archives and new acquisitions of Deposited Public Records and Private Archives added to the Collections during the Term. The Transfer Costs will be defined as the costs of:
- a) making an initial inventory of the new archives;
 - b) providing storage media for the new archives;
 - c) initial transport of the new archives to the Premises;
- to the quality standards set out in the Collections Protocol.
- 7.3. The City Council shall pay the initial direct costs of new Civic Archives which are added to the Collections during the Term where that transfer is necessary for the City Council to meet the requirements of s224 of the Local Government Act 1972.
- 7.4. The City Council shall pay all storage costs for new Civic Archives added to the Collections during the Term where transfer to the Civic Archive is necessary for the City Council to meet the requirements of s224 of the Local Government Act 1972 and where:

- a) for reasons of security, Data Protection, the safeguarding of children or other vulnerable persons, or commercial confidentiality the City Council requires the new acquisitions to be retained in the physical custody of the Council and not transferred to the Premises; or
- b) for any reason the City Council requires Explore to obtain the explicit permission of the City Council Officer before giving public access to the new acquisitions;

8. Data Protection

- 8.1. For the purposes of Data Protection legislation the City Council remains the Data Controller for the Collections.
- 8.2. As Data Controller the City Council shall pay all costs of research, drafting sending and replying to correspondence and making and supplying copies of items in the Collections which are incurred in responding to data subject access requests made under the provisions of Data Protection legislation in respect of the Collections.
- 8.3. Explore will pay all costs of giving data subjects direct physical access to the Collections on the Premises in response to a data subject request.
- 8.4. Explore will administer free of charge on behalf of the City Council the research exemption for public access to any of the Collections where such access falls under Data Protection legislation. Explore hereby warrants to the City Council that it will create and maintain adequate records of any research exemptions granted and that these records will be of a sufficient quality to satisfy the requirements of the Information Commissioner.

9. Freedom of Information

- 9.1. Explore will refer to the City Council any Freedom of Information requests which it receives which relate to the Civic Archives and Deposited Public Records and will only respond to such requests in accordance with specific guidance given to Explore by the City Council Officer.

- 9.2. The City Council shall pay all costs of research, drafting sending and replying to correspondence and making and supplying copies of items in the Collections which are incurred in responding to Freedom of Information requests relating to the Civic Archives and to Deposited Public Records.
- 9.3. Explore will pay all costs of giving individuals making Freedom of Information requests direct physical access to the Collections on the Premises.
- 9.4. Explore will respond directly and at its own expense to any Freedom of Information requests which it receives which relate to Private Archives and to the Local History Library. Explore hereby warrants to the City Council that it will create and maintain adequate records of such responses and that these records will be of a sufficient quality to satisfy the requirements of the Information Commissioner.

10. Miscellaneous

- 10.1. Terminations of this Agreement by any party under the terms of this Agreement shall be without prejudice to and shall not affect the liability of any other party in respect of events occurring prior to the termination.
- 10.2. Any dispute or difference between the parties (other than a decision by the City Council to remove the Collections to safe-keeping in accordance with Clause 7.1 when the decision of the City Council shall be final and conclusive) shall be referred to and determined by a sole Arbitrator to be appointed by agreement between the parties or in default of agreement by the President for the time being of the Law Society. Such arbitration shall take place in York and the costs of the arbitration shall be within the Arbitrator's decision.
- 10.3. This Agreement may be executed in any number of Counterparts and by the different parties in different Counterparts each of which when executed and delivered is an original. Any party may enter into this Agreement by executing a Counterpart and this Agreement shall not take effect until it has been executed by all the parties but all such Counterparts shall be deemed to constitute one and the same instrument.

- 10.4. Any delay of failure by either party to this Agreement to exercise any right(s) or remedy shall not constitute a waiver of such rights(s) or remedy.
- 10.5. This Agreement contains all the terms between the parties except fro such variations in writing as shall be agreed in writing by the City Council and Explore.
- 10.6. Explore is not permitted to sell, assign, change or otherwise dispose of any right or interest under this Agreement without the prior written consent of the City Council.
- 10.7. This Agreement shall be governed and construed in accordance with English law.

IN WITNESS whereof the City Council and Explore have executed this instrument as a Deed on the date first before written

Schedule 1 The Insolvency Events

Insolvency Event means any of the following events being in relation to Explore that:

[insert definitions of insolvency events as per YMT agreement]

Schedule 2 The Collections Protocol

- The City Council will retain custodian trusteeship/ownership of all items in the Collections.
- Any new acquisitions by any method will be vested in the City Council – Explore will not collect new material for the Collections for its own benefit, but for the citizens of York and beyond.
- Explore will identify and negotiate on behalf of the City Council new additions to the Collections of Civic Archives, Deposited Public Records, Private Archives, publications and any Intellectual Property Rights relating to them.
- Explore will act in the Council's best interests at all times over the management of the Collections, and will actively work to minimise and eliminate all unfunded liabilities relating to the Collections.
- Explore will initially manage the Collections in accordance with the current City Council Archives & Local History Collecting Policy approved by the Executive Member on 8th March 2011. Explore will from time to time revise this Policy in agreement with the City Council to reflect that Explore is an operator rather than an owner of the Collections. This policy will then be reviewed every five years in accordance with good practice guidance from The National Archives.
- In acting as the City Council's agent for the acquisition of new Deposited Public Records into Council custody Explore will act solely in accordance with best practice guidance on the management of Deposited Public Records as issued from time to time by The National Archives.
- Explore will assist the City Council to discharge the Council's responsibilities towards the Collections under s224 of the Local Government Act 1972 (including implementing wherever applicable

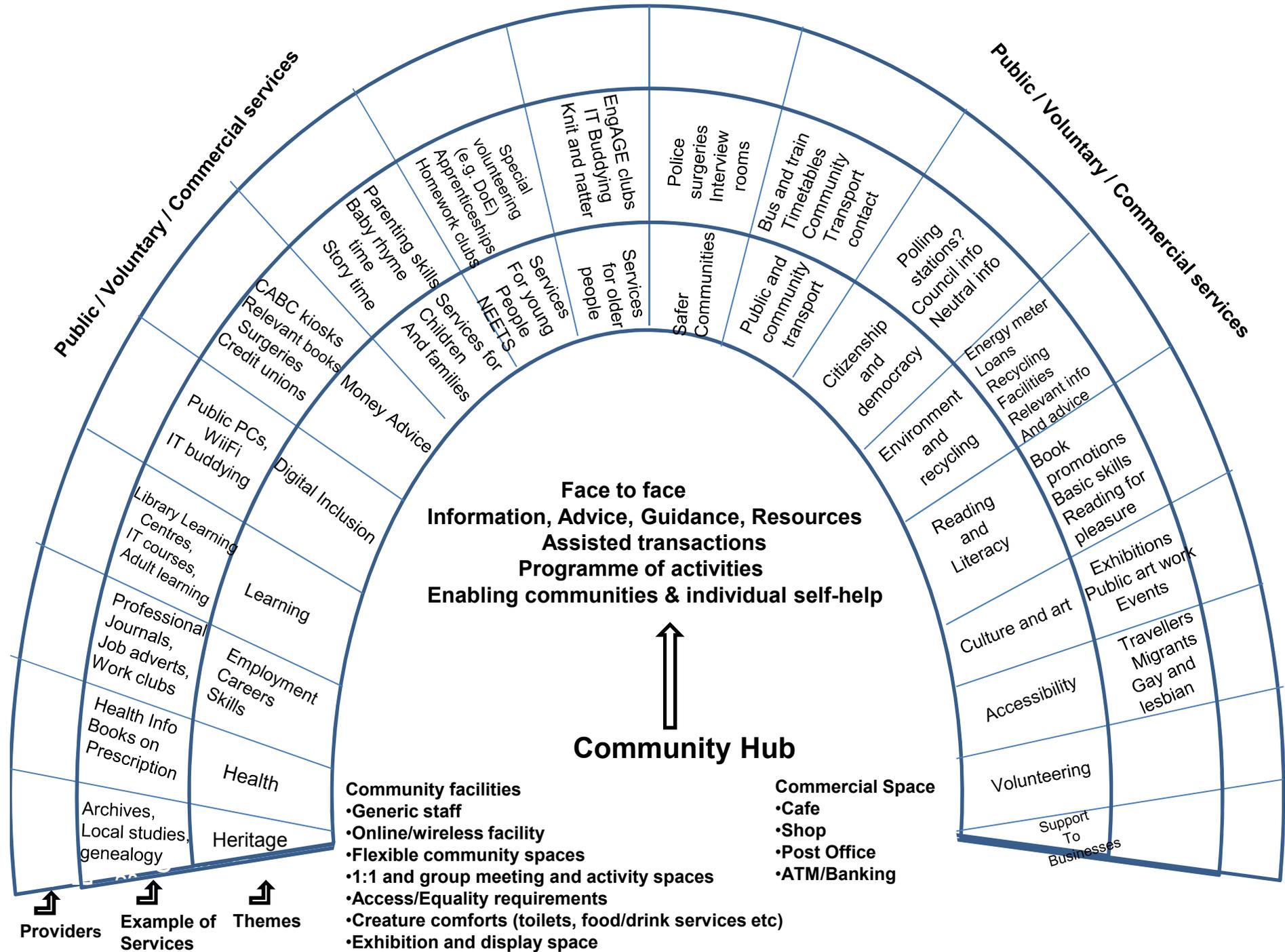
all guidance issued by the Secretary of State and The National Archives to clarify and define those responsibilities.)

- More generally, as agent for the City Council, Explore will manage the Collections in accordance with best current professional practice guidance as issued by The National Archives and The Arts Council as lead bodies for the archives and library sectors respectively.
- Explore will demonstrate that it is managing the Collections in accordance with best professional practice by achieving Archive Service Accreditation as overseen by The National Archives within the duration of the Contract.
- Explore will at all times employ a minimum of 1fte professionally-qualified archivist as a member of the senior management team of Explore with specific responsibility for the Collections.
- Explore will fund and operate improved physical and digital storage environments for the Collections complying with the provisions of British Standard PD5454:2012 which will protect them from loss, damage and degradation in line with best professional practice and guidance.
- Explore will actively generate funds to address the preservation needs of the Collections, ensuring that they are appropriately packaged, handled with care when in use or copies made for public use to protect the originals from damage, and where necessary active conservation or repair work is carried out by a qualified conservator.
- During the Term Explore will research, create and maintain the first comprehensive documented audit trail for the management of the Collections held by Explore. The audit trail will include documentation for:
 - the date, legal basis and any specific terms and conditions on which items in the Collections are acquired by the City Council and into the Council's legal custody both for items in the Collections as at [the Transfer Date] and any items subsequently added to the Collections after [the Transfer Date];

- the storage locations of the Collections in Explore's physical custody;
 - the conservation or copying of the Collections whilst in Explore's custody;
 - the commercial and non-commercial use of any intellectual property rights in the Collections whilst in Explore's custody;
 - the date, legal basis and any specific terms and conditions relating to the disposal of any items from the Collections whilst in Explore's custody
- Explore will for the first time publish an annual report each year during the Term listing additions to and disposals from the collections over the previous year, and summarising other significant collections management activities as requested by the City Council.
 - In addition to its commitment under the Contract to deliver the heritage Lottery Fund's Approved Purpose to widen access to the Collections, Explore will actively seek additional funding and resources to promote access to, the use of, and active participation in the development of the Collections by all sections of the community both in York and worldwide as far as reasonably practical, without discriminating on any grounds.
 - Explore will use the following tools to increase access to the Collections:
 - research, compilation and publication of catalogues and other finding aids to the Collections conforming to current relevant professional cataloguing standards for archives and libraries
 - making the Collections and their catalogues and finding aids available under supervision to users in person and remotely via the internet and through the production distribution and publication of copies and surrogates and by answering enquiries from users unable to use the collection in person and by actively promoting and marketing these services through all communications media and methods

- Negotiating the temporary loan-out of items from the Collections to other accredited archive institutions or museums for exhibition, display or research, provided that the loan period does not extend beyond the Term and that the loan is not to the physical detriment of the items loaned and that the loan does not unduly affect the quality of public access to the Collections as determined by the Council.
- Actively seeking out external funding opportunities for increased access from sources which are not available to the City Council.
- Explore will only dispose of items from the Collections in accordance with best practice ethical terms and procedures which will be set out in the current Collecting Policy.
- Explore will act as the City Councils' agent for day to day operational contact with The National Archives; and for completing and filing the any national statistical returns relating to the Collections;

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Community Impact Assessment Form (CIA)

The council's vision is to promote **equal life outcomes¹ for everyone** living, working and visiting York, through inclusive design in everything the council does. This is to ensure that no-one is unintentionally excluded in York because of specific personal characteristics. In the council, we call these characteristics "Communities of Interest or Identity" – "Cols" for short.

To help realise the vision, council officers are required by Cabinet to assess the impact of council policies, processes and behaviours on customers and staff from the Communities.

This process was previously called Equality Impact Assessment (EIA). To stress the importance of assessing the impact of everything we do on people from the Communities, starting June 2012, we have renamed the process Community Impact Assessment (CIA).

The assessment **should be done at the development stage** of any policy, review, project, service change etc, **before any decision is taken**. It should also be done every time there are changes to policies and practices, **before the changes are finally agreed** by decision makers.

In addition, the Equality Act 2010 came into force on the 1st October 2010. Under the Act the council has a legal duty to show that our policies, practices etc further the aims below:

- Actively and proactively eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share an identity and those who do not
- Foster good relations between people who share an identity and those who do not.

In completing **Community Impact Assessments (CIAs)** officers are also required to state how what they are assessing meets and contributes to these aims.

¹ In health, safety and security, personal freedom and choice, housing, education and lifelong learning, jobs and leisure activities and the infrastructure that supports these outcomes.

1	Name and Job Title of person completing assessment	Sarah Garbacz
2	Name of service, policy, function or criteria being assessed	Libraries and Archives
3	What are the main objectives or aims of the service/policy/function/criteria?	Development of a Community Benefit Society to deliver library and archives services within City of York
4	Date	21st May 2013

Stage 1: Initial Screening

5	<p>What evidence is available to suggest that the proposed service, policy, function or criteria could have a negative or positive effect on quality of life outcomes² for people (both staff and customers) from the communities? Document the source of evidence in the columns below. You can find evidence via:</p> <ul style="list-style-type: none"> • Data from the Business Intelligence Hub - http://colin.york.gov.uk/beSupported/business_intelligence_hub/ • Council Consultation and Engagement Calendar – contact Sophie Gibson, 551022. • Council consultation - http://colin.york.gov.uk/beSupported/inhouse_services/research_consultation/ • Workplace Wellbeing Survey – contact the Health and Safety team for more info – 554131. CaN results are here: http://colin.york.gov.uk/beConnected/about_CYC/structure/CAN/can_healthwellbeing_results/ • Staff Equalities Reference Group – See feedback reports here - http://colin.york.gov.uk/beSupported/equalities_inclusion/SERG/ • Equality Advisory Group (a customer group) - http://democracy.york.gov.uk/mgCommitteeDetails.aspx?ID=445 • EIA Fairs Feedback Newsletters - http://colin.york.gov.uk/beSupported/equalities_inclusion/EIAs/consultation_feedback/ • Previous EIAs – see annual EIA lists - http://colin.york.gov.uk/beSupported/equalities_inclusion/EIAs/
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² See appendix 1

<p>Community of Interest/Identity</p>	<p>Source of evidence that there is or is likely to be a negative or positive impact:</p> <p>Public consultation - Increased involvement of both members of the public and staff in the delivery of the service – consultation exercise shows that 33% of the public would be interested in being involved in the development of the service in some capacity. In addition, 23% said they would be interested in volunteering for the libraries and archives service.</p> <p>Focus groups have been held with representatives of various equalities groups throughout April/May 2013. We are awaiting full results of this but early indications are that people are willing to be involved in the new organisation and see it as a good way forward in terms of delivering a library and archives service. They see no adverse impact in terms of how the service will impact on them as users.</p> <p>The new organisational governance structure will comprise of a board of directors which will include representatives from within local communities and staff. The board will be supported by a number of advisory boards that will feed into the decision-making process. These advisory boards will include members of equalities groups. Finally, local libraries will each form Friends groups with the sole aim of empowering communities to develop their local library into the resource that they need for their particular area.</p> <p>The organisation will work towards obtaining the Investing In Volunteers standard which is the UK quality standard for good practice in volunteer management</p>
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	Staff		Customers/Public	
	Positive	Negative	Positive	Negative
Race	√		√	
Religion / Spirituality /Belief	√		√	
Gender	√		√	
Disability	√		√	
Sexual Orientation	√		√	
Age	√		√	
Pregnancy/maternity				
Gender Reassignment				
Marriage and Civil Partnership				
Carers of older and disabled people			√	
<p>If there is no evidence the service/policy/function will affect any of the communities, please proceed to section 9.</p> <p>If there is evidence the service/policy/function will affect one or more of the communities, continue to Stage 2, Full Impact Assessment.</p>				

Stage 2: Full Impact Assessment

6	How could different communities be affected by the proposed or reviewed service/policy/function/criteria? Record negative and positive effects below. Expand the boxes to take up as much room as you need. See the 2 EIA Guidance documents on Colin for help about effects to consider.	
A1	Public/customers – positive effects	<p>Increased involvement in the decision-making process of the library and archives service.</p> <p>Increased opportunities to gain skills in preparation for employment via increased volunteer opportunities and involvement in friends groups.</p> <p>Creating opportunities to enable people to participate in a fairer society via board membership</p> <p>Creating opportunities to gain transferrable skills via training opportunities for members of the public on becoming board members.</p>

A2	Public/customers – negative effects	
B1	Staff – positive effects	Increased involvement in the decision-making process of the library and archives service. Creating opportunities to enable people to participate in a fairer society via board membership
B2	Staff – negative effects	
7	<p>Can any negative effects be justified? For example:</p> <ul style="list-style-type: none"> ▪ As a proportionate means to achieve a legitimate aim ▪ In support of improving community cohesion ▪ To comply with other legislation or enforcement duties ▪ Taking positive action to address imbalances or under-representation ▪ Because of evidence-based need to target a particular community or group e.g. younger/older people. <p>NB. Lack of financial resources alone is NOT justification!</p>	
8	<p>What changes will you make to the service/policy/function/criteria as result of information in parts 5 & 6 above?</p> <p>Development of volunteering opportunities Formation of a board as the governance structure with representation from staff and customer base. Formation of friends groups to support local libraries. Achieving 'Investing In Volunteers' standard which is the UK quality standard for good practice in volunteer management</p>	
9	<p>What arrangements will you put in place to monitor impact, positive and negative, of the proposed service/policy/function/criteria on individuals from the communities?</p> <p>Ensure opportunities to engage and participate in the decision-making process are offered to all Ensure representatives from the communities and consulted with regards changes to service delivery.</p>	

Volunteer opportunities will be inclusive – use of equalities monitoring data will capture details of all volunteers.

Any organisation contracted to run the library and archives service will be required to comply with equality and diversity legislation and have similar responsibility to ‘advance equality’ as City of York Council does.

All library and archives users will be updated regularly via briefings and meetings on the development of the organisation.

Training and support will be given to those interested in the various volunteering opportunities.

- | | |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 10 | <p>List below actions you will take to address any unjustified impact and promote equality of outcome (as in appendix 1) for staff, customers and the public from the communities. The action could relate to:</p> <ul style="list-style-type: none"> ▪ Procedures ▪ Service delivery ▪ Training ▪ Improvement projects |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Action	Lead	When by?

11	Date CIA completed	
----	--------------------	--

Author: Sarah Garbacz

Position: Library Service Delivery Manager

Date: 21st May 2013

12	Signed off by	
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I am satisfied that this service/policy/function has been successfully impact assessed.

Name:

Position (Head of Service and above) :

Date:

Please send the completed signed off document to equalities@york.gov.uk. It will be published on COLIN as well as on the council website.

Appendix 1 - Quality of Life Indicators (also known as “the 10 dimensions of equality”)

Think about the positive and negative impact in these areas:

- Access to services and employment
- Longevity, including avoiding premature mortality.
- Physical security, including freedom from violence and physical and sexual abuse.
- Health, including both well-being and access to high quality healthcare.
- Education, including both being able to be creative, to acquire skills and qualifications and having access to training and life-long learning.
- Standard of living, including being able to live with independence and security; and covering nutrition, clothing, housing, warmth, utilities, social services and transport.
- Productive and valued activities, such as access to employment, a positive experience in the workplace, work/life balance, and being able to care for others.
- Individual, family and social life, including self-development, having independence and equality in relationships and marriage.
- Participation, influence and voice, including participation in decision-making and democratic life.
- Identity, expression and self-respect, including freedom of belief and religion.
- Legal security, including equality and non-discrimination before the law and equal treatment within the criminal justice system.

Indicators from: The Equalities Review 2007 and the Equality Framework for Local Government.

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Cabinet

11 February 2014

Report of the Cabinet Member for Finance, Performance and Customer Services

2013-14 Finance Monitor 3

Purpose

1. The purpose of this report is to provide details of the headline financial performance issues for 2013-14, covering the period 1 April 2013 to 31 December 2013. The report assesses performance against budgets, progress of the council's savings programme, the council's revenue reserves and provides Members with an update on localisation of business rates.

Overview

2. The council's net General Fund budget for 2013-14 is £127,778k. An overview of the finance forecast, on a directorate by directorate basis, is outlined in Table 1 below.

Directorate	2013/14 Net Budget	2012/13 Outturn	Monitor 2	Latest forecast	Movement
	£'000	£'000	£'000	£'000	£'000
Children's Services, Education & Skills	19,277	+295	+958	+623	-335
City & Environmental Services	11,581	+998	+887	+794	-93
Communities & Neighbourhoods	11,037	-137	+530	+176	-354
Customer & Business Support Services	15,626	-285	-	-100	-100
Health & Wellbeing	51,986	+2,083	+1,719	+1,579	-140
Office of the Chief Executive	3,007	-3	-	-	-
DIRECTORATE BUDGETS	112,514	+2,951	+4,094	+3,072	-1,022
Central Budgets	15,264	-3,035	-730	-1,135	-405
GROSS BUDGET	127,778	-84	+3,364	+1,937	-1,427

Table 1: Finance Overview

3. The forecasts indicate that the council faces financial pressures of £1,937k, an improvement of £1,427k compared to the £3,364k reported at monitor 2.
4. This improvement is as a result of the mitigation strategies identified. These proposals are not without risk as, clearly, the financial position of the health sector or severe weather over the winter months could increase pressure on a number of budgets. However, Council Management Team will continue to monitor the financial position alongside the delivery of mitigating savings with a view to containing the pressures within the overall approved budget for the council.

Directorate Financial Performance

5. The following sections provide further information on the financial position of each directorate as outlined in Table 1 above.

Children's Services, Education & Skills

6. The Children's Services, Education & Skills directorate is reporting financial pressures of £623k, mainly due to unachieved savings.
7. Despite a reduction in the number of Looked After Children and a reduction in expenditure of almost £1m compared to 2012-13, the underlying budget pressure from previous years and unachieved budget savings of £700k result in this forecast overspend.
8. The Children's Services Management Team are committed to containing expenditure within their budget for 2013-14 and are therefore exploring the following options to further mitigate the current overspend projection:
 - Review all high cost LAC and SEN placements with a view to negotiating lower rates with providers.
 - Review all 2014-15 savings proposals with a view to stretching and implementing as many as possible earlier in the 2013-14 financial year.
 - Explore the feasibility of increasing charges to the DSG.
 - Continue to review the business case, costs and charging arrangements of all services provided to schools.
 - Continue to hold recruitment to vacant posts wherever possible and safe to do so.

City & Environmental Services

9. The City & Environmental Services directorate is reporting financial pressures of £794k.

10. A number of pressures exist across the Highways, Waste & Fleet service plan (£1,063k). The major reason for the shortfall is due to delays in implementing the savings surrounding Waste Services (£533k) and fleet (£232k). Significant savings relating to round rationalisation, changes to operations at Household Waste sites, changes to garden waste and new charges for replacement bins were agreed in the last budget. These have now either been implemented or in the process of implementation however later in the year than initially required. There also remains a shortfall in Commercial Waste income of £131k despite £100k growth in the 2013-14 budget. This is due to a reducing customer base as the Council is often priced higher than its competition. Savings from previous years (£168k), including those related to agency staff and terms and conditions, continue to cause a budget problem however the position has improved and work is ongoing to mitigate this further. Finally, there is a forecast shortfall of £150k from the Yorwaste dividend due to the company facing difficult trading conditions particularly from the sale of recyclates.
11. Elsewhere in the directorate, there is a £218k shortfall in parking income, however this is offset by savings on the cost of Concessionary Fares passes.
12. In a change to previous years, where the economic downturn had a negative impact on income budgets, the development and building control services are not predicting any pressures at this time.
13. A review of all transport programmes has identified mitigating savings of £550k including savings from Quality Bus Contract budget and the bus wardens budget. Further mitigation of £250k has been identified across the directorate including staff savings and use of additional funding and income.
14. The figures for the Directorate exclude the net income anticipated from the camera enforcement at Coppergate and Lendal Bridge which is anticipated to total c£700k. This will be placed into an earmarked reserve and the use of these funds, which are ring fenced for Highways and Transport activity, will be the result of a future report to Members.

Communities & Neighbourhoods

15. The Communities & Neighbourhoods directorate is forecasting financial pressures of £176k. This is primarily due to one off redundancy and pension costs of £419k and unachieved savings from previous years of £135k. Additional income from the Crematorium and Registrars mitigates the overall overspend.

16. The Directorate is considering options as to how this overspend can be mitigated in order to bring spend back in line with budget.

Customer & Business Support Services

17. The Customer & Business Support Services is currently projecting an underspend of £100k made up of a number of small variations across a range of services. The directorate will continue to try and identify other underspends which could assist in mitigating the council wide position.

Health & Wellbeing

18. In Adult Social Services, demographic pressures continue to be evident in relation to demand for care, despite significant investment of £2.5m in the 2013-14 budget. At present, forecasted pressures include demographic pressures (£386k), a continued increase above forecast level in the number of customers taking up Direct Payments (£227k), increased use of external placements for emergency and short term breaks (£219k) and a higher than budgeted number of customers needing nursing care (£329k).
19. A number of unachieved budget savings also contribute to the forecasted pressure including reablement (£300k), EPH reconfiguration (£175k) and the Night Care team (£131k).
20. A number of other minor pressures are offset by a forecasted underspend on External Residential Care (£253k) due to a lower number of required placements than anticipated.
21. The Public Health grant for 2013-14 is £6.641m and there is currently a forecast surplus of £458k. It is proposed that £400k of this will be used as mitigation against overspends in adult social care where there are elements that can be funded by the public health grant, particularly around prevention work. The remaining surplus is a contingency for continuing uncertainties around the transferred contracts from the PCT. In addition to this there is a general fund budget for public health of £826k which is primarily for sport and active leisure and some DAAT functions. No significant variations to this budget are currently expected.
22. The Adult Services Management Team are committed to containing expenditure within their budget for 2013-14 and are therefore exploring the following options to further mitigate the current overspend projection:
 - Undertake a thorough review of the most expensive care packages (top 200), with a view to exploring all options for delivery of the required care at a lower cost.

- Review the level of, and secure additional, continuing health care contributions where appropriate.
- Review all 2014-15 savings proposals with a view to stretching and implementing as many as possible earlier in the 2013-14 financial year.
- Continue to hold recruitment to vacant posts wherever possible and safe to do so.

Office of the Chief Executive

23. The Office of the Chief Executive directorate is currently forecasting that it will contain expenditure within budget. As with CBSS, the directorate will continue to try and identify other under spends which could assist in mitigating the council wide position.

Corporate Budgets

24. These budgets include Treasury Management activity and other corporately held funds and an underspend of £1,135k is forecast.
25. At present, it is anticipated that there will be a £400k underspend due to reduced interest paid on borrowing and increased interest earned due to higher than anticipated cash balances. Additional New Homes Bonus of £196k and the use of £250k general contingency and £84k from the 2012/13 underspend are also assumed in the forecast to offset the overall council position. Other corporate underspends of £205k make up the total.

Dedicated Schools Grant

26. In the DSG area there is a projected underspend of £50k against a budget of £115,300k, primarily due to lower than expected costs relating to prudential borrowing. This is because the additional provision set aside as part of the Burnholme Community College closure plan is not expected to be drawn down until 2014/15 at the earliest. Due to the nature of the DSG, any underspend must be carried forward and added to the following year's funding with overspends either being funded from the general fund or reducing the following year's funding allocation.

Housing Revenue Account (HRA)

27. There is an estimated underspend in the HRA of £388k, which is due to number of variations across the service, including lower than forecast levels of rent arrears.

Localisation of Business Rates

28. 2013/14 is the first year of the new localised business rates system. Members are reminded that the council has:
- an individual business rates baseline of £45.1m (essentially its share of an income target),
 - a tariff to pay of £21.9m (due to the fact that the Government thinks the individual business rates baseline is more than we need) and therefore a baseline funding level of £23.2m.
 - to pay a levy of 49% on any growth above this baseline meaning only 25.5p in the pound is retained locally. As the council is in the Leeds City Region (LCR) rates pool, any levy will be paid to the pool rather than to the Government.
29. The council is currently prudently forecasting a nil variance against its baseline funding level. This is primarily due to uncertainty over prior year (pre system) ratings appeals that it is now responsible for. In terms of the LCR pool, other member authorities are also reporting similarly prudent positions to York.

Reserves

30. The February 2013 Budget Report to Council stated that the minimum level for the General Fund reserve should be £6.4m (or 5% of the net budget). As part of that report, it was also agreed that a total of £450k was added to the reserve to provide an appropriate and prudent level of headroom. The anticipated year end balance, assuming none is used during the year, is £6.8m.
31. Members have to be mindful that any overspend would have to be funded from this reserve reinforcing the need to contain expenditure within budget. Should this happen the Director of Customer & Business Support Services would have no option but to recommend to Council that the reserve is reinstated to at least its minimum required level which would have implications on future budget setting cycles.

Delivery & Innovation Fund

32. The table below shows the current allocations from the Delivery & Innovation Fund.

<u>Commitment</u>	2013/14 £000's
Rail policy	8
Innovation catalyst programme	165
Access York Phase 2	50
Landlord accreditation Scheme	40
Youth Support Services	48
Green Deal	46
Higher York - Graduate	5
Assisted Living	52
Renewable energy opps	65
NHS Talking Head	15
14-19 Team project	36
HealthSpark Project	15
Flightcase (Phase 1 only)	14
Total	559
Budget	1,000
<i>Transferred to Transformation project</i>	<i>-250</i>
<i>Transferred to Tour de France project</i>	<i>-200</i>
<i>Unspent from 12-13</i>	<i>315</i>
Unallocated	306

Analysis

33. The analysis of the financial position of the council is included in the body of the report.

Consultation

34. There has been extensive consultation with Trade Union groups on the ongoing implications of the council's financial situation.

Council Plan

35. The information and issues included in this report demonstrate progress on achieving the priorities set out in the Council Plan.

Implications

36. The implications are:

- Financial - the financial implications are dealt with in the body of the report.
- Human Resources - there are no specific human resource implications to this report.
- Equalities - there are no specific equality implications to this report, however equalities issues are accounted for at all stages of the financial planning and reporting process.
- Legal - there are no legal implications to this report.
- Crime and Disorder - there are no specific crime and disorder implications to this report.
- Information Technology - there are no information technology implications to this report.
- Property - there are no property implications to this report.
- Other - there are no other implications to this report.

Risk Management

37. The risk management processes embedded across the council continue to contribute to managing the risk issues associated with major projects and key areas of service delivery.

Recommendations

38. Members are asked note the current projected pressures of £1,937k and that strategies are being prepared to mitigate this position.

Reason: In order to ensure expenditure is kept within budget.

Contact Details

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Andrew Crookham Principal Accountant Ext 2912	Ian Floyd Director of Customer & Business Support Services	Report Approved	<input checked="" type="checkbox"/> Date 31/01/2014
Specialist Officers: None			
Wards Affected: All			<input checked="" type="checkbox"/>
For further information please contact the authors of the report			



Cabinet**11 February 2014****Report of the Cabinet Member for Finance, Performance and Customer Services****Capital Programme – Monitor 3 2013/14****Report Summary**

1. The purpose of this report is to set out the projected capital programme outturn position for 2013/14 including any under/ over spends and adjustments, along with requests to re-profile budgets to/from current and future years.
2. The 2013/14 capital programme budget approved by Council on 28 February 2013 and updated for amendments reported to Cabinet at the Monitor 1 and Monitor 2 reports is £72.573m, financed by £39.150m of external funding and internal funding of £33.423m.

Consultation

3. The capital programme was developed under the Capital Resource Allocation Model (CRAM) framework and agreed by Council on 28 February 2013. Whilst the capital programme as a whole is not consulted on, the individual scheme proposals and associated capital receipt sales do follow a consultation process with local Councillors and residents in the locality of the individual schemes.

Summary of Key Issues

4. A decrease of £11.659m is detailed in this monitor resulting in a revised capital programme of £60.914m. This net decrease of £11.659m is made up of:
 - Re-profiling of schemes budgeted at £12.136m to 2014/15
 - Increases of schemes budgeted at £477k funded from external funds of +£477k.

5. Table 1 outlines the variances reported against each portfolio area.

Directorate	Department	Current Approved Budget £m	Projected Outturn £m	Variance £m
ACE	Children's, Education and Skills	7.375	6.325	(1.050)
ACE	Adult Social Services	1.098	0.973	(0.125)
CES	Transport	20.514	20.518	0.004
CES	Highways & Waste	4.654	4.754	0.100
CES	Community Stadium	1.850	1.660	(0.190)
CES	Economic Development	0.058	0.058	0.000
CANS	Housing & Public Protection	18.984	11.472	(7.512)
CANS	Communities, Culture & Public Realm	3.070	1.378	(1.692)
CBSS	Asset Management	2.192	1.857	(0.335)
CBSS	Admin Accom	2.580	2.580	0.000
CBSS	IT Development Plan	0.750	0.750	0.000
CBSS	Contingency	0.661	0.313	(0.348)
CBSS	Economic Infrastructure Fund	8.787	8.276	(0.511)
	Total	72.573	60.914	(11.659)

Table 1 Capital Programme Forecast Outturn 2013/14

6. To the mid point in January there was £29.615m of capital spend representing 48.6% of the revised monitor 3 budget.

Analysis

7. A summary of the key exceptions and implications on the capital programme are highlighted below.

ACE - Education and Children's Services

8. The schemes scheduled to be carried out over summer 2013 for the DfE Maintenance programme of works are now all complete with only retentions outstanding in most cases. It is still expected that the majority of the £3.120m budget will be spent in 2013/14, although a small element (£300k) will not be required in this financial year and can be re-profiled into 2014/15 where it will be added to the funding available to be allocated to schemes in that financial year. This approach will still leave a contingency available for any urgent works which may be required before the end of the year.
9. Work on Basic Need schemes planned for 2013/14 are now complete and are projected to spend a total of £980k. It is requested that £800k be re-profiled to 2014/15 to fund the project at Fulford School and Carr Junior which are planned for summer 2014.

ACE – Adult Social Services

10. There is one re-profiling request in relation to the Elderly Peoples Homes Infrastructure works capital programme as a result of this monitor. It is requested that £145k be re-profiled from 2013/14 to 2014/15 due to the approach for the re-provision of the Councils care home needs being a joint procurement of the two sites as oppose to being developed individually.
11. It should be noted that an amount of £20k has been included at this monitor to reflect the Cabinet Approval of the Collaborative Health and Social Care Hub report on the 3rd December 2013 that recommended the use of £20k for making the new Voluntary Sector Social Care Hub more accessible.

CES – Transport

12. The Transport element of the Transport, Highways and Fleet capital programme requires a number of amendments as a result of this report.

13. The Better Bus Fund programme of works will increase by £99k as a result of £99k additional Department for Transport (DfT) funding for Clean Bus Technology.
14. The Local Transport Plan (LTP) will increase by £205k in 2013/14 reflecting a combination of new grant funding from OLEV (Office for Low Emission Vehicles) to fund electric vehicle rapid charging points and funding awarded from DfT for A19 pinch point scheme. In 2014/15 the LTP will increase by an additional £1.780m financed from the additional funding awarded from DfT for A19 pinch point scheme.
15. The York City Walls programme requires re-profiling of £200k from 2013/14 to 2014/15 due to delays encountered in appointing an accredited conservation engineer to progress the works.
16. The Access York programme requires £100k to be re-profiled from 2013/14 to 2014/15 due to delays caused by poor ground conditions and utilities diversions on site.
17. For information the Economic Development capital programme is projected to outturn at £58k on budget.

CES – Highways & Waste

18. A number of changes are proposed to the Highways and Waste capital programme as part of this monitor.
19. The first is an in year reallocation of £100k funding from the Bridge Maintenance fund to the Highways resurfacing and reconstruction to allow an extension of the resurfacing programme of works in 2013/14. In addition a request is made to re-profile £100k from 2013/14 to 2014/15 in relation to the Piccadilly Bridge Scheme. Due to delays in recruiting the Bridge Engineer post it has not been possible to deliver the scheme in 2013/14.
20. It should be noted that an amount of £200k has been included at this monitor to reflect the Cabinet Approval of the Tour de France – Update report on the 1st October 2013 that recommended the use of £200k for funding part of projected cost of staging the event and legacy events in relation to highways improvements.

CES – Community Stadium

21. The Community Stadium Project requires £190k of funding to be transferred from 2013/14 to 2014/15. The request for re-profiling is in relation to the latest delivery timetable for the athletics provision at the University of York.

CANS – Housing & Public Protection

22. A number of adjustments are proposed as part of this monitoring report to Housing and Public Protection programme.
23. The Modernisation of Local Authority Homes programme of works has spent an additional £42k on fire prevention works at sheltered schemes following fire assessments to be funded from Housing Revenue Account balances. In addition a request is made to re-profile £710k from 2013/14 to 2014/15 in relation to planned works to some non traditional construction 'Airey' houses which require remedial work. The tender process has been delayed due to time required to detail works specification.
24. The Major Repairs Allowance programme of works has spent an additional £93k that is planned to be funded from HRA balances. The additional costs have been incurred due to the re-roofing tenders returning higher than estimated.
25. The Local Authority Homes scheme at Beckfield Lane has received planning permission and the Council is currently out to tender to appoint a contractor. A further 5 sites are at pre application stage and are expected to go forward for planning permission before the end of the financial year. The sites are all in accordance with option 2 of the New Council House Building – Phase 1 report as approved by Cabinet on 7th May 2013 that approved the building of 50 – 70 new homes on the sites identified. As timescales are now becoming clearer regarding the development of HRA sites it is requested the budget be re-profiled accordingly with £4.5m re-profiled to 2014/15 and £1.5m re-profiled to 2015/16 from 2013/14.
26. The Building Insulation scheme has upgraded over 400 properties, installing new UPVC windows in this financial year. Actual costs for the completed works have come in lower than estimated on windows

by £112k. This under spend on the HRA budget is used to offset the pressures set out above.

27. There are 5 properties currently undergoing work through the Loft Conversion programme in order to relieve overcrowding with an additional 4 properties currently out to tender. Due to the timescales involved to identify qualifying tenants and subsequently appropriate properties and survey work it is requested that £725k be re-profiled to 2014/15 from 2013/14.
28. In relation to the Empty Homes programme of works an exercise is being undertaken with Yorhome landlords on empty property prevention that has deliberately commenced late in the year to coincide with landlord accreditation and therefore a request is made to re-profile £100k of budget from 2013/14 to 2014/15.

CANS – Communities, Culture and Public Realm

29. The Millfield Lane Community Sports Centre scheme requires re-profiling to 2014/15 from 2013/14 as the project is dependent on raising match-funding that is not yet secured. The project is expected to be delivered in 2014/15 and the £380k budget is required to be re-profiled
30. The York Explore Phase 2 project will require £877k of funds to be re-profiled to 2014/15 from 2013/14 due to the contract to carry out the alterations to the central library roof to expand the upper floor to house the city archives and to carry out floor repairs on the ground floor having been agreed in January. The contract will occur in 4 phases and the first 2 phases are expected to be completed during 2013/14. This includes mobilisation, steelwork to the ceiling below and building the superstructure. Phases 3 and 4 are expected to be completed by November 2014. The work includes refurbishing and fitting out of the upper floor and lifting the floor on the ground where it is believed that damp course has been breached and so a new floor and damp-proof course will be laid. This will involve full 3 month closure of the whole library during June to September. The archives are currently stored off-site and will begin to be available to the public as documents are returned from storage.
31. The York Explore - Structural Improvements scheme requires re-profiling of £146k of budget from 2013/14 to 2014/15 in line with the

above scheme. Additional funding is requested to be approved from contingency to help part fund the complete replacement of the roof at York Explore. This amount allows for the worst case scenario and will be spent if the roof repairs are required.

32. The Parks and Open spaces programme of works will increase by £100k funded from external grants and S106 contributions. The additional funding will part contribute to a range of sports and open space projects which are both underway this year or will be starting in 2014/15. They include £167k improvements to sports facilities and fields around the city, and £53k to open spaces. Sites include King George V play area, Glen Gardens and Heworth Tennis Club, Rawcliffe Country Park cycle track and Hull Road Park Pavilion.
33. Works on York Theatre Royal will progress in 2014/15 not 2013/14 as originally projected. The project is going ahead as planned but the drawdown of funding has changed to match the Arts Council timetable. The project will result in improvements to the front of the theatre, roof repairs and internal structural alterations. Work has commenced on design and QS surveys and will continue during 2014/15. The theatre will close in Spring 2015 and re-open in November 2015. These changes to the schedule will require £455k to be re-profiled to 2014/15.

CBSS - Administrative Accommodation

34. No changes to the projected spend are proposed at this monitor with in year spend budgeted at £2.580m. This amount relates to final payments to the developer to settle the account. The project is still expected to be within the overall budget of £43.804m. It is currently expected that the project as a whole will be under spent by approximately £50k and this will be confirmed at outturn.

CBSS – Asset Management

35. With regard to the Holgate Park Land capital scheme, – York Central Land and Clearance programme following Cabinet approval for the sale of the 5 acre site to Network Rail, the demolition of buildings on the remaining land along with acquisition of additional land to create access road will take place in 2014/15. Accordingly it is requested that £397k is re-profiled from 2103/14.

36. It should be noted that an amount of £62k has been included at this monitor to reflect the Cabinet Approval of the Disposal of and Investment in Council Assets report on the 7th January 2014 that recommended the use of £62k contingency for funding the purchase of the remaining freehold of Stone Bow house.

CBSS - IT Development Plan

37. No changes are currently forecast to the current projected outturn position of £750k for the IT development plan.

CBSS - Miscellaneous

38. As set out above capital contingency of £348k has been used to fund a number of schemes as follows:

- £20k - Social Care Hub Accessibility (approved Cabinet 3 December 2013)
- £66k - York Explore Roof Replacement (seeking approval as part of this report)
- £200k – Tour de France Highways Improvements (approved 1st October 2013)
- £62k – Freehold Acquisition of Stonebow House (approved 7th January 2014)

Economic Infrastructure Fund (EIF)

39. Two re-profiling requests are made to major EIF schemes as part of this report, the first in relation to Access York as set out in the CES – Transport section of the report and requires £131k to be re-profile to 2014/15.

40. The second is in relation to the Better Bus Fund requiring £380k to re-profile to 2014/15 from current year. The re-profile request is a result of a number of factors including a delay on replacement bus shelters at Rougier Street due to negotiations within the area and the time required to design and produce a bespoke bus shelter (c£200k). The development of the scheme at Clarence Street has been delayed to take account of the impact of the Lendal bridge trial (c£100k). The Stonebow interchange scheme is part complete but the final work has been delayed as further utility works are planned in the area (c£40k).

Summary

41. As a result of the changes highlighted above the revised 5 year capital programme is summarised in Table 2.

Gross Capital Programme	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
ACE - Children's, Education and Skills	6.325	8.962	5.125	5.125	5.125	30.662
ACE - Adult Social Services	0.973	0.787	0.525	0.400	0.400	3.085
CES – Transport	20.518	5.959	2.713	2.713	2.713	34.616
CES - Highways & Waste	4.754	3.737	3.397	2.934	2.639	17.461
CES -Community Stadium	1.660	9.240	7.679	0.000	0.000	18.579
CES - Economic Development	0.058	0.000	0.000	0.000	0.000	0.058
CANS - Housing & Public Protection	11.472	15.779	11.519	9.982	8.471	57.223
CANS - Comm, Culture & Public Realm	1.378	3.114	0.000	0.000	0.000	4.492
CBSS - Asset Management	1.857	1.828	0.320	0.100	0.100	4.205
CBSS - Admin Accom	2.580	0.000	0.000	0.000	0.000	2.580
CBSS - IT Development Plan	0.750	0.750	0.750	0.750	0.750	3.750
CBSS - Contingency	0.313	0.000	0.000	0.000	0.000	0.313
Economic Infrastructure Fund	8.276	7.582	6.800	5.800	0.000	28.458
Revised Programme	60.914	57.738	38.828	27.804	20.198	205.482

Table 2 Revised 5 Year Capital Programme 13/14 -17/18

Funding the 2013/14 – 2017/18 Capital Programme

42. The 2013/14 capital programme of £60.914m is currently being funded from £36.728m external funding and £24.186m of internal funding. The internal funding is comprised of revenue contributions,

revenue reserves, prudential borrowing, right to buy housing capital receipts and general capital receipts.

43. Table 3 shows the projected call on Council resources going forward.

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	60.914	57.738	38.828	27.804	20.198	205.482
Funded by:						
External Funding	36.728	32.572	24.537	17.556	14.742	126.135
Council Controlled Resources	24.186	25.166	14.291	10.248	5.456	79.347
Total Funding	60.914	57.738	38.828	27.804	20.198	205.482

Table 3 – 2013/14 –2017/18 Capital Programme Financing

44. The Council controlled figure is comprised of a number of resources that the Council has ultimate control over how it chooses to apply them, these include Right to Buy receipts, Revenue Contributions, Supported (government awarded) Borrowing, Prudential (Council funded) Borrowing, Reserves (including Venture Fund) and Capital Receipts.

45. It should be recognised that capital receipts which form part of the Council Controlled Resources should be considered at risk of not being realised within set time frames and to estimated values until the receipt is received. The capital programme is predicated on a small number of large capital receipts, which if not achieved would cause significant funding pressures for the programme. The Director of Customer and Business Support closely monitors the overall funding position to ensure that the over the full duration of the capital programme it remains balanced, any issues with regard to financing will be reported as part of the standard reporting cycle to the Cabinet.

Council Plan

46. The capital programme is decided through a formal process, using a Capital Resource Allocation Model (CRAM). CRAM is a tool used for allocating the Council's scarce capital resources to schemes that contribute toward the achievement of the Council Plan. The Capital

Asset Board (CAB) meet monthly to ensure the capital programme targets the Council's Plan. The capital programme addresses all 5 priorities of the Council Plan due to its varied and numerous schemes as shown in the main body of the report.

Implications

Financial Implications

47. The financial implications are considered in the main body of the report.

Human Resources Implications

48. There are no HR implications as a result of this report

Equalities Implications

49. There are no equalities implications as a result of this report

Legal Implications

50. There are no legal implications as a result of this report

Crime and Disorder

51. There are no crime and disorder implications as a result of this report

Information Technology

52. There are no information technology implications as a result of this report

Property

53. The property implications of this paper are included in the main body of the report.

Risk Management

54. The capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB) meets regularly to plan monitor and review major capital schemes to ensure that all capital risks to the Council are minimised.

Recommendations

55. The Cabinet is requested to:

- Recommend to Full Council the adjustments in the Capital programme of a decrease of £11.659m in 2013/14 as detailed in the report and contained in Annex A.
- Note the 2013/14 revised budget of £60.914m as set out in paragraph 5 and Table 1.
- Note the restated capital programme for 2013/14 – 2017/18, totalling £205.482m as set out in paragraph 41, Table 2 and detailed in Annex A.
- Approve the use of £66k of contingency to fund the York Explore Roof Replacement and note the use of contingency set out in paragraph 38.

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

Contact Details

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Ross Brown Principal Accountant Ext 1207	Ian Floyd Director of Customer & Business Support Services		
Debbie Mitchell Corporate Finance Manager Ext 4161	Report Approved	√	Date 27/01/14
Wards Affected: All			

For further information please contact the authors of the report

Specialist Implications:

Legal – Not Applicable

Property – Philip Callow

Head of Asset and Property Management

Extension - 3362

Information Technology – Not Applicable

Background Papers:

Budget Control 2013/14 Mon 3

Annexes

Annex A –Capital Programme 2013/14 to 2017/18

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	2013/14 Revised Budget £000	2014/15 Revised Budget £000	2015/16 Revised Budget £000	2016/17 Revised Budget £000	2017/18 Revised Budget £000	Gross Capital Programme To be Funded 13/14 - 17/18 £000
ACE - Children's, Education and Skills						
NDS Devolved Capital	475	475	475	475	475	2,375
DfE Maintenance	3,120	2,853	2,400	2,400	2,400	13,173
Schools Access Initiative	2	0	0	0	0	2
Applefields School - Co Location	28	0	0	0	0	28
Basic Need	979	5,634	2,250	2,250	2,250	13,363
MUGA at Burnholme School	5	0	0	0	0	5
Looked After Childrens Contact Centre	236	0	0	0	0	236
Kavesmire Expansion	1,468	0	0	0	0	1,468
Aiming High for Disabled Children	12	0	0	0	0	12
TOTAL GROSS EXPENDITURE	6,325	8,962	5,125	5,125	5,125	30,662
TOTAL EXTERNAL FUNDING	6,123	8,962	5,125	5,125	5,125	30,460
TOTAL INTERNAL FUNDING	202	0	0	0	0	202
ACE - Adult Services						
Joint Equipment Store	125	105	105	0	0	335
Disabled Support Grant	150	160	170	150	150	780
Telecare Equipment	250	250	250	250	250	1,250
Health and Safety Works at Social Services Establishments	12	10	0	0	0	22
Adult Services Community Space	20	117	0	0	0	137
EPH Infrastructure Works	416	145	0	0	0	561
TOTAL GROSS EXPENDITURE	973	787	525	400	400	3,085
TOTAL EXTERNAL FUNDING	428	272	0	0	0	700
TOTAL INTERNAL FUNDING	545	515	525	400	400	2,385
CANS - Communities, Culture and Public Realm						
Milfield Lane Comm Sports Centre	0	380	0	0	0	380
York Explore Phase 2	610	1,383	0	0	0	1,993
Barbican Auditorium	17	0	0	0	0	17
Energise Gym Expansion	30	0	0	0	0	30
Closed Cycle Circuit - York Sports Village	200	0	0	0	0	200
City Art Gallery Refurb and Extension	250	250	0	0	0	500
Parks and Open Spaces Development	220	0	0	0	0	220
Little Knavesmire Pavillion	0	500	0	0	0	500
York Explore - Infrastructure Improvements	0	146	0	0	0	146
York Theatre Royal	45	455	0	0	0	500
City Centre Damaged Bins Replacement	6	0	0	0	0	6
TOTAL GROSS EXPENDITURE	1,378	3,114	0	0	0	4,492
TOTAL EXTERNAL FUNDING	691	1,534	0	0	0	2,225
TOTAL INTERNAL FUNDING	691	1,580	0	0	0	2,271
CES - Highways & Waste						
Highway Resurfacing & Reconstruction (Struct Maint)	2,974	2,607	2,797	2,334	2,239	12,951
Special Bridge Maintenance (Struct maint)	200	300	200	200	200	1,100
Carbon Reduction in Street Lighting	200	200	200	200	0	800
Fleet Vehicles	980	430	0	0	0	1,410
Tour de France Highways Improvements	200	0	0	0	0	200
Highways Drainage Works	200	200	200	200	200	1,000
TOTAL GROSS EXPENDITURE	4,754	3,737	3,397	2,934	2,639	17,461
TOTAL EXTERNAL FUNDING	2,224	1,857	2,047	1,584	1,489	9,201
TOTAL INTERNAL FUNDING	2,530	1,880	1,350	1,350	1,150	8,260
CANS - Housing & Community Safety						
Modernisation of Local Authority Homes	1,715	2,268	1,226	1,363	1,530	8,102
Assistance to Older & Disabled People	483	400	400	400	400	2,083
MRA Schemes	4,461	4,287	4,680	5,674	4,755	23,857
Local Authority Homes	1,066	4,500	1,500	0	0	7,066
Water Mains Upgrade	0	1,099	2,089	1,018	18	4,234
Building Insulation Programme	1,358	1,000	239	102	162	2,861
Disabled Facilities Grant (Gfund)	922	1,125	1,175	1,225	1,225	5,672
Air Quality Monitoring (Gfund)	215	25	0	0	0	240
Crematorium (Gfund)	185	0	0	0	0	185
Travellers Site Improvements (Gfund)	42	0	0	0	0	42
Loft Conversions	275	725	0	0	281	1,281
IT Infrastructure	150	75	50	50	50	375
Empty Homes (Gfund)	100	200	100	100	0	500
Property Buy Back	80	75	50	50	50	305
Housing Grants & Associated Investment (Gfund)	385	0	0	0	0	385
Contaminated Land (Gfund)	35	0	0	0	0	35
TOTAL GROSS EXPENDITURE	11,472	15,779	11,519	9,982	8,471	57,223
TOTAL EXTERNAL FUNDING	5,544	5,962	5,380	6,424	5,505	28,815
TOTAL INTERNAL FUNDING	5,929	9,817	6,139	3,558	2,966	28,409
CES - Transport						
Better Bus Area Fund	1,604	0	0	0	0	1,604
Local Transport Plan (LTP)	2,877	4,212	2,623	2,623	2,623	14,958
York City Walls - Repairs & Renewals (City Walls)	124	290	90	90	90	684
Access York	15,172	1,422	0	0	0	16,594
Minster Piazza	250	0	0	0	0	250
Leeman Road Flood Defences	356	0	0	0	0	356
Alley Gating	35	35	0	0	0	70
Pay on Exit Car Parking Pilot	100	0	0	0	0	100
TOTAL GROSS EXPENDITURE	20,518	5,959	2,713	2,713	2,713	34,616
TOTAL EXTERNAL FUNDING	18,583	4,685	2,623	2,623	2,623	31,137
TOTAL INTERNAL FUNDING	1,935	1,273	90	90	90	3,478
CES - Community Stadium						
Community Stadium	1,660	9,240	7,679	0	0	18,579
TOTAL GROSS EXPENDITURE	1,660	9,240	7,679	0	0	18,579
TOTAL EXTERNAL FUNDING	0	7,500	7,562	0	0	15,062
TOTAL INTERNAL FUNDING	1,660	1,740	117	0	0	3,517
CES - Economic Development						
Small Business Workshops	58	0	0	0	0	58
TOTAL GROSS EXPENDITURE	58	0	0	0	0	58
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	58	0	0	0	0	58
CBSS - Asset Management						
Works at Hungate Land Site	3	0	0	0	0	3
EcoDepot Security Gate / Reception	207	0	0	0	0	207
Fire Safety Regulations - Adaptations	108	0	0	0	0	108
Removal of Asbestos	132	0	0	0	0	132
Hungate / Peasholme Relocation	20	0	0	0	0	20
Riverbank Repairs - Scarborough to Clifton Bridge	335	0	0	0	0	335
Riverbank Repairs - Blue Bridge Slipway	51	0	0	0	0	51
Riverbank Repairs - Marygate	22	506	0	0	0	528
Photovoltaic Energy Programme	146	100	100	0	0	346
Parliament Street Toilet Demolition	7	0	0	0	0	7
29 Castlegate Repairs	33	0	0	0	0	33
Decent Home Standards Works	27	0	0	0	0	27
Fishergate Postern	53	0	0	0	0	53
Holgate Park Land - York Central Land and Clearance	0	397	0	0	0	397
Hazel Court - Office of the Future Improvements	270	0	0	0	0	270
Asset Maintenance	100	100	100	100	100	500
Community Asset Transfer	0	175	0	0	0	175
River Bank repairs	200	200	120	0	0	520
Stonebow House Freehold	62	0	0	0	0	62
Critical Repairs and Contingency	81	350	0	0	0	431
CBSS - IT equipment						
IT Equipment	750	750	750	750	750	3,750
TOTAL GROSS EXPENDITURE	750	750	750	750	750	3,750
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0

	2013/14 Revised Budget £000	2014/15 Revised Budget £000	2015/16 Revised Budget £000	2016/17 Revised Budget £000	2017/18 Revised Budget £000	Gross Capital Programme To be Funded 13/14 - 17/18 £000
TOTAL INTERNAL FUNDING	750	750	750	750	750	3,750
CBSS - West Offices (Admin Accommodation)						
West Offices - Admin Accommm	2,580	0	0	0	0	2,580
TOTAL GROSS EXPENDITURE	2,580	0	0	0	0	2,580
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	2,580	0	0	0	0	2,580
Capital Contingency						
Capital Contingency	313	0	0	0	0	313
TOTAL GROSS EXPENDITURE	313	0	0	0	0	313
TOTAL EXTERNAL FUNDING	0	0	0	0	0	0
TOTAL INTERNAL FUNDING	313	0	0	0	0	313
Economic Infrastructure Fund						
Access York Phase 1	2,919	331	0	0	0	3,250
Better Bus Fund	672	798	0	0	0	1,470
Re-Invigorate York	1,758	1,200	0	0	0	2,958
EIF central fund	2,927	5,253	6,800	5,800	0	20,780
TOTAL GROSS EXPENDITURE	8,276	7,582	6,800	5,800	0	28,458
TOTAL EXTERNAL FUNDING	3,100	1,800	1,800	1,800	0	8,500
TOTAL INTERNAL FUNDING	5,176	5,782	5,000	4,000	0	19,958
Gross Expenditure by Department						
ACE - Children's, Education and Skills	6,325	8,962	5,125	5,125	5,125	30,662
ACE - Adult Services	973	787	525	400	400	3,085
CANS - Communities, Culture and Public Realm	1,378	3,114	0	0	0	4,492
CES - Highways & Waste	4,754	3,737	3,397	2,934	2,639	17,461
CANS - Housing & Community Safety	11,472	15,779	11,519	9,982	8,471	57,223
CES - Transport	20,518	5,959	2,713	2,713	2,713	34,616
CES - Community Stadium	1,660	9,240	7,679	0	0	18,579
CES - Economic Development	58	0	0	0	0	58
CBSS - Asset Management	1,857	1,828	320	100	100	4,205
CBSS - IT equipment	750	750	750	750	750	3,750
CBSS - West Offices (Admin Accommodation)	2,580	0	0	0	0	2,580
Capital Contingency	313	0	0	0	0	313
Economic Infrastructure Fund	8,276	7,582	6,800	5,800	0	28,458
Total by Department	60,914	57,738	38,828	27,804	20,198	205,482
Total External Funds by Department						
Total External Funds by Department	36,728	32,572	24,537	17,556	14,742	126,135
Total CYC Funding required by Department						
Total CYC Funding required	24,191	25,165	14,291	10,248	5,456	79,351
TOTAL GROSS EXPENDITURE	60,914	57,738	38,828	27,804	20,198	205,482
TOTAL EXTERNAL FUNDING	36,728	32,572	24,537	17,556	14,742	126,135
TOTAL INTERNAL FUNDING	24,191	25,165	14,291	10,248	5,456	79,351



Cabinet

11 February 2014

Report of the Cabinet Member for Finance, Performance and Customer Services

Treasury Management Strategy Statement and Prudential Indicators for 2014/15 to 2018/19

Report Summary

1. The purpose of this report is to ask the Cabinet to recommend that Council approve the:
 - Integrated treasury management strategy statement including the annual investment strategy and the minimum revenue provision policy statement;
 - Prudential indicators for 2014/15 to 2018/19
 - Revised treasury management policy statement
 - Specified and non-specified investments schedule
 - Treasury management scheme of delegation and role of the section 151 officer

Background

2. The Council is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. The first function of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.
3. The second main function of the treasury management service is the funding of the Council's capital programme. The capital programme provides a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

4. CIPFA (Chartered Institute of Public Finance and Accountancy) defines treasury management as:

“The management of the local authority’s investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.”

Reporting requirements

5. The Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals. The three reports are:
 - a) **Treasury management strategy statement and prudential indicators report** (this report) – which covers the capital plans including prudential indicators, the minimum revenue provision policy, the treasury management strategy, the annual investment strategy;
 - b) **A Mid Year Treasury Management Report** – updates members with whether the treasury activities are meeting the strategy, whether any policies require revision, amending prudential indicators if necessary;
 - c) **An Annual Treasury Report** – updates on treasury activity/ operations for the year and compares actual prudential indicators with estimates in the strategy.
6. These reports are required to be adequately scrutinised by committee before being recommended to the Council. The scrutiny role is undertaken by the Audit & Governance Committee.
7. The CIPFA Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. The training needs of treasury management officers is also periodically reviewed.

Treasury Management Strategy for 2014/15

8. The treasury management strategy for 2014/15 covers two main areas:

a) Capital Issues 2014/15 to 2018/19 -

- Prudential Indicators relating to the Capital Programme;
- Minimum Revenue Provision (MRP) Policy Statement .
- Prudential Indicators to assess affordability of the Capital programme

b) Treasury management Issues – Treasury Management Strategy

- Prudential Indicators which will limit the treasury management risk and activities of the Council;
- the current treasury position;
- Economic background and prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- investment policy;
- creditworthiness policy;
- investment strategy;
- policy on use of external service providers;
- Scheme of delegation and the role of the S151 officer

9. These elements cover the statutory and regulatory requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Communities and Local Government (CLG) Minimum Revenue Provision (MRP) Guidance, the CIPFA Treasury Management Code and the CLG Investment Guidance.

The Capital Prudential Indicators 2014/15 – 2018/19

10. The Council's capital expenditure plans are the key driver of treasury management activity. The Council's capital expenditure plans are the subject of a separate report on this agenda: the Capital Programme Budget 2014/15 to 2018/19. The output of the capital programme is reflected in this report in the capital prudential indicators, which are designed to assist

member's overview of the council's capital programme to ensure that the capital expenditure plans are affordable, sustainable and prudent.

11. The capital prudential indicators (PI) along with the treasury management prudential indicators (PI) are included throughout the report:

- PI 1: Capital expenditure
- PI 2: Capital financing requirement
- PI 3: Ratio of financing cost to net revenue stream
- PI4a&b: Incremental impact of capital investment decisions on council tax and housing rent
- PI 6a: Authorised limit for external debt
- PI 6b: Operational boundary for external debt
- PI 6c: Housing Revenue Account (HRA) debt Limit
- PI 7: Interest rate exposure for fixed and variable rated debt
- PI 8: Maturity structure of debt
- PI 9: Surplus funds invested >364 days

12. **Prudential Indicator 1 - Capital Expenditure.** This prudential Indicator is a summary of the Council's capital expenditure plans forming part of this budget cycle, 2013/14 is included as a comparator with detail in relation to scheme specifics provided in the Capital Monitor 3 and Capital Strategy 14/15 to 18/19 report:

Capital Expenditure	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
General Fund (Non HRA)	51.326	49.589	36.497	25.378	14.852	6.795
Housing Revenue Account	9.588	14.471	10.287	8.701	7.528	8.548
Total	60.914	64.060	46.784	34.079	22.380	15.343

Table 1: Capital Expenditure

13. Table 1 details the capital expenditure of the Council excluding other long term liabilities, such as PFI and leasing arrangements which already include borrowing instruments. There are no new PFI schemes forecast to be taken in 2014/15.

- 14. Prudential Indicator 2 - The Capital Financing Requirement (CFR) (Council's Borrowing Need);** the second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need for capital purposes. Any capital expenditure above, which has not immediately been paid for and will be funded by borrowing, will increase the CFR.
15. The CFR does not increase indefinitely, because the minimum revenue provision (MRP) is a statutory annual revenue charge, which broadly reduces the borrowing need in line with each assets life. Therefore, the CFR is reduced with this provision to repay debt.
16. The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increases the CFR, and therefore the Council's overall borrowing requirement, these types of scheme include a borrowing facility and so the Council is not required to separately borrow for these schemes. The Council currently has a limit to cover such schemes of £20m included within the CFR. AS set out in paragraph 35 table 7 the projected level of debt is significantly below the CFR over the 5 year period.

Table 2 below, shows the Capital Financing Requirement, excluding other long term liabilities:

Capital Financing Requirement	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Non-HRA CFR	180.685	193.198	196.434	196.336	192.482	188.301
HRA existing	18.794	18.794	18.794	18.794	18.794	18.794
HRA settlement	121.550	121.550	121.550	121.550	121.550	121.550
HRA CFR	140.344	140.344	140.344	140.344	140.344	140.344
Total CFR	321.029	333.542	336,778	336.680	332.826	328.645

Table 2: Capital Financing Requirement (CFR)

Minimum Revenue Provision (MRP) Policy Statement

17. The Council is required to pay off an element of the accumulated General Fund (non-HRA) capital expenditure each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

18. CLG Regulations (statutory Instrument (SI) 2008 no.414 s4) require full Council to approve an MRP Statement in advance of each year. The guidance offers four main options under which MRP could be made, with an overriding recommendation that the Council should make prudent provision to redeem its debt liability over a period that is reasonably commensurate with that over which the capital expenditure is estimated to provide benefits. The options presented are the same as in previous years and set out in paragraphs 19 & 21.

19. Full Council is requested to approve the following MRP Statement: For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be:
 - **Existing practice** - MRP will follow the existing practice outlined in former CLG regulations (S28 in SI 2003 no. 3146)

20. This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.

21. From 1 April 2008 for all unsupported borrowing (including PFI and finance leases) the MRP policy will be
 - **Asset Life Method** (Option 3)– MRP will be based on the estimated life of the assets, in accordance with the proposed regulations (this option must be applied for any expenditure capitalised under a Capitalisation Direction);

22. This option provides for a reduction in the borrowing need over approximately the asset's life. The asset life is an absolute maximum and wherever possible the debt should be repaid over a shorter period. Estimated asset life periods will be determined

under delegated powers. It should be noted that with all debts, the longer the repayment period the higher the amount of interest incurred over the period of the loan accordingly, it is deemed as prudent to reduce the period over which the repayments are made.

23. In accordance with the requirements of The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 no MRP is chargeable on the HRA in the next 5 years. Under the HRA reform the HRA will be required to charge depreciation on its assets, which will have an increased revenue cost effect. In order to address any possible adverse impact in the next 4 years, regulations allow the Major Repairs Allowance to be used as a proxy for depreciation and for the depreciation charge to be reversed therefore, having no revenue impact on council tax. Further clarification on depreciation will be provided in future years.

24. Repayments included in annual PFI or finance leases are also applied as MRP.

Affordability Prudential Indicators

25. Affordability Prudential Indicators - The prudential indicators mentioned so far in the report cover the overall capital programme and the control of borrowing through the capital financing requirement (CFR). In addition, it is necessary to assess the affordability of the Council's capital investment plans. These prudential indicators provide an indication of the impact of the capital programme investment plans on the Council's overall finances.

26. **Prudential Indicator 3 - Ratio of financing costs to net revenue stream.** This indicator identifies the trend in the cost of capital (borrowing and other long-term obligation costs net of investment income) and compares it to the Council's net revenue stream.

Financing Costs	2013/14 Estimate %	2014/15 Estimate %	2015/16 Estimate %	2016/17 Estimate %	2017/18 Estimate %	2018/19 Estimate %
Non-HRA	10.86	12.78	14.02	14.14	14.17	14.24
HRA	14.26	13.54	13.57	13.54	13.51	13.48

Table 3: Ratio of financing costs to net revenue stream

27. The estimates of financing costs include current commitments and the proposals in the Capital Programme Budget 2014/15 to 2018/19 report on this agenda.

28. **Prudential Indicator 4 - Incremental impact of capital investment decisions on council tax.** This indicator identifies the revenue costs associated with proposed changes to the five-year capital programme recommended in the Capital programme 2014/15 to 2018/19 report in the table below. The assumptions are based on the budget figures as set out per the capital and financial strategy reports on this agenda.

Incremental Impact on Council tax – band D	2013/14 Estimate	2014/15 Estimate	2015/16 Estimate	2016/17 Estimate	2017/18 Estimate	2018/19 Estimate
Incremental impact	n/a	£7.23	£4.58	£1.95	£2.78	£6.64

Table 4: - Incremental impact of capital investment decisions on the band D council tax

29. **Prudential Indicator 5 - Incremental impact of capital investment decisions on housing rent levels.** Similar to the council tax calculation, this indicator identifies the trend in the cost of proposed changes in the housing capital programme recommended in the capital programme budget report compared to the Council's existing commitments and current plans, expressed as a discrete impact on weekly rent levels. This indicator is zero as the housing rent levels are set by Government and is not directly impacted by the Council's capital plans.

Incremental Impact	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Weekly Housing Rents	£0.00	£0.00	£0.00	£0.00	£0.00	£0.00

Table 5 - Incremental impact of capital investment decisions on housing rent levels

Treasury Management Strategy

30. The capital prudential indicators set out above ensure that the Council's capital programme / expenditure plans are affordable, sustainable and prudent. The treasury management function ensures that the Council's cash is available to meet the Council's capital programme requirements and also revenue activity needs in accordance with the Local Government Act 2003 and relevant professional codes.

31. The treasury management function involves both the forecasting of the cash flow and, where capital plans are require, the organisation of appropriate borrowing facilities. The strategy covers the prudential / treasury indicators, the current and projected debt positions and the annual investment strategy.

Current Portfolio Position

32. The Council's treasury portfolio position at 31 December 2013 is detailed below in table 6:

Institution Type	Principal	Average Rate
<u>Public Works Loan Board (PWLB)</u> – Money borrowed from the Debt Mgt Office (Treasury Agency)	£238.615m	3.614%
<u>Market Loans</u>		
Club Loan – A loan taken in conjunction with 2 other Authorities	£10.000m	7.155%
LOBO Loans (2) – Lender Option Borrower Option	£10.000m	3.740%
Total Gross Borrowing (GF & HRA)	£258.615m	3.756%
Total Investments	£48.572m	

Table 6: Current position at 31 December 2013

33. The Council at 31 December 2013 had £258.615m of fixed interest rate debt, of which £139.941m was HRA and £118.674m General Fund. The cash balance available for investment was £48.572m. The level of investments shows a small decline reflecting no new borrowing being undertaken during 2013/14 to date and the capital programme continues to spend.
34. Within the prudential indicators, there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its total gross debt, does not, except in the short term, exceed the total of the Capital Financing Requirement (CFR) in the preceding year 2012/13 plus the estimates of any additional CFR for 2013/14 and the following two financial years. This allows the flexibility to borrow in advance of need and ensures that borrowing is for a capital purpose and that borrowing is not undertaken for revenue purposes.
35. Table 7 shows that the estimated gross debt position of the Council does not exceed the underlying capital borrowing need (the CFR). The Director of Customer Business & Support Services (S151 Officer) confirms that the Council complied with this prudential indicator and does not envisage difficulties for the future.

	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
External Debt per maturity Profile	258.615	258.615	294.115	294.115	302.115	300.115
Expected Net Change in Debt	0.000	35.500	0.000	8.000	(2.000)	0.000
Gross Projected Debt	258.615	294.115	294.115	302.115	300.115	300.115
Total CFR	321.029	333.542	336.778	336.680	332.826	328.645
Under/(over) Borrowed	Under	Under	Under	Under	Under	Under

Table 7: External Debt < Capital Financing Requirement

36. Table 7 demonstrates that based on borrowing estimates there is a significant gap between actual borrowing and the CFR (driven by the use of internal funds to finance capital expenditure). The decision as to whether to continue to do this will take into account current (and future) assumptions re borrowing rates, and levels of internal reserves and balances held by the Council. The figures above show a reduction between CFR and external debt, however this will be determined by the S151 officer and the figure above is a current broad assumption and actual borrowing will be determined by the circumstances that prevail at the time eg borrowing rates, levels of cash balances

Prudential Indicators: Limits on Authority to Borrow

37. **Prudential Indicator 6A – Authorised Borrowing Limit** - It is a statutory duty under Section 3 (1) of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the “Authorised Borrowing Limit”, and represents a control on the maximum level of debt. This is a limit beyond which external debt is prohibited, and this limit needs to be set or revised by the full Council. It reflects the level of external debt which, while not desired, could be afforded in the short term, but is not sustainable in the longer term.

Authorised Limit	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Borrowing	321.029	333.542	336.778	336.680	332.826	328.645
Other Long Term Liabilities	30.000	30.000	30.000	30.000	30.000	30.000
Total	361.029	373.542	376.778	376.680	372.826	368.645

Table 8: Authorised Borrowing Limit

38. **Prudential Indicator 6B – Operational Boundary**. In addition to the “Authorised Borrowing Limit”, there is a limit, which is the maximum level of debt allowed for, on an ongoing operational purpose. This is the Operational Boundary. The Operational Boundary in reality would only be breached because of in year

cash flow movements. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt.

Operational Boundary	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Borrowing	321.029	333.542	336.778	336.680	332.826	328.645
Other Long Term Liabilities	10.000	10.000	10.000	10.000	10.000	10.000
Total	331.029	343.542	346.778	346.680	342.826	338.645

Table 9: Operational Boundary

39. Separately, the Council is also limited to a maximum HRA CFR through the HRA self-financing regime, known as the HRA Debt Limit. This limit is currently:

HRA Debt Limit £m	2013/14 Estimate £m	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
Total HRA	145.97	145.97	145.97	145.97	145.97	145.97

Table 10: HRA Debt Limit

Economic Background

40. The economic situation is the background to which all treasury management activities operate. It assists in the formation of the treasury management strategy as it details the current economic and market environment.

Prospects for Interest Rates

41. Current interest rates and the future direction of both long term and short term interest rates have a major influence on the overall treasury management strategy and affects both investment and borrowing decisions. To facilitate treasury management officers in making informed investment and borrowing decisions, the Council contracts Capita Asset Services as its treasury adviser. Part of their service is to assist the Council in formulating a view on interest rates. Annex A draws together a number of current City forecasts for short

term (Bank Rate) and longer fixed interests rates. Table 11 gives Capita's central view:

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Dec 2013	0.50	2.50	4.40	4.40
Mar 2014	0.50	2.50	4.40	4.40
Jun 2014	0.50	2.60	4.50	4.50
Sep 2014	0.50	2.70	4.50	4.50
Dec 2014	0.50	2.70	4.60	4.60
Mar 2015	0.50	2.80	4.60	4.70
Jun 2015	0.50	2.80	4.70	4.80
Sep 2015	0.50	2.90	4.80	4.90
Dec 2015	0.50	3.00	4.90	5.00
Mar 2016	0.50	3.10	5.00	5.10
Jun 2016	0.75	3.20	5.10	5.20
Sep 2016	1.00	3.30	5.10	5.20
Dec 2016	1.00	3.40	5.10	5.20
Mar 2017	1.25	3.40	5.10	5.20

Table 11 – Capita's Bank Rate forecast for financial year ends

42. Until 2013, the economic recovery in the UK since 2008 had been the worst and slowest recovery in recent history.

However, growth has rebounded during 2013 to surpass all expectations. Growth prospects remain strong for 2014, not only in the UK economy as a whole, but in all three main sectors, services, manufacturing and construction. One downside is that wage inflation continues to remain significantly below CPI inflation so disposable income and living standards are under pressure, although income tax cuts have ameliorated this to some extent. A rebalancing of the economy towards exports has started but as 40% of UK exports go to the Eurozone, the difficulties in this area are likely to continue to dampen UK growth.

43. There are, therefore, concerns that a UK recovery currently based mainly on consumer spending and the housing market, may not endure much beyond 2014. The US, the main world economy, faces similar debt problems to the UK, but thanks to reasonable growth, cuts in government expenditure and tax rises, the annual government deficit has been halved from its peak without appearing to do too much damage to growth.

44. The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Although Eurozone concerns have subsided in 2013, Eurozone sovereign debt difficulties have not gone away and there are major concerns as to how these will be managed over the next few years as levels of government debt to GDP ratios, in some countries, continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;
- Investment returns are likely to remain relatively low during 2014/15 and beyond;
- Borrowing interest rates have risen significantly during 2013 and are on a rising trend. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring even higher borrowing costs, which are now looming ever closer, where authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt, in the near future;
- There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.

Borrowing Strategy

45. The Council undertakes long term borrowing in accordance with the capital expenditure requirements of the capital programme. The Council's borrowing requirement is known as the Capital Financing Requirement (CFR) as explained above in paragraph 14. As a result of the capital programme 2014/15 to 2018/19 the borrowing is projected to increase by £16.375m over the next 5 years. The CFR (the Council's actual need to borrow) does not necessarily increase by this £16.375m as a minimum amount of revenue provision is set aside every year in accordance with statutory requirement and this therefore reduces the actual amount that is required to be borrowed.

46. The borrowing strategy takes into account the borrowing requirement, the current economic and market environments and is also influenced by the above interest rate forecast. The Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy remains prudent as investment returns are low and counterparty risk is relatively high.
47. It is therefore beneficial to have a borrowing strategy where consideration is given to taking some longer term borrowing if favourable rates arise and also use some cash reserves. External borrowing will be considered throughout the financial year when interest rates seem most favourable. A target interest rate in light of table 11 above is 4.75%. This will enable borrowing to be taken through the year at different time periods. Consideration will also be given to the maturity profile of the debt portfolio so the Council is not exposed to the concentration of debt being in any one year.
48. Against this background and the risks within the economic forecast, caution will be adopted with the 2014/15 treasury operations. The Director of Customer Business and Support Services will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:
- if it was felt that there was a significant risk of a sharp fall in long and short term rates, e.g. due to a marked increase of risks around relapse into recession or of risks of deflation, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term borrowing will be considered.
 - if it was felt that there was a significant risk of a much sharper rise in long and short term rates than that currently forecast, perhaps arising from a greater than expected increase in world economic activity or a sudden increase in inflation risks, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.

49. The HRA strategy in 2013/14 for borrowing will be the same as the borrowing strategy described above for the whole Council. The HRA Business Plan will guide and influence the overall HRA borrowing strategy.
50. All decisions will be reported to the appropriate decision making body – Cabinet and Audit and Governance Committee - at the next available opportunity.

Prudential Indicators – Limits on Borrowing Activity

51. There are three debt / borrowing related prudential indicators. The purpose of these are to constrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs / improve performance. The indicators are:
- Upper limits on variable interest rate exposure. This identifies a maximum limit for variable interest rates based upon the debt position net of investments
 - Upper limits on fixed interest rate exposure. This is similar to the previous indicator and covers a maximum limit on fixed interest rates;
 - Maturity structure of borrowing. This gross limit is set to reduce the Council's exposure to large fixed rate sums falling due for refinancing in a confined number of years.
52. These three debt/borrowing related prudential indicators are calculated to include the debt undertaken for the HRA as well as the remaining borrowing debt portfolio.

Interest rate Exposure	2014/15 Estimate £m	2015/16 Estimate £m	2016/17 Estimate £m	2017/18 Estimate £m	2018/19 Estimate £m
	Upper	Upper	Upper	Upper	Upper
Limits on fixed interest rates based on net debt	116%	109%	109%	109%	107%
Limits on variable interest rates based on net debt	-16%	-9%	-9%	-9%	-7%
Maturity Structure of borrowing 2012/13					
	Lower			Upper	

Under 12 months	0%	30%	
12 months to 2 years	0%	30%	
2 years to 5 years	0%	40%	
5 years to 10 years	0%	40%	
10 years and above	30%	90%	

Table 12: Limits on Interest rate exposure and the Maturity Structure of Borrowing

Policy on Borrowing in Advance of Need

53. Under Local Authorities (Capital Finance and Accounting) (England) Regulations 2008 regulation, the Council can borrow in advance of need in line with its future borrowing requirements in accordance with the Capital Financing Requirement. Any borrowing decision in advance of need will be considered carefully to ensure that value for money can be demonstrated, it is affordable, sustainable & prudent, that the treasury management revenue budget can support the borrowing finance costs in the longer term and that the Council can ensure the security of such funds if invested.
54. Borrowing in advance will be made within the constraints of the CIPFA Prudential Code that ensures that total gross debt, does not, except in the short term, exceed the total of the CFR in the preceding year 2013/14 plus the estimates of any additional CFR for 2014/15 and the following two financial years.
55. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

Debt Rescheduling

56. As shown in table 11 and generally reflective of the long term pricing of risk, the forecasts show that short term borrowing rates will be considerably cheaper than longer term fixed interest rates in the foreseeable future. Therefore, there may be potential opportunities to generate savings by switching from long term debt to short term debt. However, these savings will need to be considered in the light of the current treasury management position, the short term nature of the loans, the costs of premiums involved in premature repayment for existing

debt and the likely cost of refinancing those short-term loans, once they mature. Debt rescheduling will also be considered for the HRA and the costs and benefits assessed to ensure value for money.

57. The reasons for any rescheduling to take place will include:

- a) the generation of cash savings and / or discounted cash flow savings;
- b) helping to fulfil the strategy outlined above, and
- c) enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

58. Consideration will also be given to identify if there is any residual potential left for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

59. Any rescheduling will be reported to Cabinet and/or Audit and Governance Committee, in accordance with the usual monitoring cycle.

Annual Investment Strategy

Investment Policy

60. The Council's investment policy has regard to the Communities and Local Government's (CLG) Guidance on Local Government Investments ("the Guidance") and the 2011 CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code").

61. The Council's investment priorities are the security of capital and liquidity of its investments. The Council also aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The borrowing of monies specifically to invest or lend on and make a return is unlawful and the Council will not engage in such activity.

62. In accordance with guidance from the CLG and CIPFA, and in order to minimise the risk to investments, the Council has below clearly stipulated the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies with a full understanding of what these reflect in the eyes of each agency. Using Capita's ratings service potential counterparty ratings are monitored on a real time basis with knowledge of any changes notified electronically as the agencies notify modifications.
63. Furthermore, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end, the Council will engage with its advisors to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings. This is fully integrated into the credit methodology provided by the advisors, Sector in producing its colour codings that show the varying degrees of suggested creditworthiness.
64. The aim of the strategy is to generate a list of highly creditworthy counterparties which will also enable diversification and thus avoidance of concentration risk. The intention of the strategy is to provide security of investment and minimisation of risk.
65. Investment instruments identified for use in the financial year are listed in annex B under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set out in the later section - the Investment Strategy.
66. The Council continues to take a prudent approach to investing funds as set out in the Creditworthiness Policy below.

Creditworthiness Policy

67. This Council applies the creditworthiness service provided by Capita Asset Services. This service employs a sophisticated modeling approach with credit ratings from the three main credit rating agencies - Fitch, Moody's and Standard and Poor's. The credit ratings of counterparties are supplemented with the following overlays:

- credit watches and credit outlooks from credit rating agencies
- CDS spreads to give early warning of likely changes in credit ratings
- sovereign ratings to select counterparties from only the most creditworthy countries

68. This modelling approach combines credit ratings, credit watches, credit outlooks in a weighted scoring system which is then combined with an overlay of CDS (Credit Default Swap) spreads for which the end product is a series of colour code bands, which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments. The Council will therefore use counterparties within the following durational bands:

- Yellow 5 years *
- Dark pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.25
- Light pink 5 years for Enhanced money market funds (EMMFs) with a credit score of 1.5
- Purple 2 years
- Blue 1 year (only applies to nationalised or semi nationalised UK Banks)
- Orange 1 year
- Red 6 months
- Green 100 days
- No colour not to be used

**This category is for UK Government debt or its equivalent; constant NAV money market funds and collateralised deposits where the collateral is UK Govt debt*

69. The Capita Asset Services creditworthiness model uses a wider array of information than just primary ratings and by using a risk weighted scoring system, does not give undue preponderance to just one agency's ratings.
70. Typically the minimum credit ratings criteria the Council use will be a short term rating (Fitch or equivalents) of Short Term rating F1, Long Term rating A-, Viability ratings of A-, and a Support rating of 1. There may be occasions when the counterparty ratings from one rating agency are marginally lower than these ratings but may still be used. In these instances consideration will be given to the whole range of ratings available, or other topical market information, to support their use.
71. All credit ratings will be monitored on an ongoing basis as information is provided weekly basis and also adhoc. The Council is alerted to changes to ratings of all three agencies through its use of the Capita's creditworthiness service:
- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.
 - In addition to the use of Credit Ratings the Council will be advised of information in movements in Credit Default Swap against the iTraxx benchmark and other market data on a weekly basis. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list.
72. Although sole reliance is not be placed on the use of this external service as the Council uses market data and market information, information on government support for banks and the credit ratings of that supporting government, the suitability of counterpatys is based heavily on Capitas advice.
73. The Council has determined that it will only use approved counterparties from countries with a minimum sovereign credit rating of AA- from Fitch Ratings (or equivalent from other agencies if Fitch does not provide). The list of countries that

qualify using this credit criteria as at the date of this report are shown in Annex C. This list will be added to or deducted from by officers should ratings change in accordance with this policy.

Investment Strategy

74. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months). The Council uses matrices (determined by the maximum cash balance in a given year) that stipulate both time and financial limits in order to spread counterparty (credit) risk when investing money with approved counterparties. The matrix is based on the projected average balance for the year. Therefore for 2014/15 the average balance is forecast to be between a low point of £10m and £62m, the matrix stipulates use of level 6 (maximum cash balance of between £50m - £60m, note this is the highest matrix Treasury officers feel is prudent to use) that results in a limit of £10m for counterparties with a durational band of 100 days and £15m for counterparties with a durational band of longer than 100 days.

75. Bank Rate is forecast to remain unchanged at 0.5% before starting to rise from Qtr 2 of 2016. Bank rate forecasts for financial year ends (March) are:

2013/14	0.50%
2014/15	0.50%
2015/16	0.50%
2016/17	1.25%

76. There are upside risks to these forecasts (i.e. start of increases in Bank Rate occurs sooner) if economic growth remains strong and unemployment falls faster than expected. However, should the pace of growth fall back, there could be downside risk, particularly if Bank of England inflation forecasts for the rate of fall of unemployment were to prove to be too optimistic.

77. For its cash flow generated balances, the Council will seek to utilise a combination of business reserve accounts (call accounts), 15 to 30 day notice accounts, short dated fixed term deposits and money market funds. In addition, the Council will look for investment opportunities in longer dated term deals

with specific counterparties that offer enhanced rates for Local Authority investment. All investment will be undertaken in accordance with the creditworthiness policy set out above.

78. The suggested budgeted investment earnings rates for returns on investments placed for periods up to three months during each financial year for the next four years are as follows:

2014/15	0.50%
2015/16	0.50%
2016/17	1.00%
2017/18	2.00%

79. Therefore for 2013/14, the Council has budgeted for an investment return target of 0.50% on investments placed during the financial year and uses the 7 day LIBID rate as a benchmark for the rate of return on investment.

80. **Prudential Indicator 9** - total principal investment funds invested for greater than 364 days. This limit is set with regards to the Council's liquidity requirements and are based on the availability of funds after each year-end. A maximum principal sum to be invested for greater than 364 days is £10m.

81. At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report. It should be noted that the Investment policy, creditworthiness policy and investment strategy are applicable to the Council's overall surplus funds and are also pertinent to the HRA.

Policy on the use of external service providers

82. The Council uses Capita Asset Services as its external treasury management advisors.

83. The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

84. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented, and subjected to regular review.

Scheme of Delegation and the Role of the Section 151 Officer

85. Those charged with governance are responsible for the treasury management activities and are clearly defined within the organisation. Attached at Annex D are the Treasury Management Scheme of Delegation and also the Treasury Management role of the section 151 officer (Director of Customer & Business Support Services).

Consultation and Options

86. The treasury management function of any business is a highly technical area, where decisions are often taken at very short notice in reaction to the financial markets. Therefore, to enable effective treasury management, all operational decisions are delegated by the Council to the Director of Customer & Business Support Services, who operates within the framework set out in this strategy and through the Treasury Management Policies and Practices. In order to inform sound treasury management operations the Council works with its Treasury Management advisers, Capita Asset Services. Capita Asset Services offers the Council a comprehensive information and advisory service that facilitates the Council in maximising its investment returns and minimise the costs of its debts.

87. Treasury Management strategy and activity is influenced by the capital investment and revenue spending decisions made by the Council. Both the revenue and capital budgets have been through a corporate process of consultation and consideration by the elected politicians. The revenue budget and capital budget proposals are included within this agenda.

88. At a strategic level, there are a number of treasury management options available that depend on the Council's stance on interest rate movements. The report sets out the

Council's stance and recommends the setting of key trigger points for borrowing and investing over the forthcoming financial year.

Council Plan

89. The Treasury Management Strategy Statement and Prudential Indicators are aimed at ensuring the Council maximises its return on investments and minimises the cost of its debts whilst operating in a financial environment that safeguards the Council's funds. This will allow more resources to be freed up to invest in the Council's priorities, values and imperatives, as set out in the Council's Plan.

Implications

Financial

90. The revenue implications of the treasury strategy are set out in the Revenue Budget report also on this agenda. The capital implications that drive the CFR are set out in the Capital Programme Budget report.

Human Resources (HR)

91. There are no HR implications as a result of this report

Equalities

92. There are no equalities implications as a result of this report

Legal Implications

93. Treasury Management activities have to conform to the Local Government Act 2003, the Local Authorities (Capital; Finance and Accounting) (England) Regulations 2003 (SI 2003/3146), which specifies that the Council is required to have regard to the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice and also the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414), which clarifies the requirements of the Minimum Revenue Provision guidance.

Crime and Disorder

94. There are no crime and disorder implications as a result of this report

Information Technology (IT)

95. There are no information technology implications as a result of this report

Property

96. There are no property implications as a result of this report

Risk Management

97. The treasury management function is a high-risk area because of the volume and level of large money transactions. As a result of this the Local Government Act 2003 (as amended), supporting regulations, the CIPFA Prudential Code and the CIPFA Treasury Management in the Public Services Code of Practice (the code) are all adhered to as required.

Recommendations

98. The Cabinet are asked to recommend that Council approve:
- a. The proposed Treasury Management Strategy for 2014/15 including the annual investment strategy and the minimum revenue provision policy statement;
 - b. The Prudential Indicators for 2014/15 to 2018/19 in the main body of the report;
 - c. The Specified and Non-Specified Investments schedule (Annex B)
 - d. The Scheme of Delegation and the Role of the Section 151 Officer (Annex D)

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

Author of the report:	Cabinet Member & Chief Officer Responsible for the report:			
Ross Brown Principal Accountant Ext 1207	Cabinet Member for Finance, Performance and Customer Services			
Debbie Mitchell Finance Manager	Ian Floyd Director of Customer & Business Support Services			
	Report Approved	√	Date	17/01/14
Wards Affected: Not Applicable				
<u>For further information please contact the author of the report</u>				

<u>Specialist Implications:</u>
Legal – Author of the report
Property – Not Applicable
Information Technology – Not Applicable

For further information please contact the author of the report

Background Papers

Prudential indicator workings 2014/15 to 2018/19.

Capital Strategy 2014/15 to 2018/19 report.

Capita -treasury management advisers commentary.

Annexes

Annex A – Interest Rate Forecast

Annex B – Specified and Non-Specified Investments categories
Schedule

Annex C – Approved countries for investments

Annex D – Scheme of Delegation and the Role of the Section 151
Officer

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Annex A - Interest Rate Forecast 2013/2017

Capita Asset Services Interest Rate View														
	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17
Bank Rate View	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%
3 Month LIBID	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.60%	0.70%	0.90%	1.30%
6 Month LIBID	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.60%	0.70%	0.80%	1.00%	1.20%	1.40%
12 Month LIBID	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	0.80%	1.00%	1.20%	1.40%	1.60%	1.80%	2.00%	2.30%
5yr PWLB Rate	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%
10yr PWLB Rate	3.60%	3.60%	3.70%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.20%	4.30%	4.30%	4.40%	4.50%
25yr PWLB Rate	4.40%	4.40%	4.50%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.10%
50yr PWLB Rate	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.20%
Bank Rate														
Capita Asset Services	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.75%	1.00%	1.00%	1.25%
UBS	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-	-	-	-	-
Capital Economics	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	0.50%	-	-	-	-	-
5yr PWLB Rate														
Capita Asset Services	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.80%	2.90%	3.00%	3.10%	3.20%	3.30%	3.40%	3.40%
UBS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Economics	2.10%	2.30%	2.30%	2.30%	2.30%	2.30%	2.50%	2.90%	3.30%	-	-	-	-	-
10yr PWLB Rate														
Capita Asset Services	3.60%	3.60%	3.70%	3.80%	3.80%	3.90%	3.90%	4.00%	4.10%	4.20%	4.30%	4.30%	4.40%	4.50%
UBS	3.90%	4.00%	4.00%	4.10%	4.10%	-	-	-	-	-	-	-	-	-
Capital Economics	3.30%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.55%	3.80%	-	-	-	-	-
25yr PWLB Rate														
Capita Asset Services	4.40%	4.40%	4.50%	4.50%	4.60%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.10%	5.10%	5.10%
UBS	4.40%	4.50%	4.50%	4.60%	4.60%	-	-	-	-	-	-	-	-	-
Capital Economics	4.10%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.20%	4.30%	-	-	-	-	-
50yr PWLB Rate														
Capita Asset Services	4.40%	4.40%	4.50%	4.50%	4.60%	4.70%	4.80%	4.90%	5.00%	5.10%	5.20%	5.20%	5.20%	5.20%
UBS	4.50%	4.50%	4.60%	4.60%	4.70%	-	-	-	-	-	-	-	-	-
Capital Economics	4.30%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.40%	4.50%	-	-	-	-	-

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Specified and Non-Specified Investments Categories

A variety of specified and non-specified investment instruments will be used to place the Council's surplus funds. These investment instruments are, subject to the credit quality of the institution. The criteria, time limits and monetary limits applying to institutions or investment vehicles are list in the tables below.

Accounting treatment of investments. The accounting treatment may differ from the underlying cash transactions arising from investment decisions made by this Council. To ensure that the Council is protected from any adverse revenue impact, which may arise from these differences, treasury officers will review the accounting implications of new transactions before they are undertaken.

Specified Investments:

All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable.

Institution / Counterparty	Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	UK Sovereign rating	In-house
Term deposits – Local Authorities	UK Sovereign rating	In-house
Term deposits – banks and building societies	Coded: Orange on Sectors Matrix. Fitch's rating: Short-term F1+, Long-term AA-, Individual B, Support 2 Or equivalent rating from Standard & Poors and Moody's	In-house
UK Part nationalised banks	Coded: Blue on Sectors Matrix. Fitch's rating: Short-term F1+, Long-term AA-, Individual B, Support 2 Or equivalent rating from Standard & Poors and Moody's	In-house and Fund Mangers
Banks part nationalised by high credit rated (sovereign rating) countries – non UK	Coded: Blue on Sectors Matrix. Fitch's rating: Short-term F1+, Long-term AA-, Individual B,	In-house and Fund Mangers

	Support 2 Or equivalent rating from Standard & Poors and Moody's	
Collateralised deposit	Coded: Orange on Sectors Matrix / UK Sovereign rating	In-house and Fund Mangers
Certificates of deposits issued by banks and building societies covered by UK Government guarantee	Coded: Orange on Sectors Matrix / UK Sovereign rating	In-house and Fund Mangers
Certificates of deposits issued by banks and building societies	F Coded: Orange on Sectors Matrix / Fitch's rating: UK sovereign rating or Short- term F1+, Long-term AA- , Individual B, Support 2 or equivalent rating from Standard& Poors and Moodys	In-house and Fund Mangers
UK Government Gilts	Coded: Orange on Sectors Matrix / UK Sovereign rating	In-house buy and hold and Fund Managers
Bonds issued by multilateral development banks	Coded: Orange on Sectors Matrix / Long term AAA	In-house buy and hold and Fund Managers
Bonds issued by a financial institution which is guaranteed by the UK government	Coded: Orange on Sectors Matrix / UK Sovereign rating	In-house buy and hold and Fund Managers
Sovereign bond issues (other than the UK govt)	Coded: Orange on Sectors Matrix / Sovereign rating	In-house buy and hold and Fund Managers
Treasury Bills	Coded: Orange on Sectors Matrix / UK Sovereign rating	Fund Managers
Collective Investment Schemes structured as Open Ended Investment Companies (OEICs): -		
1. Government Liquidity Funds	Short-term F1, Long-term AAA	In-house and Fund Managers
2. Money Market Funds	Short-term F1, Long-term AAA	In-house and Fund Managers
.3. Enhanced cash funds	Short-term F1, Long-term AAA	In-house and Fund Managers
4. Bond Funds	Long-term AAA	In-house and Fund Managers
5. Gilt Funds	Long-term AAA	In-house and Fund Managers
6. Property Funds	Long-term AAA	In-house and Fund Managers
UK Nationalised Banks	UK sovereign rating	In-house and Fund Managers
UK Part nationalised Banks	UK sovereign rating	In-house and Fund Managers

NON-SPECIFIED INVESTMENTS:

A maximum of 100% can be held in aggregate in non-specified investment

1. Maturities of ANY period

Institution / Counterparty	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits – banks and building societies	Coded: red (6mths) and green (3mths) on Sectors Matrix. Fitch's rating: Short-term F1, Long-term A-, Or equivalent rating from Standard & Poors and Moody's	In-house	100%	3-6 Months
Fixed term deposits with variable rate and variable maturities: -Structured deposits	Coded: orange (1yr) red (6mths) and green (3mths) on Sectors Matrix. Fitch's rating: Short-term F1, Long-term A-, Or equivalent rating from Standard & Poors and Moody's	In-house	40%	1 Year
Certificates of deposits issued by banks and building societies NOT covered by UK Government guarantee	Coded: orange (1yr) red (6mths) and green (3mths) on Sectors Matrix. Fitch's rating: Short-term F1, Long-term A-, Or equivalent rating from Standard & Poors and Moody's	In-house buy and hold and Fund Managers	30%	1 Year
Commercial paper issuance covered by a specific UK Government guarantee and issued by banks covered by the UK bank support package	UK Sovereign rating	In-house and Fund Managers	30%	1 Year
Commercial paper other	Coded: orange (1yr) red (6mths) and green (3mths) on Sectors Matrix. Fitch's rating: Short-term F1, Long-term A-, Or equivalent rating from Standard & Poors and Moody's	In-house	30%	1 Year
Corporate Bonds	Coded: orange (1yr) red (6mths) and	In-house and Fund	30%	1 Year

	green (3mths) on Sectors Matrix. Fitch's rating: Short-term F1, Long-term A-, Or equivalent rating from Standard & Poors and Moody's	Managers		
Other debt issuance by UK banks covered by UK Government guarantee	UK Government explicit guarantee	In-house and Fund Managers	30%	
Floating Rate Notes: the use of these investments would constitute capital expenditure unless they are issued by a multi lateral development bank	Long-term AAA	Fund Managers	N/A – Capital Expenditure	N/A – Capital Expenditure
Property fund: the use of these investments would constitute capital expenditure	--	Fund Managers	N/A – Capital Expenditure	N/A – Capital Expenditure
Local Authority mortgage guarantee scheme	Coded: orange (1yr) red (6mths) and green (3mths) on Sectors Matrix. Fitch's rating: Short-term F1, Long-term A-, Or equivalent rating from Standard & Poors and Moody's	In-house		

2. Maturities in excess of 1 year

Term deposits – local authorities	--	In-house	10%	> 1 year
Term deposits – banks and building societies	Coded: Purple(2yrs) or Yellow (5yrs) on Sectors Matrix. Fitch's rating: Short-term F1+, Long-term AA-, Support 2 Or equivalent rating from Standard & Poors and Moody's	In-house	10%	> 1 year
Certificates of deposits issued by banks and building societies covered by UK Government guarantee	UK Sovereign	In house and Fund Managers	10%	> 1 year
Certificates of deposits issued by banks and building societies covered by the UK government banking support package	UK Sovereign	In house and Fund Managers	10%	> 1 year
Certificates of deposits issued by banks and building societies NOT	Coded: Purple(2yrs) or Yellow (5yrs) on Sectors Matrix /	In house and Fund Managers	10%	> 1 year

covered by the UK government banking support package	Short-term F1+, Long-term AA-, Support 2			
UK Government Gilts	UK Sovereign rating	In-house and Fund Managers	10%	> 1 year
Bonds issued by multilateral development banks	Long term AAA	In-house and Fund Managers	10%	> 1 year
Sovereign bond issues (i.e. other than the UK govt)	Long term AAA	In-house and Fund Managers	10%	> 1 year
Collective Investment Schemes structure as open Ended Investment Companies (OEICs)				
1. Bond Funds	Long-term AAA	In-house and Fund Managers		
2. Gilt Funds	Long-term AAA	In-house and Fund Managers		

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Approved countries for investments

AAA

- Australia
- Canada
- Denmark
- Finland
- Germany
- Luxembourg
- Netherlands
- Norway
- Singapore
- Sweden
- Switzerland
- U.S.A.

AA+

- France
- Hong Kong
- U.K.

AA

- Abu Dhabi
- Belgium

AA-

- Saudi Arabia
-

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Treasury Management Scheme of Delegation

(i) Cabinet / Full Council

- receiving and reviewing reports on treasury management policies, practices and activities
- approval of annual strategy and annual outturn

(ii) Cabinet

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices
- budget consideration and approval
- approval of the division of responsibilities

(iii) Audit & Governance Committee

- receiving and scrutinising reports on treasury management policies, practices and activities
- scrutinising the annual strategy, annual outturn and mid year review.

(iv) Director of Customer and Business Support (Section 151 Officer)

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.
- all operational decisions are delegated by the Council to the Director of Customer & Business Support Services, who operates within the framework set out in this strategy and through the Treasury Management Policies and Practices
- Approving the selection of external service providers and agreeing terms of contract in accordance with the delegations in financial regulations.

The Treasury Management Role of the Section 151 Officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance
 - all operational decisions delegated by the Council to the Director of Customer & Business Support Services (S151 Officer), who operates within the framework set out in this
-

strategy and through the treasury management policies and practices

- submitting regular treasury management policy reports
 - submitting budgets and budget variations
 - receiving and reviewing management information reports
 - reviewing the performance of the treasury management function
 - ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function
 - ensuring the adequacy of internal audit, and liaising with external audit
 - recommending the appointment of external service providers.
-



Cabinet

11 February 2014

Report of the Cabinet Member for Finance, Performance and Customer Services

FINANCIAL STRATEGY 2014 - 2019

Summary and Background

1. This report presents the financial strategy 2014-2019, including detailed revenue budget proposals for 2014/15 and 2015/16, and asks Members to recommend to Council approval of the proposals. Following on from extensive consultation with taxpayers, business and interest groups, the financial strategy delivers a balanced budget over a 2 year period with savings proposals totalling £23.4m (equivalent to 18% of the net budget over 2 years) and a proposed council tax increase of 1.9% in 2014/15 (subject to notification of the referendum limit). There are separate reports on the agenda covering the Rewiring Public Services transformation programme, the capital budget and the treasury management strategy.
2. Key issues included in the proposals are as follows;
 - Revenue savings of £10.743m in 2014/15
 - Building on the findings of the Delivering for the People of York Cabinet report, a further £12.655m of savings in 2015/16 comprising;
 - i. £3.854m of service prioritisation reductions
 - ii. £5.480m of reductions delivered by the Rewiring Public Services programme
 - iii. £3.321m of efficiency savings.
 - Growth of £2.5m in adult social care for 2014/15, following on from investment of £2.5m in 2013/14, to ensure continued priority investment in services to vulnerable people

- A reduced Start Up Funding Assessment (SUFA), equivalent to the old formula grant funding, of £5.7m in 2014/15 and total estimated grant losses of around £8m in 2015/16
- Ensuring a financially prudent budget through funding for the contingency budget and a contribution to increase general reserves, building on proposals set out in the previous two budgets (in line with advice from the Director of CBSS)
- Ensuring a financially prudent budget by addressing known budget pressures, including likely pay awards and inflationary pressures
- Establishing in 2014/15 ongoing revenue funding for the implementation of the Living Wage
- Building on the £100k revenue funding for the York Financial Assistance Scheme approved in 2013/14 with further investment of £100k in 2014/15
- Creation of a £50k budget provision from 2014/15 for business rate discounts to support economic growth
- £1m of funding in 2015/16 to support Strategic Transport investment
- A net revenue budget of £124.2m, which will be funded by:
 - i. Council tax income of £71.8m
 - ii. Government grant of £28.8m
 - iii. Retained Business Rates of £23.6m
- Alongside these proposals, elsewhere on the agenda the Capital Strategy Report details significant capital investment in Highways, the Museum/Art Gallery, ICT and Housing.

National Context and Funding Issues

3. York has the 9th lowest band D council tax, the 2nd lowest spend per head of population of any unitary council in England and the 9th lowest government funding per head in the country.
4. All aspects of the public sector are continuing to face challenging times in the light of the Government's commitment to reduce the national deficit as first outlined in the Comprehensive Spending Review (CSR) published in October 2010. As a result, in recent years the Council has

had to deal with very large reductions in funding, combined with a range of significant pressures.

5. To provide some context to this, set out in annex 10 are a number of tables which show the actual and forecast levels of savings delivered by the Council and the movements in grant funding. In summary, the Council:
 - has made £16.4m of savings over the period 2007/08 to 2009/10.
 - has made a further £74.2m of savings covering the period 2010/11 to 2015/16.
 - and has therefore made a total of £90.6m of savings over the 9 years covering 2007/08 to 2015/16.
 - has since the 2010 CSR (2011/12-2015/16) experienced government grant reductions of some £37.6m, or 46%. At the time of writing, the retail prices index has increased by 9.6% since April 2011.
6. £91m in savings represents a massive shift in spending and priorities, evidenced by investment in excess of £16m in Adult Social Care over the same period. In light of the longer term funding outlook, and referencing evidence bases such as the Barnet 'Graph of Doom' presented in earlier reports, it is expected adult care costs could account for 50% of the council's net budget by 2019/20.
7. Following on from the June 2013 Spending Review and Autumn Statement announced in December 2013, which highlighted further future reductions to local government funding, the provisional Local Government Finance settlement for 2014/15 was announced on 18 December 2013, and is the second released under the new funding system which includes localised business rates. Members are reminded that Formula Grant has now been abolished and replaced with a Start Up Funding Assessment (SUFA) and is comprised of Revenue Support Grant (RSG) and a business rates baseline.
8. The provisional SUFA for 2014/15 is £52.4m. This corresponds to a loss of £5.7m or 9.7%, compared to the funding received in 2013/14. Initial figures released for 2015/16 suggest that the SUFA allocation and other grants will reduce by around £8m, or a loss of upto 15%. Whilst no details were announced for any financial settlements beyond 2015/16, the clear indications are that central government support to local authorities will continue to be reduced in coming years.

9. The figures announced for York were broadly in line with the forecasts made within the council's financial strategy.
10. This report presents a 2 year budget that is fully balanced. The formal budget setting for 2015/16 will take place in February 2015.
11. Building on assumptions outlined in reports to Cabinet in July and November 2013, and the themes of the Delivering for the People of York Cabinet report from October 2013, the savings requirement set out in this report totals £23.4m over two years.
12. In relation to council tax, the proposals in this report are predicated on a 1.9% increase in the basic Band D rate in 2014/15.
13. However, the Chancellor of the Exchequer has announced that central government will be offering local councils the opportunity to extend the council tax freeze in 2014/15.
14. The offer pledges funding equivalent to a 1% increase on a notional taxbase that excludes the cost of discounts related to council tax support. Calculations show this to equal £778k which is closer to 1.1% on the taxbase used for council tax setting purposes. If Members were minded to accept the freeze, a further £559k in savings to those identified in this report would be required to reach a balanced budget for 2014/15.
15. Guidance received from DCLG states:

The grant for the 2014-15 freeze will be paid to participating authorities in the financial years 2014-15 and 2015-16 – so if an authority freezes in 2014-15, it will also receive a grant in 2015-16 in respect of the freeze decision taken in 2014-15.

Ministers have agreed that the funding for 2014-15 (including 2015-16) freeze grant should be built into the spending review baseline. This gives as much certainty as possible at this stage that the extra funding for freezing council tax will remain available.

Clearly, this shows the funding is guaranteed for at least two years, though continuance beyond 2015/16 would be a policy decision for the next government.

16. Furthermore, in a departure from previous years where referendum limits on council tax increases have been announced at the same time as the settlement, the Local Government Minister for DCLG speaking in

December 2013 indicated that the limit for 2014/15 would be announced “sometime in the new year”. At the time of writing, this had still not been announced and there remains a risk that the limit is lowered from the current assumed level of 2%, as used in previous years. Should that happen, and the limit be set below the 1.9% increase assumed in this budget and no further action taken, the council would have to conduct a referendum with local taxpayers, which would carry significant associated expenditure for holding the vote, and re-billing should that vote for an increase be lost. Members will be advised as and when the limit is announced and will then need to consider the relevant issues and options.

Local issues and challenges

17. Locally demand for council services continues to increase, with an ageing population and increased complex needs in respect of elderly care. There are also potential risks associated to welfare reform, in particular in relation to council tax support, which is now funded locally. Rising fuel costs, landfill tax and inflation are driving costs up and the economic downturn is putting pressure on many of the council’s income budgets. In shaping the budget these issues have been carefully considered to ensure we set a budget that is both prudent and protects vulnerable people. Ensuring that there is the capacity to invest has been a critical part of the budget deliberations.
18. The council established an independent Fairness Commission in 2011 to look into how to make the city a fairer and more equal place to live. Since then a number of key principles established by the commission have been implemented, including;
 - Making reducing income inequalities a core value in decision making, for example by paying a living wage.
 - Building social factors into procurement and contracting to promote good employment practice, enhance local supply chains, reduce inequalities and heighten opportunities for unemployed people in York.
 - Targeting investments and services to reduce inequalities and improve life chances in the most disadvantaged areas.
 - Promoting and prioritising sustainable economic growth that maximises opportunities and benefits to all people, including the most disadvantaged (e.g. jobs, wages and wellbeing).

Financial Overview and Medium Term Financial Forecast (MTFF)

19. Two budget strategy reports have been presented to Members since February 2013 in July and November. These reports have highlighted the challenges facing the council, and also set out the need to ensure the council continues to invest in growing the economy given the financial benefits that economic prosperity brings. Ensuring the council grows its income sources and avoids the costs of deprivation remain factors in the council's financial strategy. In recent months the budget strategy has been developed, not just as a result of government funding announcements, but also in response to October's Delivering for the People of York Cabinet report, which outlined a change in emphasis in how the council will deliver its services in future. The following section on principles that have shaped the budget will provide more detail on the findings of that report and the challenges these present for the council in the coming years.
20. In order to meet these challenges and so that necessary capacity can be provided for priority services, it has been determined the council will have to deliver £23.4m in savings over the next two years (£10.7m in 2014/15 and £12.7m in 2015/16 respectively).
21. The third finance and performance monitoring report elsewhere on this agenda identifies that whilst there are currently a number of pressures in 2013/14, it is expected that the council will outturn within the approved budget by the end of the financial year.
22. Against this developing background, work has been ongoing for many months to develop the budget, and to identify savings to meet the £23.4m target. During this process, proposals for 2014/15 that were identified this time last year have been assessed and various assumptions have continued to be refined. At the same time, proposals for 2015/16 that will be delivered by efficiency, prioritisation and the Rewiring Public Services programme have also been formed. Proper assessment has taken place in terms of the need to invest additional funds in some areas, to be clear about unavoidable costs and to create a budget that very much recognises the need to be both prudent and create capacity to deliver. These issues are covered further in this report.

Principles that have shaped the budget

23. At a time of significant reductions in grants and rising demand it is absolutely essential to set a prudent, stable and achievable budget. The

council has again set out a two year budget which will enable longer term investments and savings to be developed and implemented, providing a stable, sustainable financial basis for the delivery of services to customers. Whilst year 2 (2015/16) will need to be revisited in light of any potential change in assumptions, the 2 year budget set out is fully balanced based upon known factors and a prudent approach to assumptions regarding potential additional costs.

24. This budget round has been extremely challenging, following on from the delivery of nearly £41m savings over the last three years. As well as responding to a momentous shift in expenditure and major reductions in government funding, the Delivering for the People of York report, presented to Cabinet in October 2013, set out a new direction of travel in terms of how the council will provide its services in the future, in particular in response to the findings of the Peer Review and Big York and Staff surveys conducted during 2013. The key theme of the report was to outline steps the council will take to enable itself, residents and communities to work together as equal partners to meet their future needs and priorities.
25. In terms of the Financial Strategy, the report highlighted strengths in the council's approach to meeting financial challenges, but suggested two key points that would better equip the council to meet future challenges:
 - i) There should be better alignment of budgets with council priorities by shifting emphasis from broad reductions across all areas of spend.
 - ii) Increased demand alongside a reducing funding base necessitates a more transformational approach.
26. Therefore the budget strategy for 2015/16 and beyond sets out plans for a three strand process comprising:
 - i) Council Wide Efficiency: general reductions across all areas aimed at continual cost reductions, increased income, and with a focus on avoiding front line reductions.
 - ii) Prioritisation: expenditure reductions based upon the overall assessment of the service relative to the council's key priorities, and the changing nature of service delivery. This recognises that in many areas service provision will have to reduce significantly, in light of the financial challenges facing the council.
 - iii) Rewiring Public Services: to ensure that priority services are fit for the future and meet the current and future needs of residents. The

focus will be on delivery of services in a fundamentally different way.

27. A further recommendation of the Delivering for the People of York report was to improve resident engagement, including broadening the approach to consultation on the budget. From November 2013, the council conducted events in all wards, a number of supermarkets, online, at West Offices and with the York CVS (Council for Voluntary Services). The views of over 1,800 people were received on a number of themes such as things that the council could do better, and which services were seen as priorities for residents.
28. The key messages from the events were that the council:
 - i) should concentrate on its statutory duties,
 - ii) can't afford to be the very best at everything, given its low funding base,
 - iii) needs to be clearer about what help it needs from the city to deliver services.
29. This reinforces the issue that the council has to date largely protected its services. In the future, the council will face the much tougher decisions, like others have already made, as our funding continues to be reduced.
30. The events also highlighted that services related to health, social care and education and skills were of the highest priority with clean streets, well maintained footpaths and transport to and from work just behind. Of lower priority were services such as leisure and those surrounding the visitor economy, where residents felt they should come first.
31. These views have been used to help shape the prioritisation strand of the 2015/16 proposals, and more details on all of the consultation events can be found in annex 8.
32. In terms of investment, the council spends a significant amount of its budget on protecting vulnerable people through its social care services. In 2013/14, the gross cost of adult care was £75.1m compared to total council tax income of £69.7m. This budget proposes specific additional growth in adult social care of £2.5m in 2014/15. We have placed vulnerable people at the heart of our thinking in considering what savings can be made over the two years and that is why these care services will not be subjected to prioritised reductions in 2015/16. This does not mean that there will be no impact – such significant budget reductions will inevitably affect all services and all residents to some extent.

However, we have taken long term approaches to the development of future services that will ensure we can still respond to the needs of the most vulnerable members of our communities now and in future. We are already focussing on prevention and early intervention to prevent escalation of needs and costs for adults and children.

33. In these challenging times, protecting the needs of the most vulnerable people in York requires us to make difficult decisions and balance a range of competing needs.
34. In recent years the council has significantly reduced its senior management, and transformed its core back office functions. These have saved some £12m. Further savings will be made in coming years, but the scale of reductions are such that the majority of savings have to fall in other areas.
35. Alongside the revenue budget, set out in the separate capital strategy report are proposals for further major investment in a variety of schemes. These continue the councils approach to prioritise investment in the economy, housing, transport, and to invest to save. In addition, the council is making a significant investment in ICT, recognising that the need for high quality technology will be crucial to delivering services in the most effective manner in the future, particularly in relation to Adult/Children's Services and Customer Services.

Budget analysis

36. The budget setting process has taken into account the following issues, (which are considered in more detail in following paragraphs);
 - i. Consideration of the 2013/14 position.
 - ii. A review of the original 2014/15 assumptions set out in the report to Cabinet in February 2013.
 - iii. Consideration of reductions in grant funding.
 - iv. Consideration of unavoidable cost increases, priority areas, how to create the capacity in priority areas and creating the capacity to allow for service improvement and innovation.
 - v. Consideration of proposals to balance the budget in 2015/16 including efficiencies, prioritisation and Rewiring Public Services.

- vi. Ensuring that the budget is robust and prudent and is based upon the strategic financial advice of the Director of CBSS as s151 officer.
- vii. Ensuring there is a strong link between the capital and revenue budgets and that the delivery of priorities fully considers the two budgets hand in hand.

2013/14 position

- 37. As outlined earlier in the report, and in a separate report elsewhere on this agenda, the latest finance and performance report identifies a range of budget pressures with the expectation that these will be contained within the approved budget by the end of the financial year.
- 38. The most significant pressures in 2013/14 have occurred due to increasing service demand for independent residential & nursing care and direct payments along with pressures on budgets related to children under the care of the council. A detailed analysis of these pressures has been conducted and additional resources have been allocated (as set out below) for areas where it was considered essential to invest.

Review of 2014/15 assumptions

- 39. The outline 2014/15 budget was set out in the report to Cabinet in February 2013. These assumptions have been reviewed and updated to reflect the latest information, overall funding position and progress of savings delivery. As a result of this review growth proposals and all savings have been assessed. Some savings proposals previously included in last years two year budget for 2014/15 have been removed and replaced by alternative proposals based on refreshed priorities. Members are reminded that this is consistent with the approach used in the last two budgets. Next year the 2015/16 proposals outlined in this report will be subject to the same process. The savings removed from the 2014/15 budget proposals, totalling £2,991k, are listed in annex 2a.
- 40. Annex 2b lists the new proposals that replace those removed in Annex 2a above. The proposals total £2,644k, £347k below those removed. This is due to refinements of other assumptions in balancing the budget.

Full year effects of previous council decisions

- 41. **Waste PFI project** - £750k in both 2014/15 and 2015/16 to create necessary budget capacity, as approved by Council in December 2010. There is a requirement to make this provision as part of the PFI scheme and the S151 officer has confirmed to the Government department the

Council has approved and is providing for this sum. Full financial close on the scheme has yet to be achieved, and a further report to members will be provided in the future to agree this.

Unavoidable cost increases, priority areas and creating capacity

42. The following paragraphs set out the areas where additional investment is being made;
43. **Pay and pensions costs** - £1,270k is included for pay costs in 2014/15. An assumption of 1% has been made for a pay award in 2014, which reflects the current anticipated national pay award. Capacity is also created to provide recurring funding for the Living Wage for permanent and casual employees. A further £520k in 2014/15 is included to cover increased pension costs following the recent triennial valuation of the pension fund.
44. **Treasury management and capital costs** - £1,054k in 2014/15 which includes the revenue costs of the current approved capital programme, plus any implications from the separate capital budget report elsewhere on the agenda.
45. As highlighted earlier in this report, **existing areas of service delivery** have also been assessed and areas identified where there is a need for additional investment to deliver council priorities, to ensure budgets are prudent and to protect vulnerable people. The specific allocations are as follows;
 - Adult social care **£2,500k** – following the same level of investment last year, demand for services continues to grow as the elderly population increases and high complex needs are experienced and so further investment is required for 2014/15. The service has implemented a range of cost control measures which seek to mitigate the increased costs, however an alternative model is required to ensure the service is fit for purpose in the coming years and the Rewiring Public Services report elsewhere on this agenda set out plans for this from 2015/16.
 - Contractual price increases contingency **£200k** – set aside for unavoidable contractual price increases in 2014/15, such as energy costs and Concessionary Fares.
 - Commercial waste income **£100k** – in addition to investment of £100k in 2013/14, whilst the commercial waste service makes a significant surplus to the council, it does not meet its budgeted level.

This is largely due to an increasingly competitive market place compared to historic income levels. It is necessary therefore to reduce the level of budgeted income further in 2014/15.

- York Financial Assistance Scheme **£100k** – the council became responsible for crisis loans and grants, previously administered by the Department for Works and Pensions (DWP), from 1 April 2013. Some £300k in grant will be provided by DWP in 2014/15 and assumptions set out in last year's budget report where investment from CYC of £100k in both 2013/14 and 2014/15 was required to meet demand driven by changes to the welfare system still remains. It should be noted that in 2015/16 the Government grant will no longer be provided.
- Business Rates discounts **£50k** – to provide initial funding in 2014/15 (financed from business rates growth) for creating a business rates discount fund, which will be used to support economic growth. Further details were set out in the report considered by Cabinet on 7 January 2014.
- Strategic Transport Fund **£1,000k** – investment in 2015/16 for the West Yorkshire Plus fund. The details of the fund were reported to Cabinet in May 2013 and at present the council's contribution is assumed at around £450k to £500k per annum. As the first year's contribution (2014/15) is financed from the EIF, which is one off, there is a need to plan for two years of revenue growth into the base budget for 2015/16. The final figures in relation to this contribution may be subject to change, but it is considered prudent to fully allow for two years at this stage.
- Demographic pressures **£325k** – prudent assumption of demographic pressures that are likely arise over the coming year that would require investment from April 2015.

Ensuring a prudent budget

46. **Contingency fund (£200k)** – given the financial risks facing the council, in particular in relation to the wider economic situation, it is recommended that following investment in previous years, a further provision is made for the contingency in 2014/15 to ensure the councils financial stability.
47. **Increase in general reserves (£200k)** – linked to increasing the contingency, and again following investment in previous years, it is

recommended that provision is made to increase overall reserves in 2014/15. This will provide a sound financial platform for the authority, and ensure it continues to maintain its overall financial health and is able to deal with any unforeseen events effectively. The Director of CBSS has recommended a minimum level of reserves of £6.4m. Further details are provided in paragraph 79 of this report.

Expenditure Pressures Summary

48. The expenditure pressures described above are set out in the following table;

Expenditure Changes	2014/15 £'000	2015/16 £'000
Full year effects of previous council decisions		
- Waste PFI	750	750
Unavoidable cost increases, priority areas and creating capacity		
- Pay Costs	1,270	1,200
- Increases in Pension Fund Costs	520	550
- Funding the Capital Programme	1,054	1,200
- Adult Social Care	2,500	0
- York Financial Assistance Scheme	100	0
- Prices Contingency	200	200
- Commercial Waste	100	100
- Business Rates Discounts	50	50
- Strategic Transport Fund	0	1,000
- Demographic Pressures	0	325
Ensuring a prudent budget		
- Contingency fund	200	0
- General reserve contribution	200	0
Total Expenditure Changes	6,944	5,375

Table 1 – Summary of expenditure pressures

49. Members will recall that a Delivery and Innovation Fund (DIF) was created in the February 2012 budget. This funding was set at £1m in both 2012/13 and 2013/14. This fund will be maintained at the current

level in 2014/15. The table below sets out the budget amount, and approved commitments for the period 2013/14 to 2015/16.

Delivery & Innovation Fund	2013/14 £000's	2014/15 £000's	2015/16 £000's
Budget	1,000	1,000	1,000
Unspent from Previous Year	315	306	
Commitments	-1,009	-48	
Proposed Allocations (para 48)	0	-650	
Proposed Savings (para 49)	0	0	-500
Unallocated	306	608	500

Table 2 – DIF Summary

50. As part of this budget, two specific new proposals for use of the DIF are proposed, as set out below;
- Waterworld – £450k required in order to continue the operation of Waterworld in 2014/15 prior to the conclusion of the procurement of leisure facilities.
 - Adult Care – £200k additional investment is required to support the Adult Care strand of the Rewiring Public Services programme. This is critical to ensuring the council can tackle its most significant financial risk effectively. The funding would be used to support development of joint working with other organisations and supporting the introduction of the better care fund.
51. Furthermore, the prioritisation proposals elsewhere in this report seek to reduce the value of the DIF by £500k in 2015/16.

Funding Changes

52. 2014/15 will be the second year under the new local government finance system, including the localisation of business rates. Formula Grant has been replaced by the SUFA which comprises of RSG and a business rates baseline.
53. The 2014/15 figures in Table 3 overleaf can be assumed to be final figures, however the final funding figures for 2015/16 will not be formally announced by the government until December 2014.
54. Table 3 shows the two main components that make up the council's net funding changes, that is, council tax and money provided by central government in the form SUFA. It is important to note that the funding

changes for year 2 are notional and have been determined by the Director of CBSS, as chief finance officer, for planning purposes. They include a forecast for changes in grant, council tax income, and retained business rates growth. It should be noted that the forecast for the loss in grant in 2015/16 is of the order of £8m. The precise assumptions will need to be revisited during the forthcoming financial year.

55. The first line of Table 3 shows the net £5.650m reduction in SUFA that the council will receive from central government as part of its continued programme of Local Government funding cuts, and is inclusive of a 2% RPI uplift in the business rates baseline. Unlike previous years where the reduction in grant has been complicated by the movement of specific grants into this funding baseline, this figure represents a straight comparison to the funding the council received in 2013/14.
56. The second line of Table 3 shows the additional funding available via council tax in 2014/15. The table shows that in applying the recommended 1.9% increase on the revised taxbase of 61,574.84, the council will receive additional income of £2.058m from council tax in 2014/15. The taxbase is calculated by the Director of CBSS each year and represents the total number of Band D equivalent properties in the city. In 2014/15, this has grown by approximately 630 properties due to a number of factors including new homes and changing patterns in the types of discounts taxpayers are able to apply for. Overall, each 1% increase in the Band D tax rate would provide an additional £700k in new income. It is for members to determine the overall council tax level, having due regard to all of the issues in relation to the council tax freeze grant and overall levels of council tax.
57. In summary, for 2014/15 the council has net reduced funding available of £3,592k compared to that received in 2013/14. Table 3 also shows a provisional funding reduction of £6,697k in 2015/16. This comprises the reduction of £8m in government grants as announced in the December 2013 settlement and notional increases from council tax and business rates funding.

	2014/15	2015/16
Funding Changes	£'000	£'000
- Net Reduction in SUFA	5,650	6,697
- Net Change in Council Tax	-2,058	
Net Funding Changes	3,592	6,697

Table 3 – Funding changes

58. Taking into account these funding changes and their impact on the council's net budget, table 4 summarises the funding available from council tax, business rates and government funding for 2014/15 and 2015/16 (provisional).

	2014/15 £'000	2015/16 (Provisional) £'000	Change £'000
Council Tax	71,768		
RSG	28,768	117,489	-6,697
Business Rates Baseline	23,650		
Net Budget	124,186	117,489	-6,697

Table 4 – Net budget composition for 2014/15 and 2015/16

Other Changes in Income

59. The outcomes of the June 2013 Spending Review also included announcements of a number of changes to specific grants the council will receive in 2014/15 and 2015/16. A further round of New Homes Bonus funding was announced in December 2013, totalling £559k per annum, the use of which will be considered during 2014. The most significant reduction will be applied to the Education Services Grant which funds central services provided to schools. A number of other grants including Benefits administration and Lead Local Flood authorities have also been affected. In total, these grants will be reduced by £507k in 2014/15 and £583k in 2015/16.
60. Figures for 2014/15 also include a prudent estimate of £300k retained income from the localisation of business rates. Members are reminded that of every pound of business rates growth, the council only keeps c.25.5p after shares have been paid to Central Government and the Leeds City Region business rates pool.

Savings and Income Generation

2014/15 and 2015/16 Efficiency Proposals

61. As well as the refinement of savings proposals for 2014/15 originally identified in February 2013, highlighted earlier in this report, and totalling £10,743k, directorates have identified over £3.3m in efficiencies to contribute towards the 2015/16 savings target. These proposals, outlined in annex 3, include increases in income, reductions in administration costs and removal of vacant posts. Table 5 overleaf summarises the savings to be delivered by each directorate.

62. The broad approach to efficiency in 2015/16 has been to set each directorate a target of 2%. However this has been revised in two particular cases to reflect the overall budget approach as follows;

- Customer and Business Support Services – reflecting that most of the services are not ones that are capable of significant disinvestment (i.e. they are required to support the effective running of the organisation) a higher efficiency target has been set out, reflecting general savings/income across all areas of the directorate.
- Health and Wellbeing – a significantly reduced target has been proposed, reflecting the scale of transformational savings the directorate needs to deliver.

Savings	2014/15 £'000	2015/16 £'000
- Children's Services, Education and Skills	-1,390	-485
- City and Environmental Services	-2,222	-547
- Communities and Neighbourhoods	-1,791	-658
- Customer and Business Support Services	-1,619	-1,109
- Health and Wellbeing	-2,801	-465
- Office of the Chief Executive	-170	-57
- Corporate Savings	-750	0
Total	-10,743	-3,321

Table 5 – 2014/15 Savings and 2015/16 Efficiency Proposals

Prioritisation

63. Prioritisation which will deliver over £3.8m of budget reductions in 2015/16. As stated earlier in this report, in response to the findings of the Delivering for the People of York report, this strand of the budget strategy will seek to reduce budgets in areas of spend which do not match the council's priorities. These savings will not be easy and will lead to a reduction in employees in some cases. Narrative on the principles behind prioritisations and a summary of the proposals for this strand can be found in annex 4. Table 6 below provides a summary of reductions by priority:

Prioritisation	2015/16 Saving £'000
- Create Jobs and Grow the Economy	-75

- Protect Vulnerable People	-448
- Build Stronger Communities	-780
- Get York Moving	-1,075
- Protect the Environment	-386
- Core Capabilities	-1,090
Total Prioritisation	-3,854

Table 6 – Prioritisation Reductions by Priority

Rewiring Public Services

64. The Rewiring Public Services programme report elsewhere on the agenda provides detail on how a number of key council services will deliver just under £5.5m in savings in 2015/16. Table 7 below summarises what each project aims to deliver.

	2015/16 £'000
Rewiring Public Services	
- Adult Care	-3,000
- Business Efficiency	-300
- Children's and Youth Services	-980
- Customer Services & Resident Engagement	-450
- Place Based Services	-750
Total Rewiring Public Services	-5,480

Table 7 – Rewiring Public Services Summary

65. Table 8 below summarises the total savings and income generation delivered; £10,743k in 2014/15 and £12,655k in 2015/16.

	2014/15 £'000	2015/16 £'000
Savings and Income Generation		
2014/15 Savings and 2015/16 Efficiency	-10,743	-3,321
Prioritisation	0	-3,854
Rewiring Public Services	0	-5,480
Total Savings and Income Generation	-10,743	-12,655

Table 8 – Savings and Income Generation Summary

Summary of Budget Changes

66. The following table shows the budget position after taking account of the expenditure and funding changes outlined in tables 1, 3 and 8.

Summary	2014/15 £'000	2015/16 £'000
Total expenditure pressures	6,944	5,375
Total net funding changes	3,592	6,697
Total changes in income	207	583
Total savings and income generation	-10,743	-12,655
Budget gap	0	0

Table 9 – Budget position summary

Fees and charges

67. Detailed proposals for any changes to fees and charges are attached at annex 5. The proposals have taken account of such factors as current retail price indices, possible impact on customer numbers, knowledge of business and current market conditions and benchmarking exercises. Any increased income from this review of charges is included within the overall list of savings attached at annex 3.

Council Tax and the Collection Fund

68. The existing components of the current (2013/14) band D council tax for a CYC resident are shown in Table 10 below. It should be noted that these figures exclude parish precepts which are an additional charge in some areas.

	£
City of York Council	1,143.81
North Yorkshire Police Authority	204.55
North Yorkshire Fire Authority	62.10
TOTAL	1,410.46

Table 10 - Make Up of 2013/14 Council Tax

69. As referred to earlier in this report, the recommendation made in these papers is that from April 2014 the CYC element of the council tax will increase by 1.9%, resulting in a band D council tax of £1,165.54. Table 11 overleaf shows the impact on each property band of the proposed 1.9% increase on the basic CYC element of the council tax.

	2013/14 Basic Tax by Band	2014/15 1.9% Increase	Annual Increase	Weekly Increase
Band	£'s	£'s	£'s	p's
A	£762.54	£777.03	£14.49	28p
B	£889.63	£906.53	£16.90	33p
C	£1,016.72	£1,036.04	£19.32	37p
D	£1,143.81	£1,165.54	£21.73	42p
E	£1,397.99	£1,424.55	£26.56	51p
F	£1,652.17	£1,683.56	£31.39	60p
G	£1,906.35	£1,942.57	£36.22	70p
H	£2,287.62	£2,331.08	£43.46	84p

Table 11 – Impacts of proposed 1.9% increase on CYC basic council tax

70. The collection fund is the ring-fenced account where all council tax is credited. This account can either be in surplus or deficit at the year-end, depending on whether the authority has managed to collect more or less than it originally anticipated and the growth in property numbers. This year, a prudent assumption has been made to not declare a surplus and therefore no income from this is included in the budget assumptions.

Precepts

71. In addition to the council tax to be charged by the City of York, the overall charge must include the precepts from the North Yorkshire Police, Fire Authority and parish councils. Due to the timing of this report these precepts are not yet available but will be included in the report which is considered by full Council on 27 February.

- The Police and Crime Commissioner will make their precept and Council Tax charge decision during February 2014.
- The Fire Authority will be meeting on 12 February 2014 to determine its precept and council tax charge.

72. Table 12 demonstrates both the cash and percentage increase in 2013/14 for these which resulted in a total band D council tax for a York property of £1,410.46.

	2012/13 Charge £	2013/14 Increase (£)	Increase (%)	Council Tax
CYC	1,122.48	21.33	1.9%	1,143.81
Police	204.55	0	0	204.55
Fire	62.10	0	0	62.10
Total	1,389.13	21.33	1.5%	1,410.46

Table 12 – Headline Council Tax Figures for City of York Area

73. There are 31 parish councils within the City of York Council area. 28 out of 31 of these have notified the council of their precepts for 2014/15. There are wide variations in the parish precepts from a number of freezes to an increase of 30% in the individual precepts. It should be noted that each parish has been protected by the effects of the localisation of support for council tax and will be provided with a small grant that the council will pass on to ensure no local council is worse off under the new scheme.

National Non Domestic Rates (NNDR)

74. In April 2013 the two NNDR multipliers were 47.1p in the pound for normal properties and 46.2p in the pound for smaller properties (based upon the total rateable values of all properties held by a single owner). It has been provisionally announced that in April 2014 the multipliers will increase to 48.2p (by 2.3%) and 47.1p (by 1.9%) respectively.
75. The council is projecting provisional business rates income in 2014/15 of £93.794m, as well as retained growth of £300k above its business rates baseline.

Leeds City Region (LCR) Pool

76. Members are reminded that at Cabinet on 8 January 2013, they approved that the decision to join the LCR business rates pool would be delegated to the Leader of the Council, on the advice of the Director of Customer & Business Support Services. The decision was made on the 15 January 2013 to join the pool following consideration of the other member authorities projected business rates collection. During the summer of 2013, the decision was made by the Leaders of all pool authorities to continue the pool in 2014/15.
77. Current projections show that a modest amount of growth in business rates across the LCR pool will be able to be invested in the LCR Infrastructure Fund. However, caution should be raised that DCLG and

CIPFA are still finalising aspects of the accounting arrangements for business rates, in particular with regard to the treatment of backdated rating appeals which may have a significant impact on any reported growth. Members will be provided with an update on the pool in future monitoring reports.

Reserves

78. Table 13 shows the position on the general fund reserve which, it is anticipated, will be £6.746m by the end of 2013/14. Reserves stood at £11.4m in 2008 and have reduced in recent years. The projected reserves at the end of 2013/14 are based on the assumption that Members agree no usage of reserves as part of the final recommendations to Council. It should be noted that the figures below also assume that there will be no requirement to fund an overspend against the 2013/14 budget and that the recommended increase of a £200k reserve contribution is agreed.

	2013/14 Projected Out-turn £'000	2014/15 Budget £'000
General Reserve at start of year	6,296	6,746
Reserve contribution in budget	450	650
General Reserve at end of year	6,746	7,396
Prudent minimum reserves	6,400	6,400
Headroom (+)/Shortfall (-) in Reserves	346	996

Table 13 – Projected General Reserves

79. In line with best practice, the council has undertaken a review of risks and known commitments in order to determine its minimum general reserve level. In considering this, it has been determined by the Director of CBSS that a level of £6.4m remains an appropriate figure. However in light of the risks facing the council, in particular the scale of future reductions on top of those already made, it is considered that headroom should be increased above the minimum level. This would then allow, if needed, a draw on reserves without the immediate breach of the minimum level. If reserves were maintained at minimum levels, any use would immediately require the restatement back to minimum in the following year. This report contains a recommended £200k increase in reserve contribution for 2014/15 which, should it be accepted, will create £996k of headroom above the minimum level. This will provide an

element of flexibility which is essential in ensuring prudent financial management.

Medium term planning

80. Looking ahead beyond 2015/16 is difficult to do with any great degree of accuracy at this stage. Whilst there is a general election in May 2015 which may bring with it changes in emphasis in public spending, the need to reduce the national deficit is likely to be a key priority for whoever is in power and in which case, funding reductions for local government are likely to continue for a number of years to come. Therefore, we do expect that there will continue to be further reductions in government grants, currently running at around £5-£7m per annum.
81. Other factors that will affect the council will include potential increased costs in elderly care, inflationary pressures (e.g. fuel), implications of the capital programme and further potential restrictions on council tax increases. Ultimately the scale of savings that will be required in the future are likely to centre on the scale of government funding reductions, alongside the extent to which spending pressures affect the council. What is clear however is that further savings will need to be found, as reductions in funding are almost inevitable whilst the country seeks to deal with its budget deficit. In broad terms, based upon current assumptions of public spending reductions, it is estimated that in the years 2016/17 through to 2018/19 a further £30m will need to be saved (see Figure 1 below).

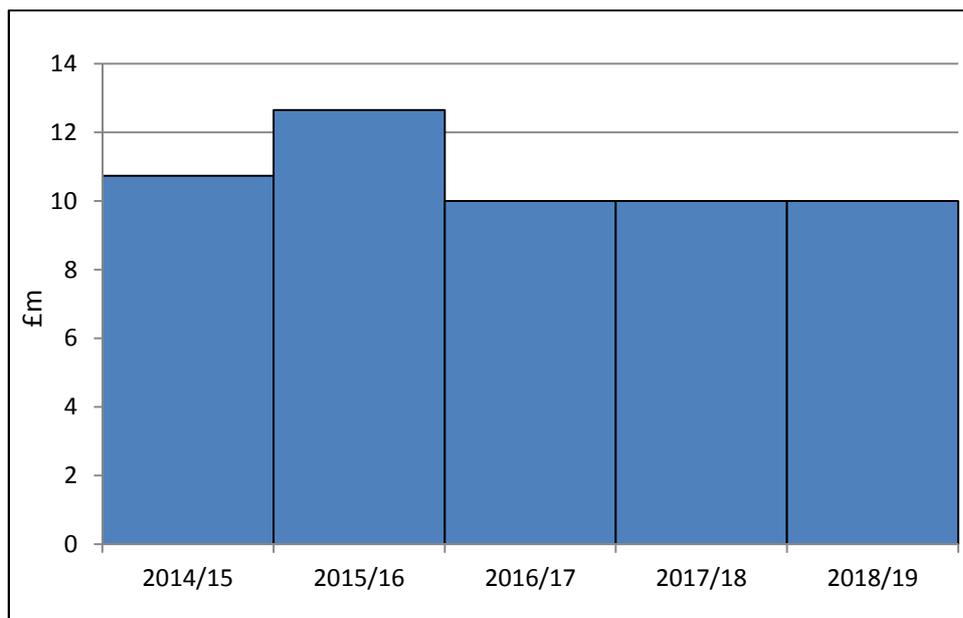


Figure 1 – Savings Requirement 2014/15 to 2018/19

82. Critical to the council's medium term planning has been the focus on economic growth, bringing in additional income and mitigating the costs associated with declining economic activity. This remains central and has shaped both the revenue budget, and in particular the capital strategy. Future financial strategies will need to continue to place economic growth at the forefront.

Housing Revenue Account (HRA)

Budget

83. Local Authorities are required, by legislation, to keep a HRA. The Local Government and Housing Act 1989 stated that items of income and expenditure only relating to Council housing must be contained within the account. Thus the terms "ring fenced" or "landlord account" are now referred to, as transfers between the HRA and General Fund are normally prevented. Authorities have a duty to ensure that the HRA balances, to keep the budget under review and to take all reasonable steps to avoid a deficit.
84. The HRA budget at annex 6 results in an in-year surplus of £688k. Together with the budgeted brought forward working balance of £12,470k this leaves a working balance of £13,158k on the account. This balance is an improvement on that forecast in the HRA business plan and is committed towards the repayment of the debt allocation taken on through self-financing. The HRA business plan is currently being updated and will be brought to a future Cabinet meeting. This update will include a review of the underlying assumptions on which the business plan is based and of the overall working balance to ensure a prudent reserve is maintained on the account.

Rent Increase 2014/15

85. The rent increase is calculated following rent restructuring, which was introduced in April 2002, with the key aim of converging rents across all social housing providers whether local authority landlord or other registered provider. This involved a phased change in rents based on a formula for rent setting created by Central Government. This Government formula rent takes account of various factors including the number of bedrooms a property has, property valuation, average earnings and the date at which all rents are expected to converge. This process is known as rent restructuring and will mean that rents charged will move towards a Government set target rent. The Government expectation in the self financing settlement is that councils will continue

to follow rent restructuring policy and the settlement is based on future income levels assuming the policy is implemented as planned. The HRA business plan assumes that York will follow this policy and the expected effect on rent increases over the next 5 years is shown in table 14 below;

Year	Estimated Average Rent Increase (assuming RPI at 2.5%)	Estimated Average Rent Per week	Estimated Average Increase per week
2014/15	4.95%	£78.90	£3.72
2015/16	4.24%	£82.25	£3.35
2016/17	3%	£84.73	£2.48
2017/18	3%	£87.27	£2.54
2018/19	3%	£89.89	£2.62

Table 14 – HRA Rent Increases

86. The average rent increase for 2014/15, as shown in the table, will be 4.95%. This rent increase will be applied across council dwellings, hostels and Gypsy, Roma and Traveller Community sites.
87. It is proposed that in addition to the average rent increase to Gypsy, Roma and Traveller Community pitch rents a flat rate additional increase of £25 per week per pitch is also applied. This is to fund increased management of the sites.

Dedicated Schools Grant (DSG) and the schools budget

88. The DSG is ring-fenced for funding the provision of education for pupils in schools (maintained, PRUs, PVI nurseries or externally purchased places). As such it covers funding delegated to individual LA maintained schools, academies and PVI providers through the LMS & Early Years Funding Formula, plus funding for other pupil provision which is retained centrally by the LA (e.g. SEN, PRUs, Behaviour Support, Home & Hospital Tuition, School Contingencies etc.). It is distributed according to a formula that guarantees a minimum per pupil increase for each LA (0% in 2014/15).
89. The council itself cannot use the DSG for any purpose other than schools block funding, although with the permission of the York Education Partnership Board limited contributions are being made to the following areas:
- Combined budgets supporting Every Child Matters objectives where

there is a clear educational benefit.

- Prudential Borrowing, where overall net savings to the Schools Budget have been demonstrated.
- Some SEN transport costs, again only where there is a net Schools Budget saving.

90. There are also strict limits (Central Expenditure Limits) on the amount of the DSG that the council can retain centrally to either fund pupil costs outside of mainstream schools, or use to provide targeted allocations during the financial year to maintained schools. The funding reform changes for 2014/15 have further tightened these regulations, significantly reducing flexibility.

91. To some degree the government has attempted to protect schools from the full effect of their spending reductions when compared to other parts of the public sector, and the remainder of local government services in particular. The key features of the Schools Settlement for 2014/15 are:

- Another one-year only settlement for 2014/15.
- Further changes to the system of allocating funding to schools and other providers for both mainstream and high needs pupils.
- A continued flat cash per pupil allocation for all of the LA's core school funding.
- Increased funding through the pupil premium for disadvantage.
- Increased funding for 2 year old nursery provision for disadvantaged pupils.

92. Annex 7 sets out further details of the budget proposals for the DSG and schools budgets.

Funding Available within the DSG

93. The funding available includes the estimated 2014/15 DSG allocation of £111,530k, the existing allocation of funding for post 16 pupils from the EFA of £5,174k, the estimated level of the pupil premium for York schools of £4,884k and reduced by an estimated £50k deficit balance carry forward of DSG from 2013/14.

Impact assessment of the 2014/16 budget proposals

94. The budget aims to tackle a variety of issues. Clearly it aims to be prudent and to set medium term plans which are set out in the report. However, a financial plan is also about how resources are allocated and what impact that allocation has upon a range of issues. The following sections explore the consultation feedback and the equalities impact.

Feedback from Consultation

95. An integral part of the development of the 2 year financial strategy has been to undertake enhanced and focused engagement with a diverse range of stakeholders, following on from the recommendations of the Delivering for the People of York report. This approach of discrete consultation streams delivering specific and relevant feedback on budget priorities has ensured that decisions on the strategy have been informed by the views of key groups across the community.
96. Annex 8 provides further detail on the different events and a summary of the feedback.
97. In accordance with constitutional practice Corporate Scrutiny Management Committee (CSMC) considered at its meeting on 13 January 2014 what level of budget it considered appropriate in the coming year to support scrutiny reviews. The Committee took into account existing levels of spend in 2013/14, some areas of likely spend in 2014/15 and the councils overall financial position. In the light of those considerations the Committee agreed to maintain the current funding level of £5k and not request any increase.

Equalities

98. A communities impact assessment (CIA) has been completed on the overall impact of the budget proposals and this is available at annex 11. This has been developed as a result of individual impact assessments for services which are undergoing changes. The impact assessment examines the benefits of recommended growth and considers risks associated with any savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced. Where negative impacts have been identified, possible remedial actions have been shared with the relevant Cabinet member prior to the budget recommendations being finalised. Where a screening of the potential implications has identified it appropriate, a full CIA will be completed for individual proposals.

99. The risks will be dealt with through increasing expenditure in areas beneficial to all communities of interest, with growth of £2.5m being invested in adult social services in 2014/15.

100. Specific remedial actions to lessen the impact are outlined in the CIA. As overall remedial action the strategy will;

- Focus growth where it is expected to have a positive effect on older or disabled people and their carers.
- Protect those who have limited financial means.

Specialist Implications

101. This report has the following implications;

Financial

102. The financial implications are contained within the body of the report.

Human Resources (HR)

103. The council currently employs 3,300 non school staff. The budget proposals could result in the reduction of around 120 FTE posts in 2014/15. This is in line with previous indications of potential reductions. There are likely to be a similar number of post effected in 2015/16 with the specific implications becoming clear as the work on service reviews and transformation programme develops. The type of change affecting staff in 2015/16 is likely to be a mixture of post reductions and working for redesigned services, some of which may no longer be delivered by the council.

104. The HR implications of change is managed in accordance with established council procedures. As part of this process consultation with trade unions and affected staff will continue to be undertaken and every opportunity will be explored to mitigate compulsory redundancies, such as vacancy controls, flexible working, voluntary redundancy / early retirement and extended redeployment. Where consideration is being given to the transfer of services to another provider TUPE will apply which will protect the terms and conditions of employment of transferring staff.

105. A programme of support for staff who are going through change is planned which will help staff adapt to changes to the way they will need to work or to prepare for a move into a new role.

Legal

106. The Council is required to set a council tax for 2014/15 before 11 March 2014. It may not be set before all major precepts (i.e. precepts from the Police and Fire Authorities) have been issued or before 1st March 2013, whichever is the earlier. This decision is reserved to Council and cannot be taken by Cabinet or delegated to officers, although Cabinet has to recommend a budget to the Council. These comments are intended to apply to both the Cabinet meeting and the subsequent Council meeting.
107. Before determining the level of the tax, the Council must estimate its proposed revenue expenditure, taking into account amounts required by way of contingency, any need to raise reserves and any other amounts which the Council is legally required to transfer between funds. It must also estimate its anticipated income, any relevant transfer between funds and any proposed use of reserves. It must then calculate the difference between the two which is the council tax requirement.
108. The Council's Chief Financial Officer (under s151 Local Government Act 1972) is required to report to the Council on the robustness of the estimates made for the purposes of the calculations, and the adequacy of the proposed financial reserves. The Council must have regard to the report when making decisions about the calculations in connection with which it is made. The Chief Financial Officer has a statutory duty under section 114 of the Local Government Finance Act 1988 to issue a written report if he considers that a decision taken by the Council would be unlawful and likely to cause a financial deficiency.
109. In reaching decisions on these matters, Members are bound by the general principles of administrative law. Lawful discretions must not be abused or fettered and all relevant considerations must be taken into account. No irrelevant considerations may be taken into account, and any decision made must be one which only a reasonable authority, properly directing itself, could have reached. Members must also balance the interests of service users against those who contribute to the Council's finances. The resources available to the Council must be deployed to their best advantage. Members must also act prudently. Members must also bear in mind their other statutory duties to have regard to certain matters when making decisions. In particular the "equalities duty" to have 'due regard' to the need to eliminate discrimination and to promote equality when making decisions and the need to consider any crime and disorder implications of the decision. A failure to follow these principles could open the Council to judicial review.

110. Members have a fiduciary duty to the council tax payers and others in the local authority's area. This means that members must behave responsibly in agreeing the budget. Members have no authority to make anything other than a balanced budget.
111. Among the relevant considerations which Members must take into account in reaching their decisions are the views of business ratepayers and the advice of officers. The duty to consult representatives of non-domestic ratepayers on the Council's expenditure plans is contained in Section 65 of the Local Government Finance Act 1992.
112. In considering the advice of officers, and the weight to be attached to that advice, Members should have regard to the personal duties placed upon the Director of Customer and Business Support Services as Chief Financial Officer. Members are obliged under the Code of Conduct to have regard to the advice of the Chief Finance Officer and Monitoring Officer. The Council may take decisions which are at variance with his advice, providing there are reasonable grounds to do so. However, Members may expose themselves to risk if they disregard clearly expressed advice, for example as to the level of provision required for contingencies, bad debts and future liabilities. In addition, if Members wish to re-instate savings recommended by the Director of Customer and Business Support Services in order to balance the budget, they must find equivalent savings elsewhere.
113. The Director of Customer and Business Support Services is required by Section 151 of the Local Government Act 1972 and by the Accounts and Audit Regulations 2003 (as amended) to ensure that the council's budgeting, financial management, and accounting practices meet relevant statutory and professional requirements. He is in addition subject to the requirements set out in paragraph 107 above.
114. Members must also have regard to, and be aware of, the wider duties placed upon the council by various statutes governing the conduct of its financial affairs. These include the distinction between revenue and capital expenditure and the requirement to set prudential indicators in line with capital investment plans that are prudent, affordable and sustainable.
115. The Government has exchanged the power to cap local authority budgets and replaced it with a system of local referendums where the Council has set an excessive Council tax increase. At the time of writing

this report, the Government have yet to announce the limit at which a referendum would be triggered. If the 1.9% increase proposed in this report exceeds the limit, and is carried by Council on the 27 February 2014, the council would need to hold a referendum on 22 May at the same time as the European Parliament elections. Subject to the result, the council would have to re-bill at the lower tax rate.

116. Section 106 of the Local Government Finance Act 1992 makes it a criminal offence for any Member with arrears of council tax which have been outstanding for two months or more to attend any meeting at which a decision affecting the budget is to be made, unless the Member concerned declares at the outset of the meeting that he or she is in arrears and will not be voting on the decision for that reason. The Member concerned must not vote but may speak. The application of Section 106 of the 1992 Act is very wide and Members should be aware that the responsibility for ensuring that they act within the law at all times rests solely with the individual Member concerned.

Crime and Disorder

117. There are no crime and disorder implications to this report.

Information Technology (IT)

118. There are no information technology implications to this report.

Property

119. There are no property implications to this report.

Other

120. There are no other implications to this report.

Statutory Advice from the Director of Customer and Business Support Services/Comments

Introduction

121. The Local Government Act 2003 places responsibilities upon the council's Chief Finance Officer to advise the council on the adequacy of its **reserves** and **the robustness of the budget proposals** including the estimates contained in this document. This section also addresses the **key risks** facing the council in relation to current and future budget

provision. The following paragraphs give my views on the budget (both 2014/15 and beyond), reserves and general robustness of the process.

Overall Assessment

122. The proposals in this budget give a balanced budget for 2014/15 and give consideration to the 2015/16 financial year and an overview of future years. The council has well established effective financial management, effective monitoring, and has received very favourable external audit reports in respect of its financial management. The council has managed expenditure within its overall budget in recent years, and the overall financial planning process remains sound. The consideration of a two year budget is in line with the council's prudent approach to long term financial planning.
123. Full scrutiny of the budget proposals for 2014/15 has taken place, in terms of their deliverability, and a proper risk assessment of a range of issues has been conducted.
124. There are significant savings contained within the budget proposals, reflecting the scale of the challenge facing the council. There should be no understatement of the scale of this challenge, both in terms of next year and beyond. Clearly, there are risks in the achievement of some of the proposed savings and, in assessing the risk of the savings proposed, I cannot guarantee that every single proposal will be achieved. I do however consider the overall package to be prudent, and I am assured of the robustness of the projected savings, and the extent of rigour in their calculation. They do however represent a major challenge to deliver, one that will only be achieved through full commitment across the organisation. Very careful monitoring of the progress of the savings programme will be essential. A risk assessment related to the individual savings proposals has been conducted, and discussed with senior management. Where savings are not delivered, services are fully aware of the need to find compensating savings. In addition, proposals for 2015/16 will be subject to more detailed review during 2014.
125. I consider that the overall estimates in the budget are sound and that the proposals to achieve a balanced budget are achievable, albeit demanding. The council has made provision for a number of corporate financial pressures, such as the impact of the capital programme, waste pfi (landfill tax), pay and pensions implications. In addition the sums included in respect of contingency, and contributions to create some capacity in terms of reserves represent a very sound prudent approach. There is no planned use of reserves (which could present difficulties for

future years). In addition, there is funding through the Delivery and Innovation Fund which provides the capacity to assist in transformation and delivery of services, which will be crucial in responding to the financial challenges.

126. This overall package is a realistic approach in dealing with the financial pressures facing the council next year. In addition the major financial pressures being experienced during 2013/14 have been addressed through significant additional investment. In particular investment is provided for Adult Care. There is provision made for the expected 1% pay award.

Looking Ahead

127. Looking ahead there remains a range of very significant pressures for the future. It is almost certain that there will be further reductions in government funding, and the major challenge facing the council in coming years will be to secure further savings and for cost pressures to be managed effectively. In doing so, the council will also need to provide capacity for additional investment in unavoidable costs and priorities.

128. Key to tackling these medium term challenges will be the need for the council to continue to review all areas of expenditure, and have clear medium term plans. In addition to continuing to find efficiencies, the council will need to consider the level and type of service it provides, as the scale of financial savings required in future years can not be met from true efficiency alone. Meeting the financial challenges facing the council in coming years will require the council to think very carefully about its core priorities, how it works with its partners and key stakeholders, and its overall provision of public services.

Reserves

129. In terms of reserves, the proposals seek to make contributions to ensure reserves are above their minimum levels. This recognises that in difficult financial times, and alongside general uncertainty regarding the economy, it is advisable to ensure sufficient reserves are in place.

130. I believe that the council will come in on budget for 2013/14 and this is reflected in the budget monitoring report presented to Cabinet at this same Cabinet meeting.

131. The recommended minimum reserves for 2014/15 are £6.4m. This is considered within the report. I strongly advise Council to ensure there is some headroom between minimum reserves and actual reserves. The budget proposals seek to achieve this.
132. The decision on the adequacy of the level of reserves is linked to the general robustness of the budget process and the council's systems of budgetary control and risk management. These need to ensure that the council will not be exposed to any unforeseen major financial problem requiring the use of reserves to resolve. In considering the overall budget position, I have taken assurance over the recent track record of the council to manage expenditure within budget, and the fact that in very recent times financial pressures have been identified early in the financial year and through concerted action across the council the position has been brought in line with budget. The council's strong financial management, and financial control, has been commented upon by external auditors recently.

Other Issues

133. The government have yet to announce the percentage increase limit which will require any local authority who proposes a council tax increase above that to conduct a referendum. Last year, this level was set at 2%.
134. The government have also stated that they will continue with the system of Council Tax Freeze Grant in 2014/15, as they done since 2011/12.
135. It is for members to determine the level of council tax increase, and to decide whether to set a council tax increase that will trigger the council tax freeze grant, or to set a tax at a higher level. Members naturally need to consider the implications of the different options very carefully.
136. I also would highlight the separate capital strategy report, and the issues that are set out within that. In particular, the capital plan has some significant implications in terms of the revenue budget in coming years, and both programmes will need to be carefully managed in terms of ensuring proper provision is made in the medium term. I would stress however that the overall balance in terms of capital investment, levels of borrowing, and revenue implications (and the impact on revenue expenditure) is something that is for Members to determine.
137. Last year I outlined that there were added risks to the budget due to the changes affecting the council regarding council tax support (previously

council tax benefits) and localisation of business rates. With regard to council tax support the risks include non collection, increased benefit claimants (with all the cost of such an increase falling on the council) and risks at a wider level in terms of the impact of wider benefit changes and associated knock on effects for council services. In respect of localisation of business rates, whilst this offers potential benefits, there are also risks. The details of the system still continue to be refined, and there remain a number of areas that concern local authorities. These include the fact that local authorities need to meet the cost of backdated appeals, which could be significant. In addition, clearly there are risks associated with any further downturn in the economy and especially the impact on some high street stores. Both of these issues highlight the direct financial impact on the council of the local economic situation, and the need for the council to ensure priority is given towards ensuring a successful economy.

138. I am aware that as with all budgets there is the potential for amendments to be proposed/agreed which could change the overall package of proposals. In that respect, I would highlight that I would amend/add to my statement if a decision was proposed that lead to the council's reserves falling below the minimum level (assuming the current budget comes in line with budget). In addition, any other amendments I would consider against the scale of the overall budget and depending upon the extent of the amendment I may revise my statement.

Risk Management

139. A summary of risks attached to the budget is contained in annex 9. They will be monitored regularly throughout the year.

Recommendations

140. Members are asked to approve the average rent increase for 2014/15, as shown in table 14 and paragraphs 83 to 87, as 4.95%. This rent increase will be applied across council dwellings, hostels and Gypsy, Roma and Traveller Community sites. It is proposed that in addition to the average rent increase to Gypsy, Roma and Traveller Community pitch rents a flat rate additional increase of £25 per week per pitch is also applied. This is to fund increased management of the sites.

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

141. Members are asked to consider the appropriate levels of council tax that they wish to see levied by the City of York Council for 2014/15. In doing so they should pay due regard to factors such as;

- Expenditure pressures facing the council as set out in the report
- Impacts of savings proposals set out in Annex 3 and 4
- Medium term financial factors facing the council as outlined in the report
- Projected levels of reserves as set out in the report
- Statutory advice from the Director of CBSS

142. In light of the considerations outlined in the paragraph above, members are asked to recommend to Council approval of the budget proposals as outlined in this report. In particular;

- The net revenue expenditure requirement of £124.186m
- A Council Tax requirement of £71.768m
- The revenue growth proposals as outlined in the body of the report
- The revenue savings proposals as outlined in Annex 3 and 4
- The fees and charges proposals as outlined in Annex 5
- The Housing Revenue Account budget set out in Annex 6
- The dedicated schools grant proposals outlined in Annex 7

Reason: To ensure a legally balanced budget is set

143. The effect of approving the income and expenditure proposals included in the recommendations would result in an increase in the City of York element of the council tax of 1.9%. It is intended that the total council tax increase including the parish, Police and Fire Authority precepts, will be agreed at the full council meeting on 27 February 2014.

Contact Details

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Debbie Mitchell
Finance Manager

Report
Approved



Date 06 Feb 2014

Andrew Crookham
Principal Accountant

Specialist Implications Officer(s)

Legal – Andy Docherty
HR – Mark Bennett

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

All

For further information please contact the authors of the report

Background Papers:

Annexes:

- 1 – 2014/15 Budget Summary**
- 2a – 2014/15 Removed Savings**
- 2b – 2014/15 Replacement Savings**
- 3 – 2014/15 Saving and 2015/16 Efficiency Proposals**
- 4 – Prioritisation Context Paper and Proposals**
- 5 – Fees & Charges**
- 6 – HRA**
- 7 – DSG and Schools Budget**
- 8 – Budget Consultation Background**
- 9 – Risk Analysis**
- 10 – Background Information**
- 11 – Communities Impact Assessment**

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Summary of 2014/15 Budget**2014/15
£000's****Expenditure****Net Expenditure Brought Forward****127,778****Expenditure Pressures**

Full Year Effects of Previous Council Decisions:

- Waste	750
	<hr/> 750

Unavoidable Cost Increases, Priority Areas and Creating Capacity:

- Pay Costs	1,270
- Increases in Pension Fund Costs	520
- Funding the Capital Programme	1,054
- Adult Social Care	2,500
- York Financial Assistance Scheme	100
- Prices Contingency	200
- Commercial Waste	100
- Business Rates Discounts	50
	<hr/> 5,794

Ensuring a Prudent Budget:

- Contingency Fund	200
- General Reserve Contribution	200
	<hr/> 400

Total Expenditure Pressures**6,944**

Expenditure Reductions:

- Children's Services, Education and Skills	-1,390
- City and Environmental Services	-2,222
- Communities and Neighbourhoods	-1,791
- Customer and Business Support Services	-1,619
- Health & Wellbeing	-2,801
- Office of the Chief Executive	-170
- Corporate Savings	-750
	<hr/> -10,743

Total Expenditure Reductions**-10,743****Changes in Income**

- Losses in Specific Grants	507
- Business Rates Retained Growth	-300
	<hr/> 207

Total Changes in Income**207****Revised Projected Budget Requirement****124,186**

Funding

Funding Streams:	
- Council Tax	-71,768
- Revenue Support Grant	-28,768
- Business Rates Baseline	-23,650
Projected Funding	-124,186
Overall Funding Gap	0

2014/15 Removed Proposals

Proposal Description	Reason for Removal	2014/15 Impact
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Children's Services, Education and Skills

LAC Population Reduction - Stretched Target	Due to changes in demand and given that the service is projecting pressures in 2013/14, this is currently unachievable.	400
School Transport Policy Review	Not currently deliverable as this and discretionary aspects of post 16 and SEN transport are currently under review.	157
Soulbury SPA Increments	Not currently deliverable due to the implications of coming out of the national pay agreement.	50

City & Environmental Services

Winter Maintenance	Approved option accepted from review of Winter Maintenance delivered £20k saving leading to £40k shortfall.	40
Parking Income	Replaced with more specific parking options.	380
New Income Streams	Replaced with more specific parking options.	25
Road Safety & Network Management	Full saving deliverable in 2015/16.	75

Communities & Neighbourhoods

Library Services	Full saving deliverable in 2015/16.	50
Leisure Facilities	Full saving deliverable in 2015/16.	120
Community Centres	Full saving deliverable in 2015/16.	70
Smarter York	Full saving deliverable in 2015/16.	81
Management Restructure	Balance of saving deliverable in 2015/16.	60

Health & Wellbeing

Adult Social Care Management Structure	Further reductions in management capacity would jeopardise the ability of the service to progress the adult social care transformation programme.	65
Mental Health Assessment	Will now be considered as part of the transformation programme.	56
Financial Assessments Review	No longer disregarding war disablement and war widows pensions when making assessments of customers available income to fund social care support would be inconsistent with the council's policy on Council Tax and Housing Benefit Support as both of these pensions are disregarded for these assessments.	50
Personalisation	The review identified little scope for additional savings beyond those already being considered as part of the day care review.	100
EPH Outsourcing Options - Fordlands	Now not deliverable under the revised EPH modernisation model.	450
EPH Outsourcing Options - Private Homes	As above.	350
Learning Disability Services - LATC	Will now be considered as part of the transformation programme.	50
Learning Disability Support Services	Will now be considered as part of the transformation programme.	50
Sheltered Housing with Extra Care (SHEC)	A further £97k will be delivered in 2015/16.	277
Respite Care Services Review	Will now be delivered in 2015/16.	35
		2,991

2014/15 Replacement Proposals

Ref	Proposal Description	2014/15 Impact
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Children's, Education & Skills

CSES4 09	School Transport - Taxi Contracts Savings generated from the on-going review of taxi contract costs being undertaken in conjunction with the taxi provider.	-125
CSES4 02	Advice & Early Intervention Service Team Review and rationalisation of the team with a reduction of 2.5 fte posts.	-85
CSES4 11	Children's Trust Unit Restructure Savings generated from a full review of the CTU staffing structure.	-60
CSES4 08	School Services & Business Support Staffing Review Savings generated from the on-going review of staffing within the service.	-58
CSES4 01	Children's Services Legal Fees Reduction in external legal costs due to reduced activity with court proceedings.	-57
CSES4 03	VCFM initiative Working in partnership with Value For Care to explore the potential for cost reductions in our most expensive out of city placements.	-45
CSES4 07	Early Years Graduate Leader Fund A reduction in the funding that is provided to early years settings that supports the recruitment and training of qualified staff.	-33
CSES4 04	Delete School Improvement Partners Budget Reviewing the need to employ external School Improvement Partners. The saving would commence from September 2014.	-32
CSES4 05	School Governance Service Restructure Restructure of management posts in the service.	-30
CSES4 06	Children's Centres Operational Budget Cut Reduce operational budgets across all 9 centres.	-30

CSES4 12	Voluntary Sector Grants Merge the budgets for the Early Intervention Fund (£84k) and Homestart (£31k) and reduce the combined budget by £20k down to £95k. Homestart would then be considered for a grant from the Early Intervention Fund alongside bids from other voluntary organisations.	-20
CSES4 13	Schools & Young People ICT Solutions Budget Delete the central budget currently spent on the LA Portal and other one-off issues mainly in schools.	-11
CSES4 14	Directorate HR Budgets Efficiency savings within directorate HR budgets	-11
CSES4 10	School Meals Administration Efficiencies A review of the processes for school meals contract management and income collection should result in significantly reduced bank charges.	-10

City & Environmental Services

CES40 1	Highways Services Additional savings target to mitigate Winter Maintenance budgetary shortfall, primarily to be achieved by income generation.	-40
CES40 4	Parking Services Freeze price of standard permit however review other Respark charges to achieve 5% increase.	-30
CES40 5	Parking Services Targeted "sale" of parking spaces to businesses.	-50
CES40 2	Parking Services Introduction of new 2 year Regular User Discount Pass to replace Minster Badge, currently assumed to cost £20. We will look at how this can be included within an overall resident offer. This is an alternative to increases in charges across the board.	-200
CES50 6	Transport Services Reprioritisation of grant funding to replace current revenue funding activities.	-50
CES50 7	Bus Services Reprioritisation of grant funding to replace current revenue funding activities.	-25

Communities & Neighbourhoods

CANS 558	Food Safety Contract out further Food Safety Inspections.	-18
CANS 557	Bereavement Services Additional income anticipated from agreed 5% price increase.	-25
CANS 559	Bereavement Services Reduced cost of CYC contribution to Fulford Cemetery.	-10
CANS 513	Public Realm Efficiency target across service includes a review of overtime (£26k), reduced use of recruitment pool (£15k) and reduction in supplies and services budgets (£47k).	-88
CANS 515	Stray Income Additional income arising from the number of racedays being held on Knavesmire.	-35
CANS 550	Housing Strategy and Development Potential for rebalance of funding within the Development Team.	-10
CANS 551	Housing Standards and Adaptations Review of all budget areas within team providing £10k savings.	-10
CANS 552	Housing Options Deletion of mortgage rescue post (0.5fte). The post is no longer needed as the scheme ends.	-15
CANS 553	Housing Options Remove admin subsidy to Yorhomes. This will not reduce the service.	-15
CANS 554	Housing Services Management charge for dealing with Registered Social Landlord services on behalf of other organisations.	-35
CANS 514	Sports Facilities One off savings to be delivered across Yearsley and Energise.	-120

Health & Wellbeing

H&W4 01	Public Health Grant Contribution A further contribution from the council's Public Health grant towards adult social care preventative services.	-250
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H&W4 03	Adult Care Preventative Services Transfer the budget responsibility for a number of relevant non-statutory ASC Preventative Services delivered by the voluntary sector to the Public Health Grant.	-166
H&W4 04	EI&P Supported Living Schemes Management Charge Reduce an element of contract payment to EI&P Supported Living Schemes relating to the management of that service. This can be recovered by the providers through Housing Benefit.	-111
H&W4 05	Personal Budgets - Remove Customer Held Contingency Funds Remove the contingency funds allocated to individual customers and replace with a centrally held contingency that can be lower than the total of individual amounts and will help the council manage the use of contingencies better.	-110
H&W4 22	End of Life Care Team Cease to fund the team from 1 April 2014. The service will be recommissioned by VoY CCG over the next 12 months for the health customers requiring this service.	-88
H&W4 06	Increase in Warden Call charges Impact in 2014/15 of charging customers £7 and £10 for the Warden Call and Telecare service rather than the current rate of £5 and £7. Decision already taken.	-80
H&W4 07	EI&P Floating Support Schemes Implement a 15% reduction in available capacity across all EI&P Floating Support Schemes.	-63
H&W4 02	Day Care for 24 hour Residential Customers Some 24 hour residential customers are also receiving day care services. The proposal is to remove the additional support unless there are identified eligible needs for additional day time support which cannot be met within the current contract with the care home.	-43

H&W4 08	<p>De-registration of two Supported Living Services De-registration of the final two schemes. Residents in those schemes now successfully recognised as able to maintain their own tenancies and able to access additional benefits to maintain their own accommodation.</p>	-40
H&W4 09	<p>Increase Elderly Person's Homes weekly charge The weekly charge has not increased for a number of years and will now be recalculated to charge the unit cost of running the homes. This is likely to result in a 3% increase.</p>	-38
H&W4 13	<p>Community Facilitator posts Remove 2 x 0.5 fte posts. These posts have helped to link vulnerable and disabled people and community and social groups and activities, but they do not deliver statutory social care responsibilities. This service could potentially be provided by other, existing council services.</p>	-34
H&W4 10	<p>Review of Young Persons Accommodation Services New accommodation and support models have been identified as part of a review process involving partners and these will be introduced in 2014/15.</p>	-30
H&W4 11	<p>Adults Commissioning Team Restructure A small re-structure of Adults Commissioning Team, this will give us opportunity to reflect on the Transformation Programme and re-shape the team to focus on the Quality and Service Improvement agenda alongside Co-Production, Market development developing community capacity and Transformation agendas within ASC.</p>	-30
H&W4 23	<p>Reduce Day Care for Supported Living Customers Some Supported Living customers are also receiving day care services. The proposal is to cease some of this additional support where eligible needs can be met within the schemes.</p>	-29

H&W4 12	Warden Call Response Service Charges The full year Impact of the decision in 2013/14 to charge people who live at the same address £3 for the Warden Call response service. Previously, the household was only charged the standard weekly rate for the service despite more than one customer having access to the response service.	-25
H&W4 14	Impact of increase in Customer Benefits on Income This assumes an average 2% increase in benefit levels, but no change to the levels that customers are assessed to contribute. This would result in a higher income level.	-23
H&W4 15	Direct Payments for Supported Living Customers also receiving day care Review support packages where people have both a Direct Payment and a supported living package This will consider whether there is any duplication of funding.	-20
H&W4 16	Commissioned Services Contracts Efficiencies A 1% reduction in commissioned service contracts as part of annual review process which has realised efficiencies across a number of small contract areas.	-16
H&W4 17	Carers Service The current demand for information, advice and support to carers can be maintained whilst making efficiencies in the budget	-15
H&W4 19	Backcare Project Due to the successful completion of the Backcare Project, budget sum no longer required, as the scheme ends.	-12
H&W4 20	Delete Brokerage Support Service Budget Original budget set aside not required.	-11
H&W4 21	Other Efficiencies across Health & Wellbeing Including reductions in Admin Support.	-22
H&W5 06	Re-modelling of Feversham Crescent Re-modelling of the services provided at this former supporting people mental health scheme.	-5
		-2,644

2014/15 Savings and 2015/16 Efficiency Proposals

Ref	Proposal Description	2014/15 Impact £000's	2015/16 Impact £000's
Children's Services, Education and Skills			
CS05b	Transforming Young Peoples Services - Further Stretch The service has been reshaped to increasingly focus on targeted activity whilst seeing new opportunities to work with voluntary community and faith groups in the delivery of universal open access activity. This saving further reflects that journey and would understandably incorporate a review of premises.	-150	-160
XD02b	Efficiency Savings - Children's Services The full year effect of savings from 2% efficiency targets set to all services not already subject to a major review in 2013/14.	-140	0
ES03a/e	Children's Centre Management #1 The full year effect of merged management arrangements for Knavesmire and St Lawrence's Children's Centres that were implemented during 2013/14.	-128	0
CSES501	Children's Centre Management #2 The further impact of proposed merged management arrangements for New Earswick and Haxby Road Children's Centres.	0	-135
CSES409	School Transport - Taxi Contracts Savings generated from the on-going review of taxi contract costs being undertaken in conjunction with the taxi provider.	-125	0
CSES402	Advice & Early Intervention Service Team Review and rationalisation of the team with a reduction of 2.5 fte posts.	-85	0
ES01a	Overall Education and Skills Service The full year effect of the saving that was implemented during 2013/14.	-75	0
ES02a & b	Toy Library Provision The full year effect of the decision taken during 2013/14 to cease the Toy Library bus service.	-69	0
CSES411	Children's Trust Unit Restructure Savings generated from a full review of the CTU staffing structure.	-60	0
CSES408	School Services & Business Support Staffing Review Savings generated from the on-going review of staffing within the service.	-58	-22

CSES4 01	Children's Services Legal Fees Reduction in external legal costs due to reduced activity with court proceedings.	-57	-27
CS07	Children's Respite Care Review of how respite care is provided and delivered. The review would not result in the reduction of respite care available but a reflection on where that care is best provided.	-50	0
SP06a	School Transport Policy Review The full year effect of the policy decision taken during 2013/14 to cease discretionary faith travel for new pupils from September 2013.	-46	0
CSES4 03	VCFM initiative Working in partnership with Value For Care to explore the potential for cost reductions in our most expensive out of city placements.	-45	0
CS11	Child & Adolescent Mental Health Services The full year effect of the 2013/14 review, with partners, of funding levels and funding sources for the delivery of specialist mental health provision.	-35	0
CSES4 07	Early Years Graduate Leader Fund A reduction in the funding that is provided to early years settings that supports the recruitment and training of qualified staff.	-33	0
CSES4 04	Delete School Improvement Partners Budget Reviewing the need to employ external School Improvement Partners. The saving would commence from September 2014.	-32	-23
CS09	Youth Cafe Contribution Funding contribution no longer required.	-30	0
CSES4 05	School Governance Service Restructure Restructure of management posts in the service.	-30	0
CSES4 06	Children's Centres Operational Budget Cut Reduce operational budgets across all 9 centres.	-30	0
CS08	Educational Psychology Service Review A review to ensure that local authority resources are more targeted without losing the opportunity to generate funding streams, particularly from schools.	-25	0
CS10	Crossroads Care for Disabled Children As part of a review of the service commissioned against outcomes, which is supported by the current provider, the SLA has been renegotiated.	-25	0
CSES4 12	Voluntary Sector Grants Merge the budgets for the Early Intervention Fund (£84k) and Homestart (£31k) and reduce the combined budget by £20k down to £95k. Homestart would then be considered for a grant from the Early Intervention Fund alongside bids from other voluntary organisations.	-20	0

CSES4 13	Schools & Young People ICT Solutions Budget Delete the central budget currently spent on the LA Portal and other one-off issues mainly in schools.	-11	-5
CSES4 14	Directorate HR Budgets Efficiency savings within directorate HR budgets	-11	0
XD01	Services to Schools Charges Review all existing charges to schools (including academies) for traded services and consider the removal of any remaining subsidies.	-10	0
CSES4 10	School Meals Administration Efficiencies A review of the processes for school meals contract management and income collection should result in significantly reduced bank charges.	-10	0
CSES5 02	School Improvement Senior Advisor Removing a 0.4fte post from the school improvement team.	0	-28
CSES5 03	School Improvement Health & Wellbeing Consultant Transferring a 0.4fte post from school improvement to public health and funding from the public health grant.	0	-22
CSES5 04	Children's Centres Business Support Restructure A reduction in Support Service Manager capacity from 59.5 to 37 hours, and a restructure of the Information champion role.	0	-19
CSES5 05	14-19 School Improvement Team Review of the staffing structure and succession planning, with a view to taking advantage of planned retirements.	0	-17
CSES5 06	Childcare Strategy & Business Management Efficiencies A number of efficiency savings within the CS&BM service.	0	-15
CSES5 07	School Improvement Admin Reduction in the administration team by 0.6 fte.	0	-12

City & Environmental Services

CES00 a	Directorate Senior Management Review Comprehensive review of senior manager levels across CES Directorate leading to a reduction in a number of senior management roles.	-284	0
CES00 b	Directorate Staffing Review Major restructure across the Directorate resulting in deleting / reducing the number of posts as well as funding posts from alternative income streams.	-502	0

CES01	Quality Bus Contract Reduce budget by £100k to reflect emphasis on partnership approach over 2013/14 and 2014/15, Year 2 saving.	-74	0
CES02	Concessionary Fares Review of agreement with operators following end of fixed price agreement to April 2014.	-100	0
CES03	Concessionary Fares Proposed Increase of 20p in fare for concessionary travellers using Park and Ride service	-100	0
CES05 b	Taxi Card Remove taxi card benefit service from 1st April 2014.	-63	0
CES10 3	Building Control Increase Building Control Fees between 5% and 15% depending on scale of scheme.	-30	0
CES10 5 / CES50 4	Land Charges Increase Land Charge Fees by 5%.	-8	-17
CES12	Traffic Systems Abandonment of 3G support for systems and private wireless connections in favour of Dark Fibre.	-20	0
CES13	Traffic Systems Host other Local Authorities UTC and UTMC systems.	-8	0
CES14	Traffic Systems Additional income potential from bus lane CCTV enforcement.	-50	0
CES20 / 502	Fees and Charges Inflationary increase on highways fees and charges.	-10	-10
CES20 2	Winter Maintenance Savings arising from the review of winter maintenance policy implemented in 13/14 following public consultation.	-20	0
CES20 3	Waste Strategy Delete further 1.0 vacant posts in 2014/15.	-24	0
CES20 3a	Waste Strategy Consolidate education and awareness programmes, bearing in mind the development of the Smarter York initiative for encouraging public involvement.	-24	0
CES20 4	Streetlighting Seek further efficiencies in the revenue costs associated with the provision of street lighting across the City.	-10	0
CES20 5	Highways Budgets Reduction in highways revenue budget.	-100	0
CES20 7	Fleet Vehicle workshop income target.	-30	0

CES30 0	Trading Services Maximise trading opportunities through increasing non revenue funding streams eg s278, S106, capital opportunities to allow additional cost recovery. Target set at £150k but will be dependent on income streams.	-150	0
CES30 2	Road Safety & Network Management Review of Road Safety Partnership and network management. May provide opportunity to deliver improved CCTV in conjunction with police and allow road safety initiatives to be funded in other ways.	0	-75
CES30 5	Planning Services Increase in income from Development related pre-application advice. There will be a target for additional income (£100k) of which a proportion will need to be used to buy additional resource.	-100	0
CES30 6	Regeneration Support Capitalisation of regeneration support function (developer led).	-35	0
CES30 7	Community Transport Review of community transport provision with a targeted saving of £10k.	-10	0
CES30 9	Highways, Waste and Fleet Seek efficiencies through reductions in unit rates and shared management opportunities.	-75	0
CES40 1	Highways Services Additional savings target to mitigate Winter Maintenance budgetary shortfall, primarily to be achieved by income generation.	-40	0
CES40 2	Parking Services Introduction of new 2 year Regular User Discount Pass to replace Minster Badge, currently assumed to cost £20. We will look at how this can be included within an overall resident offer. This is an alternative to increases in charges across the board.	-200	0
CES40 4	Parking Services Freeze price of standard permit however review other Respark charges to achieve 5% increase.	-30	0
CES40 5	Parking Services Targeted "sale" of parkings spaces to businesses.	-50	0
CES50 1	Concessionary Fares Proposed Increase of 10p in fare for concessionary travellers using Park and Ride service (to £1.00).	0	-50
CES50 3	Building Control Increase Building Control Fees between 5% and 15% depending on scale of scheme.	0	-18
CES50 5	Planning Fees Assumed Increase in statutorily set Planning Fees by 5%.	0	-62

CES50 6	Transport Services Reprioritisation of grant funding to replace current revenue funding activities.	-50	0
CES50 7	Bus Services Reprioritisation of grant funding to replace current revenue funding activities.	-25	0
CES50 8	Enforcement Measures Further introduction of ANPR enforcement measures across the City where network congestion can be improved.	0	-100
CES50 9	Enforcement Income Increased income from City Centre Enforcement.	0	-50
CES51 0	Planning and Transport Use of additional income to replace current revenue funded activities.	0	-25
CES51 1	Traffic Systems Expansion of CCTV income through additional external contracts.	0	-25
CES51 2	Income Streams Seek additional external funding to support core revenue eg European Research Funding, future bids, grants etc. (given CYC strong track record of success - LSFT, BBAF).	0	-15
CES51 3	Depot Services Efficiencies arising through transformation proposals.	0	-100

Communities & Neighbourhoods

CANS 00	Management Restructure Review of Management Structure across to Directorate and deliver staffing reductions.	-190	-60
CANS 02/16	City Centre and Events Management Review of structures delivering City Centre management, Events and Tourism services across the City in light of new Tourism Strategy.	-220	0
CANS 03/04/ 05	Smarter York To be achieved by creating an integrated Smarter York Community Delivery, reviewing specification for grass cutting (including reducing double taxation liability) and income from enforcement.	-20	0

CANS 06	Parks & Open Spaces Integrate Parks and Smarter York gardeners to carry out maintenance at all locations by using mobile teams (£170k). There would be a further saving of £74k by ceasing weekend working and locking / unlocking of parks. This team would carry out basic maintenance . Local groups would be invited to provide higher levels of maintenance and animation, especially in the formal parks, through volunteering, as well as locking / unlocking if that is considered important by the community.	-122	0
CANS 07	Bowling Greens Charge bowling greens £2k per green for the season with additional maintenance funded by clubs (£22k).	-22	0
CANS 09	Allotments Halve the subsidy by increasing rents over and above inflation and passing business support responsibilities to allotment secretaries.	-25	0
CANS 103 /501 / 557	Crematorium Additional income anticipated from 5% inflationary increase in fees.	-85	-80
CANS 104/ 502	Registrars Proposed 5% increase in fees.	-25	-19
CANS 106 / 503	Licensing Proposed 5% increase in fees.	-5	-4
CANS 107	Public Protection - Trading Standards Saving arising from consolidation of Trading Standards /Licensing and Animal Health Enforcement.	-7	0
CANS 108	Public Protection - Trading Standards Review of Consumer Advice & Education Service.	-22	0
CANS 110	Environmental Protection Unit Reduce capacity for maintenance of Air Quality Monitoring by reducing hours of officer.	-3	0
CANS 112	Housing Efficiencies in the Housing Options service following changes in working practices.	-30	0
CANS 113 / 504	Housing Increase charges for hostels in line with increase for council tenants.	-15	-23
CANS 12	Community Centres Work with Community Centres to support them introducing business models that allow them to become less reliant on Council Funding.	-70	-70

CANS 13	Theatre Royal Reduce public subsidy for Theatre Royal. Further work will take place with the Theatre on managing the implications of this reduction. The Council is investing Capital funding for Theatre to support income generation.	-70	0
CANS 15	York Museums Trust Contribution Further reduction in grant offered to York Museums Trust.	-100	0
CANS 17	Library Services Further target set for introducing savings across library services . Proposals to reshape the service to deliver the saving will be developed in tandem with business planning for the social enterprise. This level of budget reduction will involve a reduction in service levels.	-150	-50
CANS 18	Sport and Active Leisure Additional income to be raised by reviewing fees and charges.	-20	0
CANS 20	Play Grants Review levels of support at the end of three year SLA when the funding transfers to Your Consortium as part of the wider vol. sector grant pot.	-20	0
CANS 202 / 507	Building Maintenance Target for income generation (profit) for Building Maintenance from new customers. Will be dependent on receiving sufficient IT support to develop technological solution to enable external work orders to be effectively managed and development of business opportunities.	-50	-30
CANS 203	Housing Services Review of staffing allocations across HRA / General Fund.	-32	0
CANS 204	Housing Options Review funding arrangements for apprentice post.	-7	0
CANS 205	Review of Regulatory Services Following review of management structure for regulatory services review of working arrangements of front line staff.	-50	0
CANS 215/ 517	Public Conveniences Savings arising from the review of public conveniences across the city as agreed in 2013/14.	-75	-5
CANS 504	Registrars Increase business for Registrars service (increased number of premises licensed for marriage).	0	-10
CANS 510	Arts and Heritage Second year target (5%) for Newco to deliver additional efficiencies / income generation.	0	-50

CANS 511	Communities and Equalities Efficiencies to be delivered across team including £15k management saving re Healthwatch service.	0	-28
CANS 512	Learning Services Savings target across service to include review of management, reduce non-funded activity, review of office accommodation, cease unprofitable contracts, review of fees.	0	-57
CANS 513	Public Realm Efficiency target across service includes review of overtime (£26k), reduce use of recruitment pool (£15k) and reduction in supplies and services budgets (£47k).	-88	0
CANS 514	Sports Facilities One off savings to be delivered across Yearsley and Energise to mitigate delay to savings relating to Leisure Facilities procurement.	-120	120
CANS 14	Leisure Facilities Procurement of Leisure Facilities across the City could lead to either a reduction in subsidy required to provided current facilities or necessitate a decision to reduce the number of facilities. To defer to 2015/16.	0	-120
CANS 515	Leisure Facilities Additional savings target over and above affordability target to be achieved within procurement exercise.	0	-22
CANS 516	Parking Services Efficiency savings to be delivered as part of Parking review.	0	-43
CANS 517	Stray Income Additional income arising from the number of racedays being held on Knavesmire.	-35	0
CANS 518	Smarter York Efficiencies arising through transformation proposals.	0	-81
CANS 550	Housing Strategy and Development Potential for rebalance of funding within the Development Team.	-10	0
CANS 551	Housing Standards and Adaptations Review of all budget areas within team providing £10k savings.	-10	0
CANS 552	Housing Options Deletion of mortgage rescue post (0.5fte). The post is no longer needed as the scheme ends.	-15	0
CANS 553	Housing Options Remove admin subsidy to Yorhomes. This will not reduce the service.	-15	0
CANS 554	Housing Services Management charge for dealing with Registered Social Landlord services on behalf of other organisations.	-35	0

CANS 555	Community Safety Review of operational expenses leads to a potential saving of £14k (includes additional charge to HRA £10k).	0	-14
CANS 558	Food Safety Contract out further Food Safety Inspections.	-18	0
CANS 559	Bereavement Services Reduced cost of CYC contribution to Fulford Cemetery.	-10	0
CANS 559	Animal Health Work with other Local Authorities to deliver animal health services leading to savings.	0	-7
CANS 560	Environmental Protection Rationalisation of Air Quality stations. Use Bootham for background data and close Dunnington.	0	-5

Customer & Business Support Services

CSTS4 112	Review of Facilities Mgt/West Offices Covering a range of options including move to West Offices and Cleaning services. A single West offices budget is being created as part of the move, and through this consolidation efficiencies are anticipated. A full review of support needed to operate the building is being conducted and may include a range of external contracts for cleaning, security etc. Further opportunities to consolidate activity within West offices will be explored, eg single contracts for all supplies, We will also as part of a wider review of FM be considering the outsourcing of Cleaning services, and a range of other service reviews to deliver the required savings.	-295	0
CBSS2 314	Debt Management This saving will be achieved through further improvement of collection performance, in particular from NNDR (for which there is a £40k investment included within the net saving), also includes reduced PWLB rate (Public Works Loan Board) from compliance with government requirement, restructure of Council debt portfolio, and review of bad debt provision following improved collection / efficiency. This proposal also includes savings from seeking to trade aspects of the service through the trading company CYT Ltd.	-252	0
CSTS4 012	Asset and Property Mgt Cost efficiencies and increases in income arising from a review of our land and property assets with a view to rationalisation and maximisation of income.	-200	0

CBSS2 814	ICT Service review Undertake a Service review to identify the impacts of reducing ICT Development, Support and staff reductions. This proposal also includes savings from seeking to trade aspects of the service through the trading company CYT Ltd.	-130	0
CBSS0 414	Restructure /Re-alignment of Customer Services Following the move to West Offices, introduction of the Universal Credit and local Council Tax scheme it is anticipated that a range of options may be available to deliver this staff saving, including management, training, quality and performance efficiencies.	-100	0
CBSS1 614	Reduction in Public Liability annual provision An assessment of recent claims history has been conducted resulting in a reduction in the annual provision required, this arises due to extensive work to reduce claims through robust risk management procedures.	-100	0
CBSS2 514	Schools Additional Income Selling support services to schools.	-60	0
CBSS0 214	Housing Benefits Administration This cut would be in addition to any saving required as a result of a reduction in the benefit admin grant.- based on 2 fte posts.	-45	0
CBSS1 012	HR Transformation Savings With the introduction of the new HR/Payroll system efficiencies are anticipated over a 3 year period. Savings for 12/13 have been delivered and further savings through phase 2 of the program are anticipated during 13/14 and 14/15. Savings arise through reduced employees.	-45	0
CBSS2 214	Staff Reduction in Finance It is anticipated that a review of procedures, as part of ongoing transformation of financial procedures will deliver the opportunity to make further staffing reductions.	-40	0
CBSS3 814	Additional advertising Income Generated through a variety of methods, including signage and electronic media.	-40	0
CBSS1 814	Staff restructure following localisation of Council Tax and NNDR administration This would be achieved through introducing new ways of administrating Council Tax and NNDR.	-39	0

CBSS0 714	Increase Income generated by Legal services/reduce external legal fees Service will be strengthened to provide a highly skilled/flexible resource, with a view to minimising paying for external legal work, and being able to support on a traded basis a complex set of projects over coming years. Savings arise from significantly reduced fees of in house compared to external lawyers, and opportunities to provide services to other organisations.	-30	0
CBSS2 914	Support Contracts Enter into multi year support contract arrangements.	-30	0
CBSS1 014	Increase Mansion House To achieve the additional income there will need to be more commercial use of the buildings, considering a wide range of options including working in partnership with other organisations.	-30	0
CBSS0 314	Council Tax Benefits Administration This service will be transferred from customer services to the Finance Transactional Processing team. A Team Manger will be transferred to manage the service. Through reviewing the structure a reduction of 1 FTE can be achieved.	-22	0
CBSS0 112	Reduced Audit Fees. Will be achieved through a reduction in audit & fraud days available from Veritau.	-20	0
CBSS1 514	External Audit Fees Reduction in fees arising from the recent tendering of external audit services.	-20	0
CBSS2 714	Fibre Network Extend the commitment of using the fibre network as the inter-building network infrastructure. Pinacl rent the fibre network access on behalf of CYC from City Fibre Holdings. They have done this for the term of their contract with us - i.e. 2017. If Pinacl were to extend their commitment to using the fibre network, CYC would need some way of novating this element of the contract to any new provider should Pinacl not win the next contract.	-20	0
CBSS3 014	Increase income from partners and other organisations (IT) Explore opportunities for generating additional income through hosting or providing IT services.	-20	0
CBSS2 414	Charge interest on overdue Commercial bills In line with commercial practices.	-18	0
CBSS0 614	Reduction in Legal Administration Following the introduction of the legal case mgt system it is anticipated that there will be a reduction in administrative duties.	-15	0

CBSS0 514	Charge to External Organisations (Customer Services) Currently only one customer identified but with the move to West Offices it is anticipated that further customers may request these services. Potential to explore opportunities to deliver customer services (which have achieved Excellence recognition) to other organisations through CYT Ltd.	-10	0
CBSS4 014	Member Working Consider opportunities to introduce the use of more technology in terms of the democratic process/member working, explore opportunities once within West Offices, and explore ways to reduce paper costs.	-10	0
CBSS1 114	Reduce Civic Events budgets. Currently there are over a dozen events held each year funded by the Civic Events budget. This proposal is to consider options to reduce expenditure on hospitality and would include the introduction of charging to attend the Lord Mayors Day lunch to part fund the costs of holding the event. This proposal is based on a reduction in budget of 27%, although others could be considered.	-9	0
CBSS0 814	Consolidation of member and officer training budgets Ensure prioritised allocation of overall resource.	-8	0
CBSS3 914	Remove the Members Delivery service	-8	0
CBSS2 114	Non-Staff Budget reduction Additional income that is already being achieved in ACE Finance.	-3	0
CBSS5 010	Transactional Efficiencies across Finance	0	-306
CBSS5 020	Other Staffing Costs Savings	0	-100
CBSS5 016	Improve efficiency of P2P and review of Creditors Team.	0	-70
CBSS5 012	Income from West Offices On the basis CYC reduces the space it requires and more space is available to rent out.	0	-60
CBSS5 015	Review Building Design Team	0	-60
CBSS5 011	Cleaning in CYC buildings Deliver efficiencies through more effective procurement of supplies and review of cleaning processes	0	-60
CBSS5 008	Management Efficiencies in HR	0	-57

CBSS5 005	Develop Income Streams Across all service areas in CBSS, particular opportunities exist within IT.	0	-50
CBSS5 017	Review of Training provision. Following consolidation of Training budgets.	0	-50
CBSS5 018	Legal Charging Extension of 14/15 saving target making a total of income target of £80k, through charging the Capital program for legal support.	0	-50
CBSS5 019	Procurement Further review of activity.	0	-50
CBSS5 007	Consolidation and re-engineering of Customer Services Saving will require Investment in software, business process re-engineering and a restructure to deliver efficiencies.	0	-49
CBSS5 001	Undertake a review of Geographic/Mapping information Systems (GIS) Saving will require review and consolidation of existing licences	0	-30
CBSS5 013	Schools Income Generation	0	-30
CBSS5 014	Reduce Internal Audit Fees	0	-30
CBSS5 009	Health and Safety Income generation Saving will be delivered through providing services to other LA's and to Customers within York (through CYT) This saving has the potential for growth.	0	-25
CBSS5 002	Website Hosting for all CYC Website Review service led web sites, including those secured without involving ICT, with a view to potentially reduce the associated on going support and maintenance costs	0	-15
CBSS5 004	Review ESCROW requirement The Council deposits the source code for software applications with a 3rd party, this "insurance" covers the Council in the unlikely event that the supplier goes into liquidation. It is considered that due to widespread LA usage of these applications, if a vendor were to go into liquidation a rival organisation would potentially purchase the products, with complete cessation of a service unlikely.	0	-10
CBSS5 003	Introduce office 365 for Education Admin Staff This review could lead to a reduction in the need for some Education staff to be covered under the Corporate licence.	0	-5

CBSS5 006	Review the admin fee associated with the issue of Freedom scrolls. The charge is currently £25 and the proposal is to raise the charge so that it reflects the costs incurred.	0	-2
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Health & Wellbeing

AA02	Personal Budgets Review The full year effect of the 2013/14 saving.	-100	0
AC01a	EPH Service Reconfiguration Full Year Effect of the 2011/12 savings proposal.	-148	0
AC02b	Reablement The now outsourced service has doubled the hours available to residents enabling a decision to cap the overall level of service to be taken.	-200	0
AC03	Supporting People Full year effect of the 2011/12 saving.	-86	0
AC10a	Small Day Services Review The full year effect of the 2013/14 saving.	-82	0
AC10b	Respite Care Services Review Re-commissioning of respite services for people with a Learning Disability with a revised specification focusing on being able to deliver services within York for the whole customer group.	-26	-26
AC10c	Small Day & Respite Care Services Review - Stretched Target Full year effect and impact of the 2013/14 saving.	-250	0
AC18	Learning Disability Support Services Review the commissioning model for the delivery of existing LD support services. This would review the number and scale of providers without any reduction in service delivery.	-40	0
AC13	Warden Call & Community Equipment Loan Service Saving delivered from setting year on year efficiency targets for the new company. The total saving amounts to £250k over 5 years (2014/15 to 2018/19) and was accounted of in the Cabinet Decision to establish the social enterprise.	-50	-50
AC19	Sheltered Housing with Extra Care (SHEC) Review the SHEC Model and Personal Support Services and explore options for improved service delivery.	-33	-97
XD02a	Efficiency Savings - Adult Services Savings from 2% efficiency targets set to all services not already subject to a major review.	-125	0

H&W4 01	Public Health Grant Contribution A further contribution from the council's Public Health grant towards adult social care preventative services.	-250	0
H&W4 03	Adult Care Preventative Services Transfer the budget responsibility for a number of relevant non-statutory ASC Preventative Services delivered by the voluntary sector to the Public Health Grant.	-166	0
H&W4 04	EI&P Supported Living Schemes Management Charge Reduce an element of contract payment to EI&P Supported Living Schemes relating to the management of that service. This can be recovered by the providers through Housing Benefit.	-111	-37
H&W4 05	Personal Budgets - Remove Customer Held Contingency Funds Remove the contingency funds allocated to individual customers and replace with a centrally held contingency that can be lower than the total of individual amounts and will help the council manage the use of contingencies better.	-110	0
H&W4 22	End of Life Care Team Cease to fund the team from 1 April 2014. The service will be recommissioned by VoY CCG over the next 12 months for the health customers requiring this service.	-88	0
H&W4 06	Increase in Warden Call charges Impact in 2014/15 of charging customers £7 and £10 for the Warden Call and Telecare service rather than the current rate of £5 and £7. Decision already taken.	-80	0
H&W4 07	EI&P Floating Support Schemes Implement a 15% reduction in available capacity across all EI&P Floating Support Schemes.	-63	-63
H&W4 02	Day Care for 24 hour Residential Customers Some 24 hour residential customers are also receiving day care services. The proposal is to remove the additional support unless there are identified eligible needs for additional day time support which cannot be met within the current contract with the care home.	-43	0
H&W4 08	De-registration of two Supported Living Services De-registration of the final two schemes. Residents in those schemes now successfully recognised as able to maintain their own tenancies and able to access additional benefits to maintain their own accommodation.	-40	0

H&W4 09	Increase Elderly Person's Homes weekly charge The weekly charge has not increased for a number of years and will now be recalculated to charge the unit cost of running the homes. This is likely to result in a 3% increase.	-38	0
H&W4 13	Community Facilitator posts Remove 2 x 0.5 fte posts. These posts have helped to link vulnerable and disabled people and community and social groups and activities, but they do not deliver statutory social care responsibilities. This service could potentially be provided by other, existing council services.	-34	0
H&W4 10	Review of Young Persons Accommodation Services New accommodation and support models have been identified as part of a review process involving partners and these will be introduced in 2014/15.	-30	-30
H&W4 11	Adults Commissioning Team Restructure A small re-structure of Adults Commissioning Team, this will give us opportunity to reflect on the Transformation Programme and re-shape the team to focus on the Quality and Service Improvement agenda alongside Co-Production, Market development developing community capacity and Transformation agendas within ASC.	-30	-10
H&W4 23	Reduce Day Care for Supported Living Customers Some Supported Living customers are also receiving day care services. The proposal is to cease some of this additional support where eligible needs can be met within the schemes.	-29	-87
H&W4 12	Warden Call Response Service Charges The full year Impact of the decision in 2013/14 to charge people who live at the same address £3 for the Warden Call response service. Previously, the household was only charged the standard weekly rate for the service despite more than one customer having access to the response service.	-25	0
H&W4 14	Impact of increase in Customer Benefits on Income This assumes an average 2% increase in benefit levels, but no change to the levels that customers are assessed to contribute. This would result in a higher income level.	-23	0

H&W4 15	Direct Payments for Supported Living Customers also receiving day care Review support packages where people have both a Direct Payment and a supported living package This will consider whether there is any duplication of funding.	-20	0
H&W4 16	Commissioned Services Contracts Efficiencies A 1% reduction in commissioned service contracts as part of annual review process which has realised efficiencies across a number of small contract areas.	-16	0
H&W4 17	Carers Service The current demand for information, advice and support to carers can be maintained whilst making efficiencies in the budget	-15	0
H&W4 19	Backcare Project Due to the successful completion of the Backcare Project, budget sum no longer required as the scheme ends.	-12	0
H&W4 20	Delete Brokerage Support Service Budget Original budget set aside not required.	-11	0
H&W4 21	Other Efficiencies across Health & Wellbeing Including reductions in Admin Support.	-22	0
H&W5 02	Care & Support Scheme Contract Efficiencies All services have been reviewed of late as part of a strategic review. The proposal is to implement the final phase of the review and realise the agreed efficiencies by 2015/16.	0	-60
H&W5 06	Re-modelling of Feversham Crescent Re-modelling of the services provided at this former supporting people mental health scheme.	-5	-5
CANS 119	Public Health Efficiencies to be identified from the integration of Public Health alongside CYC services. The savings will arise due to better integration of services, overhead savings and removal of duplication. The initial target for efficiencies is 5% of grant c £250k.	-250	0
CANS 201	Public Health Savings target from amending service specifications, potential charging for services to provide savings. The aim will be to find more cost effective way of delivering services.	-150	0

Office of the Chief Executive

OCE02	Staffing Review Further review of the directorates core activities.	-170	-57
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Corporate

CORS 02	Consolidation Further consolidation of activity.	-750	0
Totals		-10,743	-3,321

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Prioritisation Context Paper

Introduction

1. The purpose of this paper is to provide context to the prioritisation process outlined in paragraph 63 of the main report, and further detail on the proposals that will deliver over £3.8m in savings in 2015/16.

Background

2. The Council's Medium Term Financial Strategy (MTFS) has been very successful in delivering a balanced budget. This approach has seen a series of projects that have delivered significant savings, including significant reductions in senior management, consolidation and transformation of support services, transformation in a range of services, and reductions across many areas.
3. However it is recognised that on occasions, because of the choice of efficiency savings made, there has been insufficient alignment between those areas that were considered a council priority and where budget reductions were made.
4. In order to counter this, work was undertaken to review current spending across the Council and, in particular, to focus on areas where there is a significant choice in the level of expenditure. These areas were reviewed in detail to consider options in terms of their delivery and the level at which the Council should continue to invest.
5. Crucially, the prioritisation process is not about looking at areas where a modest "efficiency" gain could be made as these are covered in the efficiency target set for all services. Naturally all areas of service have ongoing targets to improve the efficiency of their operation. Instead, the objective was to identify major areas of expenditure where a strategic choice can be made, the intention being that functions that are less closely aligned to council priorities should be able provide greater budget savings.
6. The following sections of this paper set out the approach to further prioritisation with a focus on those areas where there is a "choice" in delivery and where the Council can make strategic decisions in terms of their future operation.
7. The process also provided an opportunity to review services in a way which is not simply about reducing the level of service but to look at alternative ways of delivery, opportunities to bring together related services and deliver a significant programme of transformation.

8. The main themes by current council priority, current expenditure, and issues considered as part of the process are described below. Proposals are underline in the narrative and summarised in a table at the end of the report.

Create Jobs and Grow the Economy

i) Growing the Economy

9. This is a key priority for the Council and is considered essential to the Council's ongoing financial prosperity. Previous reports have highlighted the financial benefits to the Council from a strong and growing economy, including buoyant council tax, business rates, income sources, and avoidance of some of the costs associated with decline.
10. Investment from the Council in this activity can be categorised as primarily being within the capital programme, in particular the EIF. However there are also significant revenue costs associated with this, including the Economic Development team, plus a range of support activity which is necessary to deliver major projects and economic growth. This includes financial, procurement, legal, asset management, planning, highways and regeneration activity. It is important to recognise that particularly in City and Environmental Services, through the 2013 restructure, teams are much more reliant on capital activity and the core of revenue supported posts has reduced. Therefore further reductions in revenue terms in these areas would affect the Council's ability to support major regeneration, and potentially expose it to both immediate (e.g. potential loss of capital receipts) and longer term financial implications. This has been supported, in part, through the cabinet approved "Get York Building" phase 2 report, releasing up to £1m for direct support on development related activity and through the phase 3 report, £0.5m specifically for York Central.
11. Council budgets and investment through the EIF are being made to deliver the ingredients to grow the York economy and create jobs. Major investments include:-
- Park and ride
 - Reinvigorate York
 - Better Bus fund
 - Super Connected Cities
 - Financial Inclusion
 - York Central

12. Staff are working with partners to ensure that we continue to reduce the number of workless households. Investment is being made in services to get young people and the long-term unemployed into work, including support for 'Experience Works' which aims to get unemployed over 50s back into work and the targeted CYC York Learning for 18 to 24 year olds.
13. Programmes are also supporting disabled people in particular to secure jobs and experience in the work place.
14. To ensure that we are searching out these investment opportunities and encouraging new partners to the city we have built on the initial work via MIPIM and held York's first "Investors weeks" attracting over 100 potential investors and organisations interested in development, the aim being to identify the development potential and opportunities in York, predominately through the work emerging out of the Local Plan, connecting them up with land owners, agents, developers and businesses in a way that provides a "development team" approach that connects this potential and opportunity to end users.
15. To do this requires a sustained investment in resource via the teams highlighted above and as we progress from "selling" potential and opportunity in York to formal contracts, a need for a mechanism(s) that will create partnerships that are mutually financially beneficial. In parallel to this the City is investing in its "Public Realm" through the Reinvigorate Programme so that the experience for residents, business and visitors matches our long term ambitions for a vibrant, inclusive and prosperous City.
16. Work is underway to bring forward a proposal for a new organisation to deliver marketing, tourism, culture and inward investment. This will work to support and maximise the opportunity of York as a city, and help increase visitor spend, inward investment, and improve the Cultural offer. This will streamline costs but also benefiting, residents, businesses and visitors alike.
17. Whilst the core activity that will deliver the various initiatives highlighted above is protected, the removal of non essential economic development activity will yield £75k in savings.

Protect Vulnerable People

ii) Services for Vulnerable Adults

18. This is considered another key priority and the Council will continue to protect the investment it makes in this area. Overall the net spend in Adult Care services is £51m (£75.1m gross) and comprises:
- Assessment and Safeguarding (£6m)
 - Intensive support & rehabilitation (£7m)
 - Long term and Learning Disability (£14.7m)
 - Commissioning & contracts (£15.5m)
 - EPHs, CELTAS, Day service provision (£8.1m)
19. Key activities and investment that were considered as part of priority based budgets include:
- Occupational Therapy £0.5m
 - Hospital Discharge Team £0.4m
 - Operational Social Work £2.6m
 - Early Intervention & Prevention £1.7m
 - 22 The Avenue £0.3m
 - Sycamore House £0.1m
 - Reablement £0.8m
 - Mental Health support £0.3m
20. Whilst the Council will continue to protect these areas, the scale of expenditure does require a fundamental review of the activity.
21. Therefore, within the Rewiring Public Services programme Health and Wellbeing services will be reviewed in detail to look at opportunities for ensuring resources are deployed as efficiently as possible. This will include opportunities for more integration with other partners including the health sector.

iii) Children and Youth Services

22. Investment in core Children's services, with a total budget of £19m is being protected. Elsewhere on this agenda, the Rewiring Public Services programme report will outline proposals for aspects of the service related to Children's Centres and Youth Service provision.
23. In some other areas we believe there are opportunities to review how we provide the services, and in particular to look to consolidate across other activity taking place across the Council.

24. The school improvement service currently costs £1.1m (net of existing efficiency savings) and provides specialist support and advice to schools, particularly those where standards need to improve. It is considered this level of support to schools should be reduced by £350k. The service will be reshaped with available resources targeted at fulfilling statutory duties and improving the outcomes in specific phases and priority groups.
25. The Early Years Graduate Leader Fund provides support to private, voluntary and independent nurseries to fund the recruitment, employment and training of graduates. The remaining budget after existing efficiency savings is £69k. It is proposed that this is now removed in full and all funding support ceases. Discretionary Rate Relief for Voluntary Aided Schools will also no longer be charged to the General Fund delivering a saving of £29k.

Build Strong Communities

iv) Communities and Customers

26. This is another key priority for the Council with a wide range of activity that is involved in supporting and building strong communities.
27. We will continue to invest in the York Financial Assistance Scheme making £200k available to support the most affected residents in financial need.
28. The Council currently invests £1,154k in the Integrated Family Service, including support for 'troubled families', and supporting those with housing issues. Given the overlap with some other information and advice functions provided elsewhere, £200k could be saved by integration with other information and advice services.
29. Work will also continue to support communities and build resident engagement and the Rewiring Public Services programme will deliver £450k of savings as we refine our model of working in this area.

v) Arts, Culture, Leisure and Tourism

30. The Council has invested significantly in external organisations providing cultural and tourism activity, in particular the Museums Trust and Theatre Royal. However, if we are to be able to maintain investment in other key priorities, the Council can no longer afford to maintain investment in arts and culture at its current level. This is supported by comparative budget

analysis which suggested our spend on Culture and Heritage was significantly more than a Council with our resources should be.

31. However, the Council recognises the importance of this sector and will continue to work and provide support wherever possible. We will work with the organisations to move to a situation whereby:
- the subsidy to the Museums Trust is reduced in 2015/16 by £500k, which still maintains support provided by the Council at approximately £600k,
 - support to the Theatre Royal reduced by £30k, leaving residual support at £170k.

vi) Housing Services

32. The Council's investment in housing comes predominantly through the Housing Revenue Account (HRA). Total expenditure within the HRA is £12m (excluding capital charges and internal recharges). In addition there is capital expenditure of £16.9m. Certain items of expenditure have to be funded through the general fund. Areas of spend include:-
- Homelessness
 - Gypsy, Roma and Traveller Community Sites
 - Housing Strategy
33. Gross spend in this area totals £3,764k with a net budget of £1,160k. Given the scale of investment in the HRA we believe that a reduction in General Fund Housing support should be made, to the value of £50k.

Get York Moving

vii) Highways and Transport

34. There is significant investment across the Council in the highways service, this ranges from cyclical pressures such as gulley emptying, reactive work such as "pot-holes", winter service, flood response, emergency work such as attending RTA's and then the general planned activity to replace worn out Roads, footpaths, signs, road markings, street furniture, which has been a key aspect of the local focus for residents. The planned aspect is predominately a capital investment for Highways and the "Transport" area of the directorate, given it addresses the repair and replacement of work out assets it is an ongoing investment.

35. In transportation terms investment is used in a thematic way, drawing from the Local transport Plan - Integrated transport and maintenance blocks, other secured funding such as LSFT, BBAF and Major Scheme funding etc. this is used on our flagship programmes to address congestion, public transport and road safety issues in the City as well as major projects such as Access York park and ride.
36. As this service becomes more business focussed, opportunities for generating further income will become available, including a reduction in the costs of the CCTV function as the service moves to a trading model, securing external Highways work, improving the “pre-application” performance, fleet profitability and commercial waste opportunities in the City. This is a fundamental part of the 2014/15 efficiency strategy to bring the service in on budget in future years and deliver ongoing pressures to reduce revenue costs.
37. Investment in subsidised buses totals £770k and, whilst we will continue to invest in this area, in line with the move to reduce subsidies for certain activities it is proposed that opportunities to reduce this are reviewed.
38. We will continue to invest capital in Street Lighting, but will look to achieve a reduction in revenue support and mitigate the rate of increase in energy costs via a thorough review of opportunities for delivery of the service, the use of LED technology and the recent productivity improvements now the service has been brought “in-house”, all contributing to achieving further efficiency savings.
39. Both the Highways and Transport services are supported by large teams, totalling over £1.7m, and as we look to reduce revenue activity across this area, there must be the expectation that the revenue element of these teams are reduced in line with this, noting that there is a balance to be achieved between absolute minimum to discharge our statutory functions and risk management issues in terms of knock on effects on claims liability issues and reputational issues in terms of the appearance of the City to its residents, businesses and visitors.
40. Given these broad categories of spend, we will seek a budget reduction in Highways and Transport of £1.075m, representing a reduction of around 20% on 2013/14 levels, which will include scope for charging and making this function operate on a more commercial basis so ensuring the cost to the Council decreases. A suggested distribution of this figure could be:
 - £300k: Reduction in highways maintenance,
 - £250k: Increased commercialisation (Highways team, CCTV),
 - £200k: Reduction in bus subsidies,

- £200k: Street Lighting efficiency,
- £125k: External funding opportunities.

Protect the Environment

viii) Environmental Services

41. The Council is committed to protecting the environment. We will continue to drive an energy switching scheme that is due to launch in the winter of 2013/14. Work can commence to support the deployment of electric vehicles and charging points. Importantly work can continue to be focussed on reducing the amount of waste both through effective recycling systems but also by working with businesses in the city around the way in which their waste is managed.
42. However, in some areas of Environmental Services we will need to reduce investment and improve income, including the Environmental Protection Unit (which was classed as expensive in the comparative analysis), which covers noise nuisance and air quality/emissions work, and Design & Conservation, which includes ecological support to communities. Expenditure in these areas currently totals £790k combined. We will move towards a model whereby these areas are integrated and deliver a saving of £386k. Themes to meet this challenge will include reduction of non statutory functions, income generation (including pre-application support), and use of other funding streams for elements of the service, including proceeds of crime.

Core Capabilities

ix) Core Capabilities

43. If the Council is to deliver the savings required, transform service delivery, and maintain its financial standing it has to ensure it has the key elements in place to maintain an effective organisation. This includes ensuring capacity in our critical support services of finance, legal, ICT and HR. These have been subject to transformation in recent years and continue to make efficiency improvements. Large scale reductions would, however, severely affect the Council's ability to deliver major projects and manage major transformation. We will, through the capital programme, significantly increase the capital investment in ICT over the next 5 years with a view to York being seen as a leader in the field of technology products, delivering efficient service delivery.

44. In addition, we need to ensure resources are available to assist services deliver transformational change and to continue to procure goods and services effectively and ensure we maximise utilisation of our assets. Ensuring we meet our statutory requirements in relation to core Governance of the Council is essential, including the production of statutory financial statements, and ensuring legal compliance in all we do.
45. We also need to ensure we have a skilled and capable workforce. Key to this is ensuring our workforce strategy continues to be delivered and that staff receive essential training to ensure services are delivered effectively. The Council will therefore protect investment in training and workforce strategy activity. Whilst this could be seen as an easy saving, with fewer staff, and changing methods in service delivery, it is essential that we continue to invest in our staff to ensure the Council operates effectively.
46. Customer & Business Support Services will deliver approximately 4% efficiency reductions in 2015/16 compared to 2% from other services. This approach ensures these services remain fit for purpose and able to deliver their various statutory requirements at the same time as reducing their ongoing cost bases.
47. The council also currently has specific budget provision for taking on new apprentices. This £115k budget will be removed and mainstreamed across directorates by ensuring all entry level positions in the organisation are actively targeted towards the apprenticeship cohort.
48. In the Office of the Chief Executive, teams will help the council achieve the challenges set out elsewhere in the budget report, most notably delivering the Rewiring Public Services programme, as well as helping deliver economic growth for the city. However, a review of services has shown that the partnerships budget can be reduced by £25k.
49. Over recent years, in particular now that the majority of council services are operated out of West Offices, there has been significant scope for the consolidation of services via the business support review. An assessment of progress shows that a further £250k in savings can be delivered in this area.
50. The Council supports a wide variety of external organisations to deliver services through a number of different funding processes. Grants identified as currently in scope total £1.3million, although further funds may come into the proposal. A systematic review is needed during 2014/15 working with the sector with an aim to achieve a 200k saving in 2015/16. This equates to 15%.

51. Finally, given that significant focus will be placed on the Rewiring Public Services programme reported elsewhere on this agenda, a prudent assessment on the need for the Delivery and Innovation Fund to be at its current level of £1m has been carried out and has found that this can be reduced by half and deliver savings of £500k.

Prioritisation Savings Summary

52. The following table summarises the savings to be delivered by the prioritisation process in 2015/16, totalling £3,854k.

Proposal Description	2015/16 Impact £000's
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Growing the Economy

Economic Development Reduction in Economic Development activity.	-75
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Children and Youth Services

School Improvement Service The service will be reshaped with available resources targeted at fulfilling statutory duties and improving the outcomes in specific phases and priority groups.	-350
Early Years Graduate Leader Fund Ceasing the funding that is provided to early years settings that supports the recruitment and training of qualified staff.	-69
VA Schools DRR No longer charge DRR for Voluntary Aided Schools to the General Fund.	-29

Build Stronger Communities

Information & Guidance Consolidation of services that provide information and guidance across the Council.	-200
Museums Trust Reduction in contribution to York Museums Trust.	-500
Theatre Royal Reduction in contribution to Theatre Royal.	-30

Housing Strategy Use of commuted funds to support affordable housing development function.	-50
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Get York Moving

Commercialisation Seek greater commercialisation across the services leading to additional income £250k.	-250
Highways Maintenance Reduction in maintenance.	-300
Street Lighting Efficiencies Through the use of LED technology and recent productivity improvements.	-200
Subsidised Bus Services Reduction in line with review of subsidies to other areas.	-200
External Funding Opportunities Additional income from external funding to support current expenditure.	-125

Protect the Environment

Public Protection Savings proposed across Public Protection Unit including charges to Proceeds of Crime, additional income from s106 & closer links with Public Health to support Air Quality interventions.	-316
Design & Conservation Seek further external income to support roles within team.	-70

Core Capabilities

Apprentices Remove corporate funding for apprentices and mainstream across directorates by ensuring all entry level positions in the organisation are actively targeted towards the apprenticeship cohort.	-115
Partnerships Reduction in Partnership working.	-25
Consolidation Further consolidation of activity across the Council via the Business Support Review.	-250

Support to External Organisations Review / reduction of grants and contributions to other organisations.	-200
Delivery & Innovation Fund Halving the size of the DIF in light of transformation activities elsewhere in the budget strategy.	-500

STANDARD CHARGES FOR RESIDENTIAL CARE HOMES

Type of Service		Previous Weekly Charge 2012/13 £	Current Charge 2013/14 £		Proposed Charge 2014/15 £	
			Day Care	Overnight Care	Day Care	Overnight Care
I. Residential Homes						
			Day Care	Overnight Care	Day Care	Overnight Care
	Residential Homes for Children with Learning Disabilities (The Glen)	2,500.00	200.00	400.00	200.00	400.00
	Residential Home for Children (19 Wenlock Terrace)	2,400.00	No longer CYC		No longer CYC	

FOSTER CARE ALLOWANCES
PAYABLE FROM 1 APRIL 2014

Age	Previous Weekly Allowance 2012/13 £	Current Weekly Allowance 2013/14 £	Proposed Weekly Allowance 2014/15 £
0-4	£115.99	£119.00	£122.01
5-10	£129.01	£132.02	£134.05
11-15	£148.05	£151.06	£154.00
16-17	£175.70	£175.70	£179.06

Skills Premium

Skill Level	Previous Weekly Allowance 2012/13 £	Current Weekly Allowance 2013/14 £	Proposed Weekly Allowance 2014/15 £
2	29.82	n/a	n/a
3	59.64	n/a	n/a
4	119.28	n/a	n/a
Teenagers with emotional or behavioural difficulties/severely disabled children (Specific scheme)	343.98	n/a	n/a

Foster Carer Fees and Capacity Payments for 2014/15

Grade	Skill Fee £	Capacity - Total payments		Level on Remittance
		2 £	3+ £	
Accredited/I	30.30	15.15	30.30	2
Enhanced/II	60.60	15.15	30.30	3
Experienced/III	161.60	20.20	40.40	4
Advanced/IV	471.67	58.96	117.92	5

1% Increase from the 2013/14 levels

ADDITIONAL FOSTER CARERS ALLOWANCES
PAYABLE FROM 1 APRIL 2014

	Current Allowance 2013/14 £	Proposed Allowance 2014/15 £
Children attending Boarding School	50% of scale allowance during term time	
Children in hospital or otherwise unexpectedly absent	First four weeks - full scale allowance	
Children unemployed on DSS allowance	Approved weekly allowance less prevailing DSS allowance	
Children who are working	The foster parents of working children will have their allowance reduced by the amount the child contributes towards his/her keep. The amount being subject to negotiation between the foster parents, the child and the social worker	
School Clothing Grants:		
Primary School	Up to 92.58	Up to 92.58
Secondary School	Up to 194.35	Up to 194.35
On Starting Employment Grant	Up to 390.96	Up to 390.96
Christmas and Birthday Allowance	1 x weekly rate	
Holiday Allowance	Up to 3 x weekly rate	
Initial Clothing/Placement Allowance	Up to 5 x weekly rate	
Miscellaneous Allowance	Freeze as other allowances	
Foster Carer Mileage Rate	37.8p per mile	37.8p per mile

ADOPTION ALLOWANCES
RESIDENCE ORDER ALLOWANCES
PAYABLE FROM 1 APRIL 2014

Age	Previous Weekly Allowance 2012/13 £	Current Weekly Allowance 2013/14 £	Proposed Weekly Allowance 2014/15 £
0-4	60.38	60.38	60.38
5-10	73.67	73.67	73.67
11-12	83.92	83.92	83.92
13-15	90.28	90.28	90.28
16+	120.61	120.61	120.61

SHORT BREAKS ALLOWANCES
SITTING SERVICE ALLOWANCES
PAYABLE FROM 1 APRIL 2014

Time Band	Standard Sharing Care Current Weekly Allowance 2013/14 £	Standard Sharing Care Proposed Weekly Allowance 2014/15 £	Allowance paid to carer of child with additional health needs (i.e.std allow. + 70% enhancement) Proposed Weekly Allowance 2014/15 £	Allowance paid to carer of child with more complex care needs (i.e.std allow. + 60% enhancement) Proposed Weekly Allowance 2014/15 £
0-4 hours	16.93	17.25	29.33 (i.e. 17.25 + 12.08)	27.60 (i.e. 17.25 + 10.35)
4-8 hours	25.34	25.82	43.89 (i.e. 25.82 + 18.07)	41.31 (i.e. 25.82 + 15.49)
8-12 hours	33.80	34.44	58.55 (i.e. 34.44 + 24.11)	55.10 (i.e. 34.44 + 20.66)
12-24 hours	50.66	51.62	87.75 (i.e. 51.62 + 36.13)	82.59 (i.e. 51.62 + 30.97)

Contract Care Scheme

	Previous Weekly Allowance 2012/13 £	Current Weekly Allowance 2013/14 £	Proposed Weekly Allowance 2014/15 £
Contract Carers	343.98	343.98	350.52

SPECIAL GUARDIANSHIP ALLOWANCES
PAYABLE FROM 1 APRIL 2014

Age	Previous Weekly Allowance 2012/13 £	Current Weekly Allowance 2013/14 £	Proposed Weekly Allowance 2014/15 £
0-4	£115.99	£119.00	£122.01
5-10	£129.01	£132.02	£134.05
11-15	£148.05	£151.06	£154.00
16-17	£175.70	£175.70	£179.06

Note: An amount equivalent to the Child Benefit entitlement will be

ENVIRONMENTAL HEALTH	2013/14	2014/15	
	Charge (Before VAT)	Charge (Before VAT)	Increase
	£	£	£
<u>HEALTH & SAFETY</u>			
SKIN PIERCERS			
a) Tattooists	304.86	320.00	15.14
b) Skin Piercers	304.86	320.00	15.14
c) Premises	304.86	320.00	15.14
¼ly payment available by Standing Order			
<u>POLLUTION CONTROL</u>			
NOISE MONITORING EQUIPMENT - CONTRACT SERVICES			
HIRE/CONSULTANCY AND COURT CASES			
Senior Officers (Grade 9 and above)	46.16	48.46	2.30
Other Officers	34.57	36.30	1.73
<u>FOOD & SAFETY UNIT</u>			
UN SOUND/UNSALEABLE FOOD			
Issue of Certificates	46.29	48.60	2.31
Collection by van	59.87	63.00	3.13
EXPORT CERTIFICATES	54.48	57.20	2.72
LETTER OF ADVICE			
Letter confirming food premises	37.80	39.70	1.90
<u>ANIMAL HEALTH</u>			
Pet Shop	212.61	223.24	10.63
Animal Boarding	212.61	223.24	10.63
Home Boarding Licence	97.40	102.27	4.87
Dog Breeding Establishment	212.61	223.24	10.63
Dangerous Wild Animals	585.55	614.82	29.27
Riding Establishments	244.68	256.91	12.23
Performing Animals Registration	73.31	76.97	3.66
Stray Dogs			
Reclaim Fee (Statutory fee)	60.00	63.00	3.00
Kennels Fees - Statute only allows the local authority to recover the costs of kennelling the stray	9.71	10.20	0.49
Microchipping Dogs	10.00	10.00	0.00

TRADING STANDARDS	2013/14	2014/15	
	Charge	Charge	Increase
	£	£	£
FEES FOR THE TESTING AND VERIFICATION OF WEIGHING AND MEASURING INSTRUMENTS			
Senior Officers (Grade 9 and above)	46.16	48.46	2.30
Other officers	34.57	36.30	1.73
<u>Poisons Act</u>			
Initial registration in the Council's list of persons entitled to sell Part II Poisons	34.30	36.15	1.85
Re-registration in subsequent year	18.08	18.98	0.90
Change in details of registration.	9.24	9.70	0.46
<u>Performing Animals Registration</u>	73.31	76.97	3.66
<u>Explosives Licensing \ Registration</u> (Statutory Charges)			
Licence Fee (as a fireworks retailer) outside traditional selling periods	500.00	500.00	0.00
<u>Court Cases</u>			
Court Costs awarded as the result of a successful case - all teams (based on a hourly charge per officer hour)			
Senior Officers (Grade 9 and above)	46.16	48.46	2.30
Other officers	34.57	36.30	1.73

REGULATORY SERVICES	2013/14	2014/15	
	Charge (Before VAT)	Charge (Before VAT)	Increase
	£	£	£
<u>LICENSING ACT 2003 (Statutory Fee)</u>			
<u>PREMISES LICENCE</u>			
a) Annual Maintenance			
Rateable Value Band :-			
A - nil to £4300	70.00	70.00	0.00
B - £4301 to £33000	180.00	180.00	0.00
C - £33001 to £87000	295.00	295.00	0.00
D - £87001 to £125000	320.00	320.00	0.00
E - £125001 and above.	350.00	350.00	0.00
b) Premises Primarily Serving Alcohol in :-			
Rateable Value Band :-			
D - annual maintenance fee * 2	640.00	640.00	0.00
E - annual maintenance fee * 3	1,050.00	1,050.00	0.00
c) Grant of Licence/variation			
Rateable Value Band :-			
A - nil to £4300	100.00	100.00	0.00
B - £4301 to £33000	190.00	190.00	0.00
C - £33001 to £87000	315.00	315.00	0.00
D - £87001 to £125000	450.00	450.00	0.00
E - £125001 and above.	635.00	635.00	0.00
d) Grant/variation of premises Primarily Serving Alcohol in :-			
Rateable Value Band :-			
D - licence fee * 2	900.00	900.00	0.00
E - licence fee * 3	1,905.00	1,905.00	0.00
e) Minor Variations	89.00	89.00	0.00
<u>PERSONAL LICENCES, TEMPORARY EVENTS AND OTHER FEES</u>			
a) Application for a grant or renewal of personal licence	37.00	37.00	0.00
b) Temporary event notice	21.00	21.00	0.00
c) Theft, loss, etc. of premises licence or summary	10.50	10.50	0.00
d) Application for a provisional statement	315.00	315.00	0.00
e) Notification of change of name or address premises licence	10.50	10.50	0.00
f) Application to vary DPS	23.00	23.00	0.00
g) Application for transfer of premises licence	23.00	23.00	0.00
h) Interim authority notice following death, etc. of licence holder	23.00	23.00	0.00
i) Theft, loss, etc. of certificate of summary	10.50	10.50	0.00
j) Notification of change of name or alteration of rules of club	10.50	10.50	0.00
k) Change of relevant registered address of club	10.50	10.50	0.00
l) Theft, loss, etc. of temporary event notice	10.50	10.50	0.00
m) Theft, loss, etc. of personal licence	10.50	10.50	0.00
n) Duty to notify change of name and address personal licence	10.50	10.50	0.00
o) Right of freeholder, etc. to be notified of licensing matters	10.50	10.50	0.00
p) Supply of copies of information contained in register	10.50	10.50	0.00
q) Mandatory alcohol condition for DPS to be disapplied - new fee	23.00	23.00	0.00

REGULATORY SERVICES	2013/14	2014/15	
	Charge (Before VAT)	Charge (Before VAT)	Increase
	£	£	£
<u>EXCEPTIONALLY LARGE EVENTS</u>			
Number in attendance at any one time, additional fee :-			
5000 to 9999	1,000.00	1,000.00	0.00
10000 to 14999	2,000.00	2,000.00	0.00
15000 to 19999	4,000.00	4,000.00	0.00
20000 to 29999	8,000.00	8,000.00	0.00
30000 to 39999	16,000.00	16,000.00	0.00
40000 to 49999	24,000.00	24,000.00	0.00
50000 to 59999	32,000.00	32,000.00	0.00
60000 to 69999	40,000.00	40,000.00	0.00
70000 to 79999	48,000.00	48,000.00	0.00
80000 to 89999	56,000.00	56,000.00	0.00
90000 and over	64,000.00	64,000.00	0.00

REGULATORY SERVICES	2013/14	2014/15	
	Charge (Before VAT)	Charge (Before VAT)	Increase
	£	£	£
GAMBLING ACT			
a) Bingo			
Grant	2,800.00	2,800.00	0.00
Variation	1,400.00	1,400.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	2,800.00	2,800.00	0.00
Annual Charge	840.00	840.00	0.00
b) Adult Gaming Centre			
Grant	1,600.00	1,600.00	0.00
Variation	800.00	800.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	1,600.00	1,600.00	0.00
Annual Charge	840.00	840.00	0.00
c) Betting (track)			
Grant	2,000.00	2,000.00	0.00
Variation	1,000.00	1,000.00	0.00
Transfer	760.00	760.00	0.00
Reinstatement & Conversion of Provisional Statement	2,000.00	760.00	-1,240.00
Provisional Statement	2,000.00	2,000.00	0.00
Annual Charge	840.00	840.00	0.00
d) Family Entertainment Centre			
Grant	1,600.00	1,600.00	0.00
Variation	800.00	800.00	0.00
Transfer	760.00	760.00	0.00
Reinstatement & Conversion of Provisional Statement	760.00	760.00	0.00
Provisional Statement	1,600.00	1,600.00	0.00
Annual Charge	635.00	635.00	0.00
e) Betting (Other)			
Grant	2,400.00	2,400.00	0.00
Variation	1,200.00	1,200.00	0.00
Transfer	960.00	960.00	0.00
Reinstatement & Conversion of Provisional Statement	960.00	960.00	0.00
Provisional Statement	2,400.00	2,400.00	0.00
Annual Charge	515.00	515.00	0.00
a) Gaming Machines in Alcohol Licensed Premises			
Automatic Entitlement	50.00	50.00	0.00
b) Licensed Premises Gaming Machine Permits			
Grant	150.00	150.00	0.00
Variation	100.00	150.00	50.00
Transfer	25.00	25.00	0.00
Annual Fee	50.00	50.00	0.00
c) Club Gaming & Club Machine Permits			
Grant	200.00	200.00	0.00
Renewal	200.00	200.00	0.00
Renewal for holder of Club Prem Cert under Lic Act 03	100.00	100.00	0.00
Annual Fee	50.00	50.00	0.00
Copy of Permit	15.00	15.00	0.00
Lotteries			
a) Registration	40.00	40.00	0.00
b) Annual Fee	20.00	20.00	0.00

REGULATORY SERVICES	2013/14	2014/15	
	Charge (Before VAT)	Charge (Before VAT)	Increase
	£	£	£
<u>STREET TRADING CONSENTS</u>			
INSIDE CITY WALLS			
Artists	2,000.00	2,000.00	0.00
Buskers etc	2,375.00	2,375.00	0.00
OUTSIDE CITY WALLS			
Ice Cream	1,600.00	1,600.00	0.00
Food	1,500.00	1,500.00	0.00
Non Food	725.00	725.00	0.00
OCCASIONAL			
Food	55.00	55.00	0.00
Non Food	40.00	40.00	0.00
Charities	14.50	14.50	0.00
INDIVIDUALLY ASSESSED SITES	137,915.00	137,915.00	0.00
<u>CAR BOOT SALES (commercial)</u>			
Less than 15 traders	75.00	75.00	0.00
15 - 50 traders	148.00	148.00	0.00
50 - 100 traders	300.00	300.00	0.00
More than 100 traders	410.00	410.00	0.00
Charities	15.00	15.00	0.00
<u>SEX ESTABLISHMENTS</u>			
Grant of new licence	8,000.00	2,600.00	-5,400.00
Renewal/transfer of licence shop/cinema	4,000.00	1,100.00	-2,900.00
Renewal/transfer of licence sexual entertainment venue	4,000.00	1,300.00	-2,700.00
Variation	n/a	805.00	n/a
- payments may be made in instalments in which case a charge of £10.00 per payment is made.			
<u>Scrap Metal Dealers - renewable 3 yearly *</u>			
Grant / renewal site licence	441.00	441.00	0.00
Grant / renewal site licence (2 sites)	596.00	596.00	0.00
Grant / renewal site licence (3 sites)	751.00	751.00	0.00
Grant / renewal collectors licence	246.00	246.00	0.00
Variation	120.00	120.00	0.00
Variation change of name / address	52.00	52.00	0.00

* FOR INFO

New from October 13

valid for 3 yrs

all licences are issued until 16/17

TAXI LICENSING	2013/14	2014/15	
	Charge £	Charge £	Increase £
PRIVATE HIRE LICENCE FEES			
Driver's licence - new application	97.00	98.00	1.00
Knowledge test fee (new charge)	15.00	15.00	0.00
Driver's licence - renewal (applications over 3months late charged at new app fee)	58.00	59.00	1.00
Fee for holders of current H.C. drivers licence on first application - note: subsequent renewals are at the normal renewal cost	39.00	39.00	0.00
Vehicle licence - new application	150.00	152.00	2.00
Vehicle licence - renewal (applications over 3 months late charged at new app fee)	120.00	121.00	1.00
Vehicle licence - new plate renewal (change every 3 years)			
Vehicle inspection	38.00	39.00	1.00
Vehicle re-test	27.00	28.00	1.00
Change of vehicle fee	27.00	28.00	1.00
Drivers badge - replacement charge	6.00	6.00	0.00
Internal vehicle plate - replacement charge	6.00	6.00	0.00
Vehicle plates - cost to new apps (includes internal plate)	33.00	34.00	1.00
Vehicle plates - replacement charge (set of 2)	27.00	28.00	1.00
Operator's licence - Up to and including 3 vehicles	48.00	49.00	1.00
- Up to and including 10 vehicles	67.00	69.00	2.00
- Up to and including 20 vehicles	82.00	84.00	2.00
- Up to and including 30 vehicles	102.00	105.00	3.00
- Up to and including 40 vehicles	123.00	126.00	3.00
- More than 40 vehicles	150.00	154.00	4.00
Vehicle licence transfer fee	22.00	23.00	1.00
Duplicate licence fee	13.00	14.00	1.00
Administration charge for various activities including bounced cheques (new charge)	20.00	20.00	0.00
HACKNEY CARRIAGE LICENCE FEES			
Driver's licence - new application	107.00	108.00	1.00
Knowledge test (new charge)	15.00	15.00	0.00
Driver's licence - renewal (applications over 3 months late charged at new app fee)	65.00	66.00	1.00
Hackney carriage fee for holders of current private hire driver's licence on first application - note: subsequent renewals are at the normal renewal cost	39.00	39.00	0.00
Vehicle licence - new application	170.00	172.00	2.00
Vehicle licence - renewal (applications over 3months late charged at new app fee)	130.00	131.00	1.00
Horse drawn hackney carriage vehicle licence	120.00	121.00	1.00
Vehicle inspection	38.00	39.00	1.00
Vehicle re-test	27.00	28.00	1.00
Change of vehicle fee	27.00	28.00	1.00
Driver's badge - replacement charge	6.00	6.00	0.00
Internal vehicle plate - replacement charge	6.00	6.00	0.00
Vehicle plate - replacement charge	24.00	25.00	1.00
Vehicle licence transfer fee	22.00	23.00	1.00
Duplicate licence fee	13.00	14.00	1.00
Administration charge for various activities including bounced cheques (new charge)	20.00	20.00	0.00

HOUSING FEES & CHARGES		2013/14	2014/15	
		Current Charge	Charge	Increase over 13/14
		£	£	£
Garages				
Normal	Council tenant	6.46	6.78	0.32
	Private **	7.75	8.14	0.39
High Demand	Council tenant	7.77	8.16	0.39
	Private (local connection) **	18.16	19.07	0.91
	Private (no local connection) **	22.84	23.98	1.14
Low Demand	All tenures	3.27	3.43	0.16
Cookers				
Charges are based on current prices plus a %. No new cookers are rented to tenants		2012/13 charge plus 2.6%	2013/14 charge plus 3.2%	3.20%
Mobile Homes Licensing (Mobile Homes Act 2013)				
New Licence Application		n/a	660	new charge
Transfer of Licence (no variations)		n/a	180	new charge
Variation to Licence		n/a	450	new charge
Annual Inspection		n/a	450	new charge
Houses in Multiple Occupation Licences				
New Licence Applications				
	Band A	710	730	20
	Band B	860	880	20
	Band C	980	1,000	20
	Band D	1,050	1,070	20
Licence Renewals				
	Band A	360	370	10
	Band B	430	440	10
	Band C	480	490	10
	Band D	530	540	10

** Charges include VAT

SPORTS		2013/14	2014/15	
		Current Charge	Charge	Increase over 2013/14
Price Type		£	£	£
Swimming				
Open, Lane, Adult,	Adult	4.65	4.80	0.15
Deep End, Women	Adult YorkCARD	3.75	3.85	0.10
Waterfun & 50+	Concession	3.30	3.40	0.10
Swim sessions	Conc YorkCARD	2.50	2.60	0.10
Under 5 policy	Kids go free	free	free	
Family Saver	Yorkcard 2 adults 2 kids	10.00	10.30	0.30
Family Sav. Plus	Yorkcard 1 adult 2 kids	6.25	6.45	0.20
	non york 2 adults 2 kids	12.60	13.00	0.40
	non york 1 adult 2 kids	7.95	8.20	0.25
Swim lessons	Kids 30 mins	5.00	5.15	0.15
	Kids 45 mins	6.40	6.60	0.20
	Adults 30 mins	5.00	5.15	0.15
	Adults 40 mins	6.40	6.60	0.20
	60 mins	6.65	6.85	0.20
	1:1 course of 5	100.00	103.00	3.00
	1:1 individual	21.05	21.70	0.65
Aquafit & Aquanatal	Adult	5.60	5.60	0.00
	Adult YorkCARD	4.45	4.45	0.00
	Concession	4.30	4.30	0.00
	Conc YorkCARD	3.55	3.55	0.00
Loyalty Swim Card	Adult	37.20	38.40	1.20
	Adult YorkCARD	30.00	30.90	0.90
	Concession	26.40	27.20	0.80
	Conc YorkCARD	20.00	20.80	0.80
CYC/NHS 10 Swim Card		24.00	24.75	0.75
NEW POOL HIRE RATES WHICH INCLUDE 2 LIFEGUARDS AS STANDARD				
Whole Pool Hire	ex-vat 1 hour	108.00	111.25	3.25
SCHOOL POOL HIRE RATES WHICH INCLUDE 2 LIFEGUARDS & 2 TEACHERS AS STANDARD (based on 10 wks)				
School Pool Hire	1/2 hr Per term	681.65	700.00	18.35
Dry Side				
BeActive	12 mth contract DD	38.00	38.00	0.00
	3 mth contract DD	33.00	33.00	0.00
	Corp/student mth	28.00	28.00	0.00
Casual prices	Adult	6.15	6.35	0.20
	Adult YorkCARD	4.95	5.10	0.15
	Concession	4.55	4.70	0.15
	Conc YorkCARD	3.65	3.75	0.10
Creche		2.45	2.60	0.15

DAY	ZONE	Current Fee 2013/14	Proposed Fee 2014/15	Increase over 2013/14
MONDAY	A	17.75	17.75	0.0%
	B	15.75	15.75	0.0%
	C	10.25	10.25	0.0%
	D	6.00	6.00	0.0%
	E - o/s	18.50	18.50	0.0%
	F - o/s	43.00	43.00	0.0%

TUESDAY	A	22.25	22.25	0.0%
	B	20.50	20.50	0.0%
	C	17.50	17.50	0.0%
	D	12.00	12.00	0.0%
	E - o/s	21.00	21.00	0.0%
	F - o/s	43.00	43.00	0.0%

WEDNESDAY	A	21.25	21.25	0.0%
	B	19.00	19.00	0.0%
	C	16.50	16.50	0.0%
	D	11.00	11.00	0.0%
	E - o/s	21.00	21.00	0.0%
	F - o/s	43.00	43.00	0.0%

THURSDAY	A	23.25	23.25	0.0%
	B	22.50	22.50	0.0%
	C	19.50	19.50	0.0%
	D	11.00	11.00	0.0%
	E - o/s	21.00	21.00	0.0%
	F - o/s	43.00	43.00	0.0%

DAY	ZONE	Current Fee 2013/14	Proposed Fee 2014/15	Increase over 2013/14
FRIDAY	A	26.75	26.75	0.0%
	B	25.75	25.75	0.0%
	C	22.50	22.50	0.0%
	D	13.00	13.00	0.0%
	E - o/s	21.00	21.00	0.0%
	F - o/s	45.00	45.00	0.0%

SATURDAY	A	35.75	35.75	0.0%
	B	32.50	32.50	0.0%
	C	25.50	25.50	0.0%
	D	22.50	22.50	0.0%
	E - o/s	21.50	21.50	0.0%
	F - o/s	50.00	50.00	0.0%

SUNDAY	A	25.00	25.00	0.0%
	B	23.50	23.50	0.0%
	C	20.50	20.50	0.0%
	D	7.50	7.50	0.0%
	E - o/s	21.00	21.00	0.0%
	F - o/s	44.00	44.00	0.0%

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 2013/14	Increase Fee 2014/15	over 2013/14
		£	£	%
Easter Fayre Market	Structure			
	MM's	115.00	120.00	4.3%
St Nick's Fayre	DY	75.00	80.00	6.7%
	Parliament Street			
	4.5m Chalet	187.50	197.00	5.0%
	3m Chalet	162.50	170.00	4.6%
	DY	144.50	152.00	5.2%
Coppergate	MM's	100.00	105.00	5.0%
	Guildhall	630.00	660.00	4.8%
York Festival Fayre	4.5m Chalet	168.00	177.00	5.3%
	3m Chalet	120.00	126.00	5.0%
Specialist Market events	Farmers & Misc others	various	various	
	3rd Parties			

Under the Market rules and regulations the Senior Market Officer has discretion to offer reduced rates to attract new stall-holders and to encourage existing stall-holders to occupy adjacent vacant stalls

TRANSPORT	2013/14	1st April 2014	
	Charge (exc VAT) £	Proposed Charge (exc VAT) £	Increase over 13/14 £
Bus Stop			
Installation & removal of temporary bus stop	92.40	92.40	0.00
Removal of permanent bus stop during work	174.00	174.00	0.00
Damage to bus stop or unauthorised removal	174.00	174.00	0.00
Road Safety			
Local Authority School Children: (cost per child)			
Pre Basic Cycle Training Level 1	3.40	3.40	0.00
Basic Cycle Training Level 2	17.00	17.00	0.00
Advanced Cycle Training Level 3	8.40	8.40	0.00
Adults (cost per person):			
1:1 adult training (first hour)	19.00	19.00	0.00
1:1 adult training (90 minutes)	24.00	24.00	0.00
Pedestrian Training:			
School training by class (2 x 1.5hr class)	27.00	27.00	0.00
External Trainer Training (cost per person)	400.00	400.00	0.00
Replacement charge for YOzone card	5.00	7.50	2.50
Highways Adoption Fees	8% of scheme costs	8% of scheme costs	n/a
Checking Developers Plans	£500 + 2% of estimated works	£500 + 2% of estimated works	n/a
Scaffold & Hoarding licences			
Initial consent and 1 month permission	79.00	83.00	4.00
Each additional month or part thereof	52.00	55.00	3.00
Late notification fee (less than 5 working days)	16.00	17.00	1.00
Failure to comply with terms of licence	16.00	17.00	1.00
Skip/ Container/ Building Materials licence for 14 days	32.00	34.00	2.00
Late notification fee (less than 3 working days)	16.00	17.00	1.00
Failure to comply with terms of licence	16.00	17.00	1.00
Additional fee for dealing with unlicensed skips/ scaffolding	52.00	55.00	3.00
Cherry picker licence - up to 1 day	63.00	66.00	3.00
Cherry picker licence - more than 1 day	92.00	97.00	5.00
Vehicle Crossing Fees (Assessment & Inspection Fee)	63.00	66.00	3.00
Road Closures (exc VAT and advertising costs) (Non-Commercial/ Charitable Events may be exempt or reduced, advertising costs will still be chargeable)	420.00	440.00	20.00

TRANSPORT	2013/14	1st April 2014	
	Charge	Proposed Charge	Increase
	(exc VAT) £	(exc VAT) £	over 13/14 £
Temporary Waiting Restrictions (exc cost of work, coning & advertising)	150.00	158.00	8.00
Authority to contravene Moving Traffic Order	20.00	21.00	1.00
Waiver to contravene a Parking Order			
1 day	20.00	21.00	1.00
2 - 7 days	50.00	53.00	3.00
8 - 14 days	100.00	105.00	5.00
Brown Sign Applications			
4 signs or less	315.00	330.00	15.00
5 to 8 signs	367.00	385.00	18.00
9 signs or more	420.00	440.00	20.00
Approval consent for House Builder signs			
4 signs or less	315.00	330.00	15.00
5 to 8 signs	367.00	385.00	18.00
9 signs or more	420.00	440.00	20.00
Pavement Cafe Licences	580.00	610.00	30.00
General Solicitor Highway Enquiries			
Simple	71.00	75.00	4.00
Medium	95.00	100.00	5.00
Complex	192.00	200.00	8.00
NRSWA (Set Nationally)			
Section 50 Licence Administration	250.00	250.00	0.00
Special Permission Inspections	250.00	250.00	0.00
Utility sample fee	50.00	50.00	0.00
Investigatory/ Third Party	68.00	68.00	0.00
Defect Inspections fee	47.50	47.50	0.00
Special Permissions	£750 or 6%	£750 or 6%	n/a

WASTE SERVICES	2013/14	2014/15	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Charges for Replacement Bins/Containers			
180L	35.00	36.75	1.75
240L	40.00	42.00	2.00
360L	45.00	47.00	2.00
Recycling box	5.00	5.50	0.50
Hazel Court - Household Waste Recycling Centre			
Material Charges:			
Brick/rubble up to 500Kg	20.00	21.00	1.00
Brick/rubble up to 250Kg	10.00	11.00	1.00
Bonded Asbestos up to 50Kg	10.00	11.00	1.00
Bonded Asbestos bag	5.00	5.50	0.50
Plasterboard sheet	5.00	5.50	0.50
Plasterboard bag	5.00	5.50	0.50
Gas bottles up to 10Kg	6.00	7.00	1.00
Gas bottles up to 20Kg	10.00	11.00	1.00
Gas bottles specialised	35.00	36.50	1.50
Garden Waste (additional bin collection charge)	35.00	35.00	-

PEST CONTROL & DRAINAGE	2013/14	2014/15	
	Charge (inc VAT if applicable)	Proposed Charge (inc VAT if applicable)	Increase
	£	£	£
Pest Control			
Flat Rate Pest Control call out fee*	69.00	76.00	7.00
Drainage			
Private Blocked Drains	80.00	88.00	8.00
Empty septic tank at domestic property	210.00	231.00	21.00
Empty septic tank at commercial property	290.00	319.00	29.00

* The 14/15 charge will apply to one treatment only.

Building Control

Note : Vat is chargeable at the appropriate rate

SERVICE	2013/14	1st April 2014		
	Current Charge £	Proposed Charge £	Increase £	Increase %
Building Control Letter of confirmation } Completion Certificate: } Approvals }	40.00	42.00	2.00	5.0%

DEVELOPMENT MANAGEMENT FEES & CHARGES**Section A - Advice as to whether permission / consent is required**

Category	Current Fee 2013/14 £	Proposed 2014/15 £	Increase £	Increase %
Householder Enquiry (ie house extensions, garages/sheds, etc)	58.00	60.00	2.00	3.45
Other Commercial Development (to establish if "development" or whether "permitted development" or not	58.00	60.00	2.00	3.45

Section B - Advice in relation to the prospects of permission / consent being granted**Category - Minor Development**

Proposed Development Type	Current Fee 2013/14 £	Proposed 2014/15 £	Increase £	Increase %
Householder	58.00	60.00	2.00	3.4
Advertisements	58.00	60.00	2.00	3.4
Commercial (where no new floorspace)	84.00	88.00	4.00	4.8
Change of Use	84.00	88.00	4.00	4.8
Telecommunications	115.00	120.00	5.00	4.3
Other (See note 3)	115.00	120.00	5.00	4.3
Small Scale Commercial Development (Incl shops offices, other commercial uses)				
* Upto 500m2	294.00	309.00	15.00	5.1
* 500-999m2	583.00	612.00	29.00	5.0
Small Scale Residential				
* 1 Dwelling	115.00	120.00	5.00	4.3
* 2-3 Dwellings	294.00	309.00	15.00	5.1
* 4-9 Dwellings	583.00	612.00	29.00	5.0

Note 1 - All Fees are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

Note 3 - Includes all other minor development proposals not falling within any of the categories such as variation or

Category - Major Developments

Proposed Development Type	Current Fee 2013/14 £	Proposed 2014/15 £	Increase £	Increase %
Major new residential Sliding scale as follows				
* 10-49 Dwellings	1,785.00	1,875.00	90.00	5.0
* 50-199 Dwellings	2,445.00	2,565.00	120.00	4.9
Small Scale Commercial Development (inc shops, offices, other commercial uses)				
* 1,000 m2 to 3,000m2	1,785.00	1,875.00	90.00	5.0

Note 1 - All Fees are subject to VAT

Note 2 - With site visit and meeting if Development Management Officer considered to be required

DEVELOPMENT MANAGEMENT FEES & CHARGES**Category - Very Large Scale Developments**

Proposed Development Type	Current Fee 2013/14 £	Proposed 2014/15 £	Increase £	Increase %
<ul style="list-style-type: none"> * Single use or mixed use developments involving sites of 1.5 ha or above * Development of over 200 dwellings * Development of over 3,000m2 of commercial floorspace * Planning briefs / Masterplans 	Fee to be negotiated with a minimum fee of £3340	Fee to be negotiated with a minimum fee of £3340		

Note 1 - All Fees are subject to VAT

Note 4 - With multiple meetings including a lead officer together with Development Management case officer and

Note 5 - The fee for pre-application advise expected to be not less than 20% of anticipated planning fee for a full

Exemptions

Advice sought in the following categories is free

- * Where the enquiry is made by a Parish Council or Town Council
- * Where the development is for a specific accommodation/facilities for a registered disabled
- * Advice on how to submit a planning application
- * Enquiries relating to Planning Enforcement

Proposed Parking Tariffs from April 2014

a) Off-Street Car Parks

Note				Daytime Charges (0800 - 18:00)						Evening	24 hour	
				< 30 Mins	Upto 1 hr	1-2 Hours	2-3 Hours	3-4 Hours	4-5 Hours	Over 5 hours	6.00pm to 08.00am	Charge using mobile phone
Short Stay	1	Discounted	Mob Phone	N/A	£2.10	£4.20	£6.30	£8.40	£10.50	£2.10 per addnl hour	free	
		Standard		N/A	£2.30	£4.60	£6.90	£9.20	£11.50	£2.30 per addnl hour	£2.00	
		Standard		N/A	£2.20	£4.40	£6.60	£8.80	£11.00	£2.20 per addnl hour	£2.00	
Standard Stay	2	Discounted	Mob Phone	N/A	£1.50	£3.00	£4.50	£6.00	£7.50	£11.50	free	£11.50
		Standard		N/A	£2.00	£4.00	£6.00	£8.00	£10.00	£11.50	£2.00	£11.50
		Standard		N/A	£1.90	£3.80	£5.70	£7.60	£9.50	£11.50	£2.00	£11.50
Foss Bank	3			£1.00 per hour								
			Mob Phone	90p per hour								
Bishopthorpe Rd	3			N/A	£0.30	£0.60	£1.00	Maximum stay of 3 hours			free	
East Parade	3			£0.30	£0.60	£4.00	£6.00	Parking for over 2 hours is only allowed after		free		

Note 1 - Bootham Row, Esplanade, Castle and Piccadilly (Piccadilly closes at 6:30pm and so there is no evening charge), St Leonard's Place (Weekend and Bank Holidays)

Note 2 - Castle Mills, Haymarket, Marygate, Monk Bar, Nunnery Lane, Peel Street, St. Georges, Union Terrace. The £11.50 (over 5 hours fee) allows parking until 8am the next day.

Castle Mills closes at 8:30pm and charges only apply till 8:00pm. Peel Street - charges only apply on Mon - Sat from 8:30 - 18:00, Sunday is free before 12:00.

Note 3 - There are no discounts or evening charges at Foss Bank, Bishopthorpe Road or East Parade. The charges only apply until 18:00 except at Foss Bank where they apply until 20:00.

b) Coach Parking

	Summer (1/4/14 - 31/10/14)			Winter (1/11/13 - 31/3/14)	
	<1 Hour	<3 Hours	Over 3 hrs	<1 Hour	Over 1 Hr
Union Terrace and St George's Field Coach Parks	£5.80	£8.90	£12.60	£5.80	£8.90

c) On Street Parking

				Daytime Charges				Evening	Streets Included
				< 30mins	<1 Hour	1-2 Hours	2-3 Hours	6.00pm to 08.00am	
Standard Rate	4	Discounted		N/A	£2.00	£4.00	£6.00	free	Carmelite St, Dundas Street, Lawrence Street, Lord Mayor's Walk, North Street, Palmer Lane, Piccadilly, Skeldergate, Tanner's Moat, Toft Green, Walmgate.
		Standard		N/A	£2.00	£4.00	£6.00	£2.00	
Micklegate	4 & 5	Discounted		£0.30	£0.60	£4.00	£6.00	free	
		Standard		£0.30	£0.60	£4.00	£6.00	£2.00	
Priory Street	4 & 5	Discounted		N/A	£2.00	£4.00	£6.00	free	
		Standard		N/A	£2.00	£4.00	£6.00	£2.00	
City Centre Footstreets		Discounted						free	Fossgate, Piccadilly, St Deny's Road, The Stonebow, Walmgate.
		Standard						£2.00	
Respark Shared Use Areas		Non-Permit Holders		N/A	£0.80			Charges Apply 8am - 8pm	Bishophill Senior, Clifton, Cromwell Rd, Cumberland St, Garden St, George St, Huntington Rd, Lawrence St, Lead Mill Lane, Lower Friargate, Lower Priory St, Lowther St, Margaret St, Marygate, Park Grove, Penleys Grove St, Queen Anne's Rd, The Crescent, The Mount, Townend St, Union Terrace, Walmgate.

Note 4 - There is no discount available on-street except that parking after 6pm is free at discounted rate. Parking for over 2 Hours is only allowed after 3pm

Note 5 - No charges on Sundays between 8am and 1pm in Micklegate and Priory Street

d) On-Street Parking for large vehicles

	< 2 Hours	2- 5 Hours	5-12 Hrs	Market Traders with Permit
Foss Islands Road	£3.70	£5.80	£9.00	£2.00

FEES AND CHARGES 2014/15**PARKING SERVICES - SCHEDULE OF SEASON TICKET CHARGES**

		2013/14 Current Charge £	Proposed Charge £	Increase %
Annual Season Ticket	Standard rate	995.00	995.00	0.00%
	Discount vehicle rate	497.50	497.50	0.00%
Monthly Season Tickets				
Standard Stay car parks	Standard rate	130.00	130.00	0.00%
	Discount vehicle rate	55.00	55.00	0.00%
Weekly Season Tickets				
Preferential phone rate only				
Standard Stay car parks	Standard rate	52.50	52.50	0.00%
	Discount vehicle rate	22.00	22.00	0.00%
Contract Parking (Bulk) *				
Foss Bank - Annual		360.00	360.00	0.00%
Contract Parking (City Centre Resident 24 hour)				
Foss Bank - Monthly	Standard rate	74.00	74.00	0.00%
	Discount vehicle rate	34.00	34.00	0.00%
Foss Bank - Annual	Standard rate	770.00	770.00	0.00%
	Discount vehicle rate	357.00	357.00	0.00%
Surface - Monthly	Standard rate	68.00	68.00	0.00%
	Discount vehicle rate	29.00	29.00	0.00%
Surface - Annual	Standard rate	756.00	756.00	0.00%
	Discount vehicle rate	315.00	315.00	0.00%
Frequent User Pass				
Non-Resident - Annual	Standard rate	132.00	132.00	0.00%
	Discount Rate	66.00	66.00	0.00%
Non Resident - Quarter	Standard rate	44.00	44.00	0.00%
	Discount Rate	16.50	16.50	0.00%
Resident - Quarter	Standard rate	23.00	23.00	0.00%
	Discount Rate	11.50	11.50	0.00%

Note

Discount vehicle rate means a vehicle 2.7m or less in length OR a low emission vehicle within the DVLA defined BAND A, B or C

* ie 10 or more purchased at the same time

FEES AND CHARGES SCHEDULE 2014/15 - Parking Services

PARKING SERVICES		2013/14	2013/14	2013/14	2014/15		2014/15		2014/15	
		Standard Charge	Discounted Rate*	Premium Rate**	Standard Charge		Discounted Rate*		Premium Rate**	
		Charge £	Charge £	Charge £	Proposed Charge £	% Increase %	Proposed Charge £	% Increase %	Proposed Charge £	% Increase %
Note : Vat is chargeable at the appropriate rate										
Household Permit	-Standard *	93.00	46.50	125.00	93.00	0.0%	46.50	0.0%	130.00	4.0%
	Quarterly charge *	29.00	14.50	38.00	29.00	0.0%	14.50	0.0%	40.00	5.3%
	-Second	157.50			165.00	4.8%				
	Quarterly charge	50.00			52.50	5.0%				
	-Third	315.00			330.00	4.8%				
	Quarterly charge	87.50			92.00	5.1%				
	-Fourth	630.00			660.00	4.8%				
	Quarterly charge	170.00			178.00	4.7%				
Visitor	-Standard	1.00			1.10	10.0%				
	-Concessionary	0.25			0.30	20.0%				
Special Control Permit	-Standard *	100.00	50.00	125.00	105.00	5.0%	52.50	5.0%	130.00	4.0%
	Quarterly charge *	30.00	15.00	38.00	31.50	5.0%	16.00	6.7%	40.00	5.3%
Special Additional Permit	-Standard *	100.00	50.00	125.00	105.00	5.0%	52.50	5.0%	130.00	4.0%
	Quarterly charge	30.00	15.00	38.00	31.50	5.0%	16.00	6.7%	40.00	5.3%
Business Permit *		380.00	190.00		400.00	5.3%	200.00	5.3%		
Guest House Authorisation Card		380.00			400.00	5.3%				
Multiple Occupancy Permit *		147.00	73.50		154.00	4.8%	77.00	4.8%		
Landlord's Permit *		147.00	73.50		154.00	4.8%	77.00	4.8%		
Community Permit *		49.00	24.50		51.50	5.1%	26.00	6.1%		
Day use Community Permit	- Standard	1.20			1.25	4.2%				
	- Charities	0.30			0.30	0.0%				
Authorisation Card without Permit		2.75			2.90	5.5%				
Property Renovation Permit	- Quarterly *	105.00	52.50		110.00	4.8%	55.00	4.8%		
	- Daily *	2.65	1.30		2.80	5.7%	1.40	7.7%		
Commercial Permit *		525.00	262.50		550.00	4.8%	275.00	4.8%		
Commercial Permit (Specific Zone) *		137.00	68.50		144.00	5.1%	72.00	5.1%		
Penalty Charge Notice (PCN) Full (Higher/ Lower)		70.00/ 50.00			70.00/ 50.00	0.0%				
PCN Discounted (Higher/ Lower)		35.00/ 25.00			35.00/ 25.00	0.0%				
PCN Enforced (Higher/ Lower)		105.00/ 75.00			105.00/ 75.00	0.0%				
Vehicle Removal Charge		105.00			105.00	0.0%				
Vehicle Storage Charge	Daily	12.00			12.00	0.0%				
Vehicle Disposal Charge		25.00			25.00	0.0%				
Admin Fee		50.00			50.00	0.0%				
Replacement Permit Respark	First Replacement	Amount remaining on Permit			Amount remaining on Permit					
	Second Replacement	157.50			165.00	4.8%				
	- Concessionary	52.50			55.00	4.8%				
Regular User Discount Permit (New Charge)					20.00	New				

* discount available for vehicles 2.7m or less in length or a low emission vehicle within DVLA defined Band A, B or C.

** additional charge for high emission vehicles within DVLA band J,K,L or M.

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BUDGET 2013/14 £'000		BUDGET 2014/15 £'000
	Expenditure:	
	Repairs & Maintenance	
5,046	Jobs General	5,096
878	Projects	878
257	Estate Improvements	257
101	Decoration Allowance	101
30	Rechargeable Repairs	30
<u>6,312</u>		<u>6,362</u>
	General Management	
71	Tenant Support and Information	71
2,498	Recharges	2,523
103	AD Housing and Public Protection	104
1,921	Landlord Services	1,940
983	Building Services	993
31	HRA Training	31
<u>5,607</u>		<u>5,662</u>
	Special Services	
743	Sheltered Housing	750
92	Energy Costs	100
640	Temporary Accommodation	640
379	Grounds Maintenance	382
251	Caretaking Costs	254
20	Cleaning Costs	22
41	Lifts	41
6	Communal Aerials	6
6	Contribution to Energy Efficiency	6
<u>2,178</u>		<u>2,201</u>
	Rents etc.	
5	Rent & Rates	6
209	Insurance	209
1	RTB Legal Fees	1
<u>215</u>		<u>216</u>
	Provision for Bad and Doubtful Debts	
479	Council Housing	479
<u>479</u>		<u>479</u>
	Capital Charges	
8,225	Depreciation	8,225
50	Debt Management	50
<u>8,275</u>		<u>8,275</u>
<u><u>23,066</u></u>	TOTAL EXPENDITURE	<u><u>23,195</u></u>

BUDGET
2013/14**Income:**

Rents

-30,530	Council Housing	-31,936
<u>-386</u>	Temporary Accommodation	<u>-405</u>
-30,916		-32,341
Non Dwellings Rents		
-318	Council Garages	-334
-251	Council Shops	-251
<u>-38</u>	General Rents	<u>-38</u>
-607		-623
Charges for Services and Facilities		
-7	Fees & Charges - Council Housing	-7
-85	- Legal Fees	-85
-85	- RSL management fee	-85
-528	- Sheltered Housing	-617
-2	- Temporary Accommodation	-2
-35	Cookers	-30
<u>-90</u>	Leaseholder Admin Charge	<u>-90</u>
-832		-916
Contribution Towards Expenditure		
-12	- Sheltered Housing	-12
<u>-25</u>	- Rechargeable Repairs	<u>-25</u>
-37		-37
Supporting People Income		
<u>-339</u>	- Temporary Accommodation	<u>-339</u>
-339		-339
Transfer from General Fund		
<u>-3</u>	Amenities Shared by the Whole Community	<u>-3</u>
-3		-3
<u>-32,734</u>	TOTAL INCOME	<u>-34,259</u>
<u>-9,668</u>	NET COST OF SERVICE	<u>-11,064</u>
4,620	Loan Interest Paid	4,620
-1	Mortgage Interest	-1
-160	Revenue Cash Interest Received	-160
2,152	Capital Expenditure financed from Revenue	3,212
-795	Contribution to/(from) MRR	-795
4,500	Contribution to/(from) Earmarked Reserves	3,500
<u>648</u>	(SURPLUS) / DEFICIT IN YEAR	<u>-688</u>
-12,730	(SURPLUS) / DEFICIT BROUGHT FORWARD	-12,470
648	(SURPLUS) / DEFICIT IN YEAR	-688
-12,082	(SURPLUS) / DEFICIT CARRIED FORWARD	-13,158

Dedicated Schools Grant (DSG) and the Schools Budget

- 1 The DSG is ring-fenced for funding the provision of education for pupils in schools (maintained, PRUs, PVI nurseries or externally purchased places). As such it covers funding delegated to individual LA maintained schools, academies and PVI providers through the LMS & Early Years Funding Formula, plus funding for other pupil provision which is retained centrally by the LA (e.g. SEN, PRUs, Behaviour Support, Home & Hospital Tuition, School Contingencies etc.). It is distributed according to a formula that guarantees a minimum per pupil increase for each LA (0% in 2014/15).
- 2 The council itself cannot use the DSG for any purpose other than schools block funding, although with the permission of the York Education Partnership Board limited contributions are being made to the following areas:
 - Combined budgets supporting Every Child Matters objectives where there is a clear educational benefit.
 - Prudential Borrowing, where overall net savings to the Schools Budget have been demonstrated.
 - Some SEN transport costs, again only where there is a net Schools Budget saving.
- 3 There are also strict limits (Central Expenditure Limits) on the amount of the DSG that the council can retain centrally to either fund pupil costs outside of mainstream schools, or use to provide targeted allocations during the financial year to maintained schools. The funding reform changes for 2014/15 have further tightened these regulations, significantly reducing flexibility.
- 4 To some degree the government has attempted to protect schools from the full effect of their spending reductions when compared to other parts of the public sector, and the remainder of local government services in particular. The key features of the Schools Settlement for 2014/15 are:
 - Another one-year only settlement for 2014/15.
 - Further changes to the system of allocating funding to schools and other providers for both mainstream and high needs pupils.
 - A continued flat cash per pupil allocation for all of the LA's core school

funding.

- Increased funding through the pupil premium for disadvantage.
- Increased funding for 2 year old nursery provision for disadvantaged pupils.

Schools Budget Projection for 2014/15

- 5 A summary of the overall schools budget position is shown in Table 1 below. A full report on the schools budget and funding for schools has been prepared for the York Education Partnership Board (YEPB) on 04 February (the YEPB undertakes the statutory responsibilities of the Schools Forum in York in relation to school finances). The YEPB report can be provided to any Member on request and provides further explanations of the figures set out in Table 1.

Table 1: Schools Budget Projection for 2014/15

	£000
2013/14 Approved Budget	119,008
Provision for Pay Increases	+ 46
LA Centrally Retained Budget Efficiencies	- 50
LMS Funding Formula Requirements	+ 40
2 Year Old Nursery Provision	+ 457
High Needs SEN & Alternative Provision	+ 986
Carbon Reduction Commitment	- 125
Pupil Premium for Disadvantage	+ 1,176
2014/15 Budget Projection	121,538
Funding Available:	
Dedicated Schools Grant	111,530
EFA Post 16 Grants	5,174
Pupil Premium	4,884
DSG Deficit b/f from 2013/14	- 50
Total Estimated Available Funding	121,538

Funding Available within the DSG

- 6 The funding available includes the estimated 2014/15 DSG allocation of £111,530k, the existing allocation of funding for post 16 pupils from the EFA of £5,174k, the estimated level of the pupil premium for York schools of £4,884k and reduced by an estimated £50k deficit balance carry forward of DSG from 2013/14. Table 2 sets out the latest estimate of the DSG for 2014/15.

Table 2 – DSG Funding 2014/15

	2014/15
Early Years Pupil Numbers	1,651
DSG Per Early Years Pupil	£3,443.79
Early Years Allocation	£5.686m
5-16 Year Old Pupil Numbers	21,409
DSG Per 5-16 Pupil	£4,209.24
5-16 Year Old Allocation	£90.116m
High Needs Allocation	£14.250m
2 Year Old Childcare Allocation	£1.593m
NQT Induction Transfer	£0.032m
Carbon Reduction Commitment	(£0.146m)
DSG Total for 2014/15	£111.530m

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2014/15 Budget Consultation Summary

During November/December 2013 public meetings were held in each ward to get feedback and ideas from the public on how the budget should be spent. In addition there were meetings at Hazel Court and West Offices to consult with staff, and York CVS was consulted, as was Copmanthorpe Parish Council. Three sessions were held in supermarkets and the equalities group was also consulted. Each meeting was attended by senior council officers to answer any questions from the public. Residents could also respond online (via the website) and on forms available in the Customer Centre.

Residents were asked to consider four questions:

- 1) What are the most important issues to you? E.g. Clean streets, schools, healthcare
- 2) What should the council continue funding?
- 3) What should the council do differently to reduce costs and save money?
- 4) Where do you think communities and residents could play a greater part in supporting their local area and city?

Over 1,850 responses were received. Answers were anonymous, but residents were asked to give the ward in which they live. Responses are published on the website.

What are the most important issues to you? E.g. clean streets, schools, healthcare

- a) A very high-scoring service was health care, specifically for older residents, and also that there should be more emphasis on preventative healthcare.
- b) Many residents felt that education should be a high priority so that all children and young people could reach their full potential.

- c) Residents were also concerned about public transport, especially to and from work. There were suggestions about opening railway stations in Strensall, Haxby and at York Hospital as well as improving train services to Harrogate and Poppleton. Some respondents specifically mentioned improving rural bus services; others wanted using the bus service to be made more attractive to encourage more residents to use it.
- d) Sustainable transport is a high-priority for many residents
- e) A popular answer here was also adult social services, especially care for the elderly. Several respondents asked for more help for elderly residents to stay in their own homes but elderly people's homes were also a priority.
- f) Although not rated as highly as health care, clean streets were also a priority for many residents. One or two residents mentioned specific streets, but most referred to clean streets in general, with litter and leaf removal a priority.

What should the council continue funding?

- a) The highest number of responses asked for continued funding for health, elderly and disabled care. Several residents specifically mentioned care for those with mental health problems or learning difficulties. Again, support to keep residents living in their own homes is a priority for many.
- b) Road maintenance, including gritting and the provision of salt bins was a priority for continued spend. General road maintenance was also listed as important; some called for particular roads to be repaired but most called for all roads to be maintained in a good state of repair.
- c) Children's social care and childcare were also priorities for many residents. Some residents paired this with adult/elderly social care. Youth clubs and other activities for children were seen as an important service.
- d) Again, provision of affordable and reliable public transport was seen as important, with services for rural areas getting several mentions. Residents mentioned the potential for increasing evening bus services, leading to less people using their cars to come into the city.

e) Clean and litter-free streets were mentioned again in response to this question. Many residents asked for more say in where litter bins were placed, whilst others specifically mentioned dog-fouling and asked for more measures to stop this from happening.

a) What should the council do differently to reduce costs and save money?

a) The “20’s Plenty” scheme is not seen as a priority except in some specific areas, for example around schools, parks, shopping areas and accident black spots.

b) Residents asked for the collections to be stopped at a slightly later time in the year. There are also calls for help and information about composting.

c) Bus services are once again a popular point. Residents would like to see more rural services, more frequent buses, and there are several suggestions that smaller, more frequent buses might be more cost-effective. Some residents felt that the bus travel subsidy should be removed; whilst others wanted the free bus passes to be replaced by passes requiring a small payment (e.g. 20p per journey).

d) Residents, particularly in urban wards, felt that the council should be giving more support to voluntary groups, including assured funding for the CVS to facilitate volunteering. It was also suggested that the council should have a database to support community activity. By doing this it could save money.

b) Where do you think communities and residents could play a greater part in supporting their local area and city?

a) The most popular suggestion here was that residents could be more involved with litter-picking and keeping streets clean and tidy. Some suggested that residents and shops should be responsible for keeping the fronts of their properties litter- and snow-free. There was also a suggestion that residents could be responsible for cleaning street furniture, bus stops etc.

b) There were several suggestions that residents could help by recycling more and thereby reducing the landfill costs. It was mentioned though that the council needs to ensure that there are adequate facilities to make it easier. There were also calls for

more help with composting to reduce the amount of kitchen waste going to landfill.

- c) Volunteering in care homes and youth clubs was suggested as a way in which residents could become more involved in their communities. Some residents suggested that the more able-bodied could support elderly residents in their own homes by helping with shopping etc whilst others suggested that volunteers could help to run youth clubs.
- d) The snow warden scheme is already a success and there have been several suggestions that residents should join the scheme as a way of helping the community. There were some suggestions that residents should be responsible for clearing snow from in front of their homes and businesses as is done in other countries.
- e) There were several suggestions that residents could help to reduce crime. Mainly the suggestions were that residents could join neighbourhood watch schemes, but there were more general suggestions that residents could help to reduce anti-social behaviour and improve community safety.

RISK ASSESSMENT

Risk	Likelihood	Seriousness	How we will manage the risk
Financial implications of business rates system, e.g. significant backdated appeals, are not as forecast in the budget strategy	Low	Medium	<ul style="list-style-type: none"> regular monitoring
Adverse changes in the numbers of claimants receiving Council Tax Support	Medium	Medium	<ul style="list-style-type: none"> regular monitoring to identify trends, with corrective action to ensure collection
Budgets across the Council are overspent due to external pressures eg increased clients in adult care	Medium	High	<ul style="list-style-type: none"> regular monitoring with corrective action
All Savings are not achieved, or delayed, due to reduced management and support services capacity to deliver	High	High	<ul style="list-style-type: none"> regular budget monitoring focused on high risk areas to identify issues at an early stage where savings are not achieved ensure alternative savings identified regular monitoring with corrective action at DMTs effective project management
Service reviews do not deliver all required savings	High	Medium	<ul style="list-style-type: none"> regular monitoring with corrective action at DMTs robust tracking of all savings across the council effective project management
Continued pressure on income budgets	Medium	Medium	<ul style="list-style-type: none"> Regular budget monitoring to identify trends
Savings that are subject	Medium	Medium	<ul style="list-style-type: none"> regular progress monitoring at DMTs

to further reviews may not be fully delivered in 2015/16			<ul style="list-style-type: none"> • effective project management • consideration of alternative short / medium term savings options if required
Potential for reserves to go below minimum levels due to budgets being exceeded	Low	High	<ul style="list-style-type: none"> • Ensure minimum levels are maintained • Robust financial management/prudent budget setting
Costs of redundancy/retirement as a result of service changes exceed budget	Low	Medium	<ul style="list-style-type: none"> • Provision made for costs of retirement/redundancy in budgets

Background Information

Council Tax Freeze Grant Offers

The table below shows the history of Council Tax Freeze grant offers from government including offer, the value, the period of time it was offered and therefore when it would fall out of the funding system.

	Offer	Value (£k)	Period	Falls Out	Action
2011/12	2.50%	1,828	Now Baselined*		Accepted
2012/13	2.50%	1,830	1 yr	2013/14	Rejected
2013/14	1.00%	763	Now Baselined**		Rejected
2014/15	1.00%	779	Promised to be Baselined		Considered in this report

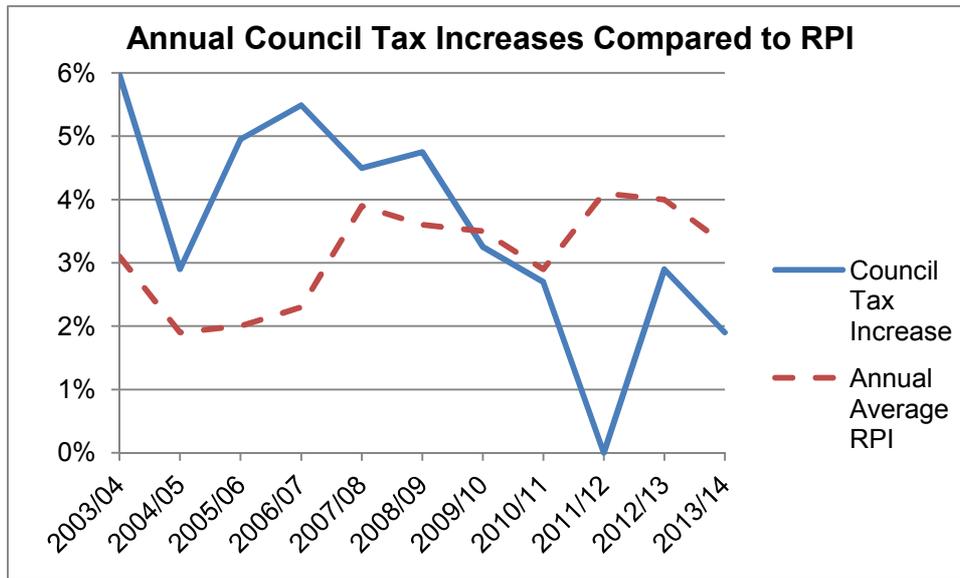
* Original offer was four years falling out in 2015/16

** Original offer was two years falling out in 2015/16

Historic Council Tax Levels

The following table shows the historic Council Tax increases for the council since 2003/04.

Year	Council Tax Increase	Annual Average RPI
2013/14	1.90%	3.3%
2012/13	2.90%	4.0%
2011/12	0.00%	4.1%
2010/11	2.70%	2.9%
2009/10	3.25%	3.5%
2008/09	4.75%	3.6%
2007/08	4.50%	3.9%
2006/07	5.49%	2.3%
2005/06	4.95%	2.0%
2004/05	2.90%	1.9%
2003/04	5.97%	3.1%

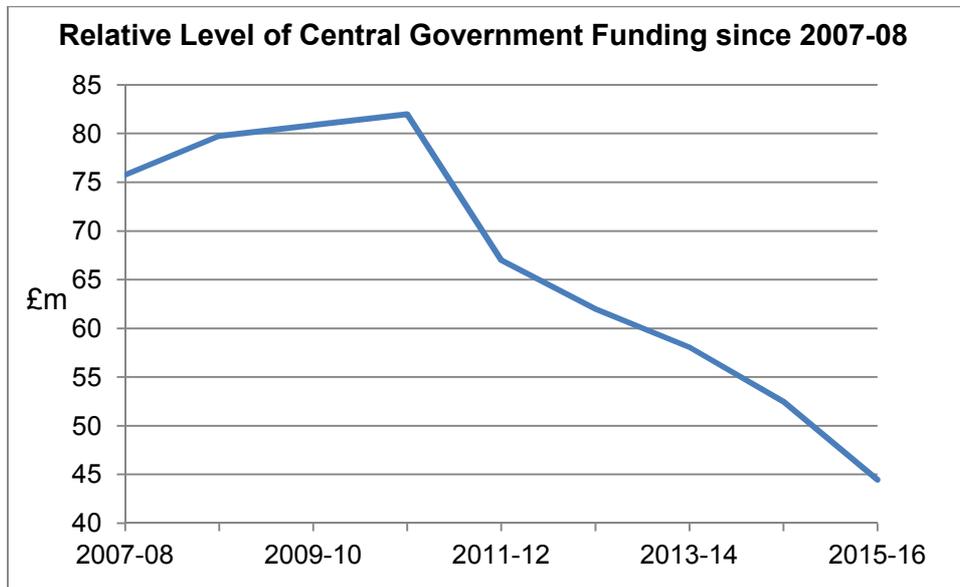


Historic Grant Increases/Reductions

The following table shows historic grant increases (+) or reductions (-) since 2007/08. It should be noted that in 2011/12, the council received a further reduction in specific grants of £5,729k taking the total loss in grants that year to £14,950k.

	Formula Grant Changes (£k)
2015/16*	-8,000
2014/15	-5,657
2013/14	-3,907
2012/13	-5,040
2011/12	-9,221
2010/11	1,090
2009/10	1,114
2008/09	4,023
2007/08	1,192

* Provisional

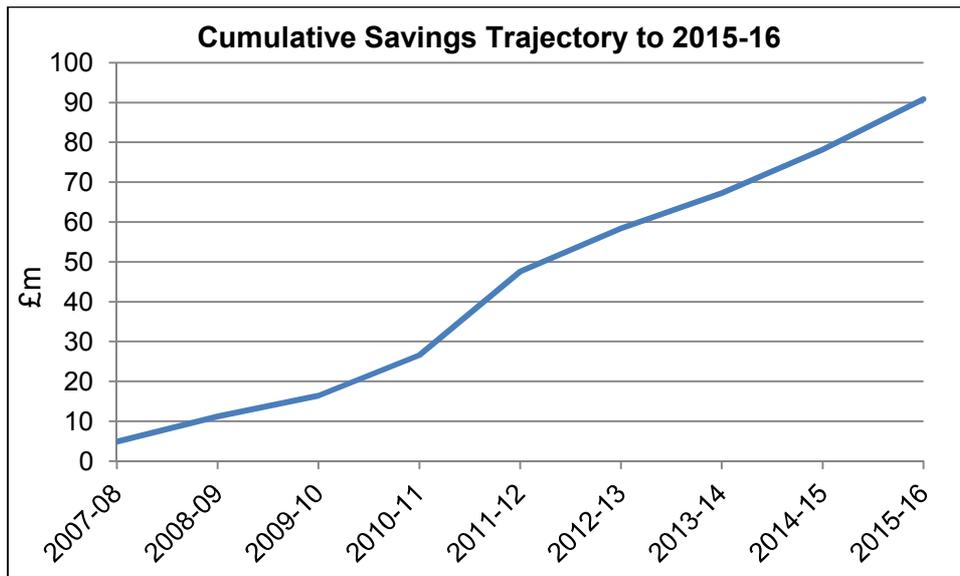


Historic Budget Savings

The following table shows historic budget savings since 2007/08.

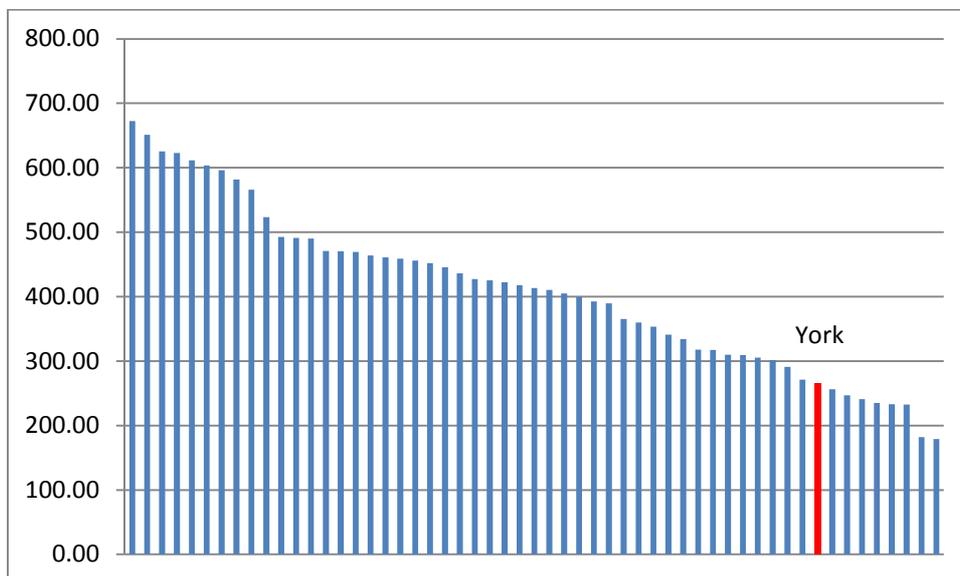
	Budget Savings (£k's)
2015/16*	12,655
2014/15	10,743
2013/14	8,821
2012/13	10,745
2011/12	21,036
2010/11	10,180
2009/10	5,228
2008/09	6,293
2007/08	4,879

* Provisional



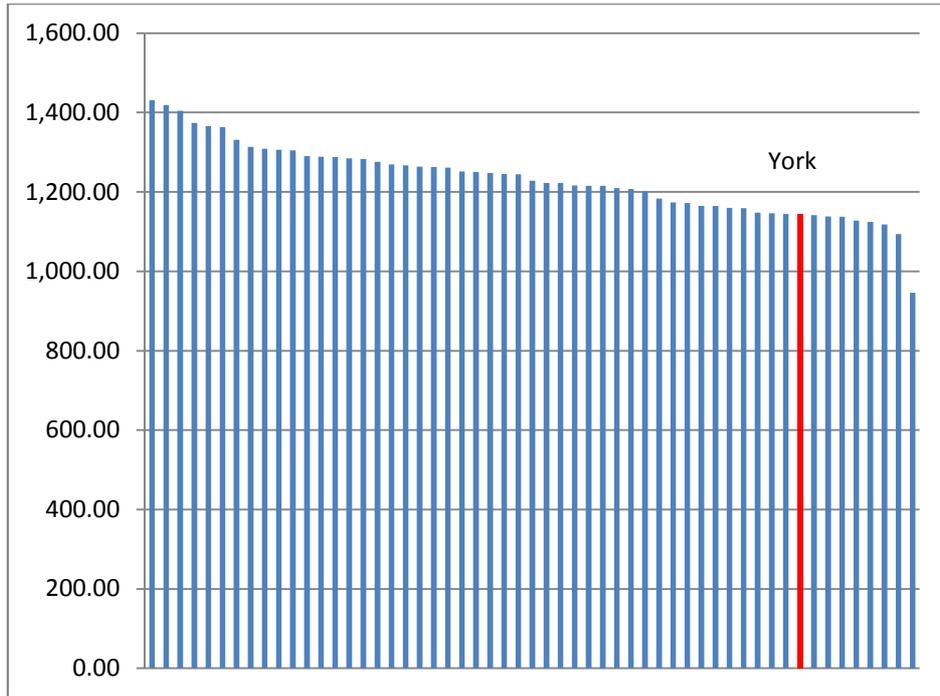
2014/15 Start Up Assessment Per Head

The following graph shows York as the 9th lowest Start Up Funding Assessment per head of population in comparison to other unitary authorities. This uses the allocations and population data as per the 2014/15 announcement.



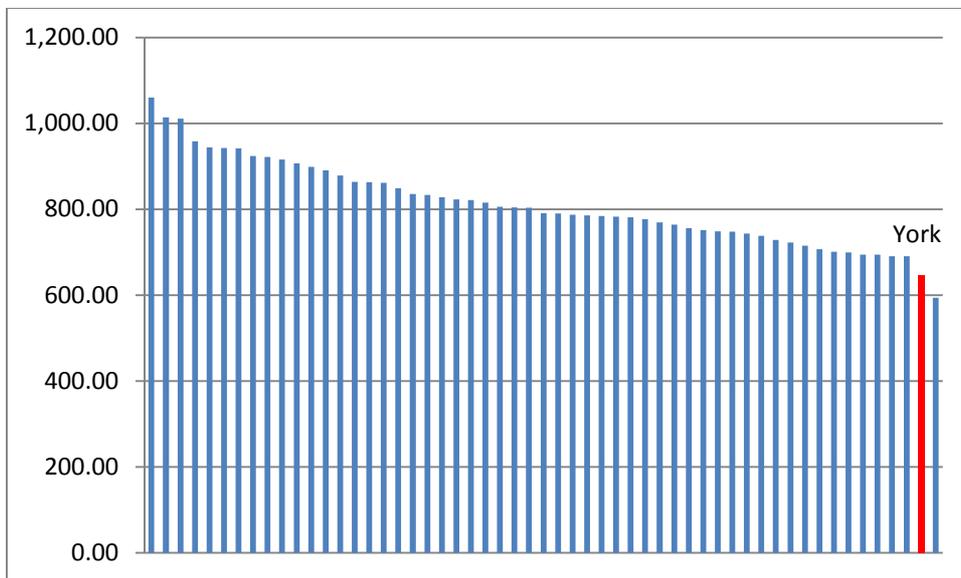
2013/14 Basic Band D Council Tax

The following graph shows York has the 9th lowest basic Band D Council Tax in comparison to other unitary authorities. This uses the approved 2013/14 levels.



2013/14 Net Budget Spend Per Head

The following graph shows York has the 2nd lowest net budget spend per head in comparison to other unitary authorities. This uses the approved 2013/14 levels.



Data Tables

The following pages provide the supporting detail for the graphs and provides the most up to date information where possible, i.e. population data.

2014/15 Start Up Funding Assessment (SUFA) Per Head

		<u>2014/15</u>	<u>SUFA/Hd</u>	
	<u>Population</u>	<u>SUFA</u>	<u>(£)</u>	<u>Rank</u>
		<u>(£k)</u>		
Blackpool	142,100	95,561	672.49	1
Middlesbrough	138,400	90,088	650.93	2
Kingston upon Hull	256,100	160,115	625.20	3
Nottingham	303,900	189,278	622.83	4
Hartlepool	92,100	56,326	611.57	5
Leicester	329,600	198,892	603.44	6
Blackburn with Darwen	147,700	88,033	596.03	7
Stoke-on-Trent	248,700	144,707	581.85	8
Halton	125,700	71,142	565.97	9
Redcar and Cleveland	135,200	70,746	523.27	10
North East Lincolnshire	159,700	78,702	492.81	11
Durham	513,000	252,085	491.39	12
Torbay	131,200	64,307	490.15	13
Isle of Wight Council	138,400	65,141	470.67	14
Bristol	428,100	201,312	470.25	15
Luton	203,600	95,543	469.27	16
Portsmouth	205,400	95,276	463.86	17
Southampton	235,900	108,707	460.82	18
Telford and the Wrekin	166,800	76,574	459.07	19
Derby	248,900	113,501	456.01	20
Peterborough	184,500	83,389	451.97	21
Plymouth	256,600	114,322	445.53	22
Northumberland	316,300	137,915	436.02	23
Darlington	105,600	45,131	427.37	24
Brighton & Hove	273,000	116,108	425.30	25
Slough	140,700	59,446	422.50	26
Cornwall	533,800	223,120	417.98	27
Thurrock	158,300	65,429	413.32	28
Bedford	157,800	64,792	410.60	29
Stockton-on-Tees	191,800	77,702	405.12	30
Southend-on-Sea	174,300	69,601	399.32	31
North Lincolnshire	167,500	65,727	392.40	32

Reading	155,300	60,516	389.67	33
Milton Keynes	249,900	91,297	365.33	34
Medway	264,900	95,331	359.87	35
Herefordshire	183,600	64,882	353.39	36
Bournemouth	183,500	62,600	341.14	37
Shropshire	307,100	102,550	333.93	38
Cheshire West & Chester	329,500	104,749	317.90	39
East Riding of Yorkshire	334,700	106,146	317.14	40
North Somerset	203,100	62,940	309.90	41
Swindon	209,700	64,898	309.48	42
Warrington	202,700	61,889	305.32	43
Bracknell Forest	113,700	34,287	301.56	44
South Gloucestershire	263,400	76,717	291.26	45
Bath & North East Somerset	175,500	47,566	271.03	46
York	197,800	52,417	265.00	47
Central Bedfordshire	255,600	65,548	256.45	48
Wiltshire	474,300	117,028	246.74	49
Rutland	37,600	9,064	241.07	50
Poole	148,100	34,790	234.91	51
Cheshire East	370,700	86,484	233.30	52
West Berkshire	154,100	35,816	232.42	53
Wokingham	154,900	28,228	182.23	54
Windsor and Maidenhead	145,100	25,975	179.02	55

**Unitary Authority Band D Council Tax
Figures 2013/14**

	<u>Basic Band D (£)</u>	<u>Rank</u>
Rutland	1,430.51	1
Hartlepool	1,418.70	2
Nottingham	1,404.42	3
Northumberland	1,373.40	4
Bristol	1,365.25	5
Redcar & Cleveland	1,362.96	6
Middlesbrough	1,330.78	7
Reading	1,313.30	8
Central Bedfordshire	1,308.33	9
Blackpool	1,306.00	10
Bedford	1,304.84	11
Isle of Wight	1,289.80	12
Stockton-on-Tees	1,288.18	13
Brighton & Hove	1,287.28	14
North Lincolnshire	1,284.09	15
Durham	1,282.86	16
Cheshire West and Chester	1,275.23	17
Plymouth	1,269.55	18
Blackburn with Darwen	1,266.85	19
West Berkshire	1,263.44	20
Southampton	1,262.79	21
Torbay	1,261.17	22
Leicester	1,251.65	23
Bournemouth	1,249.83	24
North East Lincolnshire	1,247.65	25
South Gloucestershire	1,245.20	26
Cornwall	1,244.41	27
Herefordshire	1,227.99	28
Wokingham	1,222.50	29
Wiltshire	1,222.43	30
Cheshire East	1,216.34	31
East Riding of Yorkshire	1,215.68	32
Darlington	1,215.08	33
Poole	1,209.60	34
Luton	1,206.90	35
Bath & North East Somerset	1,201.85	36

Stoke-on-Trent	1,183.46	37
Slough	1,173.27	38
Portsmouth	1,171.53	39
North Somerset	1,164.88	40
Shropshire	1,164.72	41
Halton	1,159.53	42
Warrington	1,159.14	43
Telford & Wrekin	1,147.49	44
Swindon	1,146.09	45
Derby	1,144.63	46
York	1,143.81	47
Medway	1,141.47	48
Milton Keynes	1,138.04	49
Southend-on-Sea	1,137.42	50
Peterborough	1,128.03	51
Thurrock	1,124.64	52
Kingston upon Hull	1,118.01	53
Bracknell Forest	1,093.95	54
Windsor & Maidenhead	945.78	55

Unitary Authority 2013/14 Spend Per Head

	<u>Population</u>	<u>2013/14 Net Budget (£k)</u>	<u>Spend/ Hd (£)</u>	<u>Rank</u>
Blackpool	142,100	150,617	1,059.94	1
Middlesbrough	138,400	140,294	1,013.68	2
Hartlepool	92,100	93,089	1,010.74	3
Isle of Wight Council	138,400	132,593	958.04	4
Nottingham	303,900	286,855	943.91	5
Redcar and Cleveland	135,200	127,399	942.30	6
Torbay	131,200	123,612	942.16	7
Kingston upon Hull	256,100	236,694	924.22	8
Blackburn with Darwen	147,700	136,168	921.92	9
Halton	125,700	115,114	915.78	10
Leicester	329,600	298,928	906.94	11
Stoke-on-Trent	248,700	223,587	899.02	12
Northumberland	316,300	281,688	890.57	13
Bristol	428,100	376,245	878.87	14
Cornwall	533,800	461,217	864.03	15
Durham	513,000	442,840	863.24	16
Bedford	157,800	135,996	861.83	17
North East Lincolnshire	159,700	135,585	849.00	18
Brighton & Hove	273,000	228,140	835.68	19
Reading	155,300	129,444	833.51	20
Plymouth	256,600	212,561	828.37	21
Herefordshire	183,600	151,057	822.75	22
Southampton	235,900	193,819	821.62	23
Darlington	105,600	86,153	815.84	24
Portsmouth	205,400	165,449	805.50	25
Peterborough	184,500	148,446	804.59	26
Telford and the Wrekin	166,800	134,047	803.64	27
Southend-on-Sea	174,300	137,870	790.99	28
Derby	248,900	196,754	790.49	29
Rutland	37,600	29,611	787.53	30
Stockton-on-Tees	191,800	150,729	785.87	31
Thurrock	158,300	124,131	784.15	32
Luton	203,600	159,368	782.75	33
Cheshire West & Chester	329,500	257,420	781.24	34
North Lincolnshire	167,500	130,063	776.50	35
Slough	140,700	108,275	769.55	36

Bournemouth	183,500	140,208	764.08	37
West Berkshire	154,100	116,559	756.39	38
Shropshire	307,100	230,737	751.34	39
North Somerset	203,100	152,055	748.67	40
Milton Keynes	249,900	186,835	747.64	41
East Riding of Yorkshire	334,700	248,847	743.49	42
Central Bedfordshire	255,600	188,717	738.33	43
Medway	264,900	192,995	728.56	44
Bracknell Forest	113,700	82,166	722.66	45
Wokingham	154,900	110,812	715.38	46
South Gloucestershire	263,400	186,151	706.72	47
Cheshire East	370,700	259,802	700.84	48
Bath & North East Somerset	175,500	122,710	699.20	49
Swindon	209,700	145,588	694.27	50
Wiltshire	474,300	329,173	694.02	51
Poole	148,100	102,274	690.57	52
Warrington	202,700	139,931	690.34	53
York	197,800	127,778	646.00	54
Windsor and Maidenhead	145,100	86,228	594.27	55

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Community Impact Assessment Form (CIA)

The council's vision is to promote **equal life outcomes¹ for everyone** living, working and visiting York, through inclusive design in everything the council does. This is to ensure that no-one is unintentionally excluded in York because of specific personal characteristics. In the council, we call these characteristics "Communities of Interest or Identity" – "Cols" for short.

To help realise the vision, council officers are required by Cabinet to assess the impact of council policies, processes and behaviours on customers and staff from the Communities.

This process was previously called Equality Impact Assessment (EIA). To stress the importance of assessing the impact of everything we do on people from the Communities, starting June 2012, we have renamed the process Community Impact Assessment (CIA).

The assessment **should be done at the development stage** of any policy, review, project, service change etc, **before any decision is taken**. It should also be done every time there are changes to policies and practices, **before the changes are finally agreed** by decision makers.

In addition, the Equality Act 2010 came into force on the 1st October 2010. Under the Act the council has a legal duty to show that our policies, practices etc further the aims below:

- Actively and proactively eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share an identity and those who do not
- Foster good relations between people who share an identity and those who do not.

¹ In health, safety and security, personal freedom and choice, housing, education and lifelong learning, jobs and leisure activities and the infrastructure that supports these outcomes.

In completing **Community Impact Assessments (CIAs)** officers are also required to state how what they are assessing meets and contributes to these aims.

1	Name and Job Title of person completing assessment	Debbie Mitchell
2	Name of service, policy, function or criteria being assessed	Financial Strategy 2014 - 2019
3	What are the main objectives or aims of the service/policy/function/criteria?	The financial strategy sets out the forecast revenue and capital expenditure plans for the council over a 5 year period compared with the projected level of income from grants and council tax. It identifies the need for efficiencies / savings of £11m in 2014/15 and £13m in 2015/16.
4	Date	20th January 2014

Stage 1: Initial Screening	
5	<p>What evidence is available to suggest that the proposed service, policy, function or criteria could have a negative or positive effect on quality of life outcomes² for people (both staff and customers) from the communities? Document the source of evidence in the columns below. You can find evidence via:</p> <ul style="list-style-type: none"> • Data from the Business Intelligence Hub - http://colin.york.gov.uk/beSupported/business_intelligence_hub/ • Council Consultation and Engagement Calendar – contact Sophie Gibson, 551022. • Council consultation - http://colin.york.gov.uk/beSupported/inhouse_services/research_consultation/ • Workplace Wellbeing Survey – contact the Health and Safety team for more info – 554131. CaN results are here: http://colin.york.gov.uk/beConnected/about_CYC/structure/CAN/can_healthwellbeing_results/

² See appendix 1

<ul style="list-style-type: none"> • Staff Equalities Reference Group – See feedback reports here - http://colin.york.gov.uk/beSupported/equalities_inclusion/SERG/ • Equality Advisory Group (a customer group) - http://democracy.york.gov.uk/mgCommitteeDetails.aspx?ID=445 • EIA Fairs Feedback Newsletters - http://colin.york.gov.uk/beSupported/equalities_inclusion/EIAs/consultation_feedback/ • Previous EIAs – see annual EIA lists - http://colin.york.gov.uk/beSupported/equalities_inclusion/EIAs/ 				
Community of Interest/Identity	Source of evidence that there is or is likely to be a negative or positive impact:			
	Staff		Customers/Public	
	Positive	Negative	Positive	Negative
All groups	The Council's financial strategy will impact on all residents and has carefully considered the local demand for services whilst also ensuring the budget set is prudent, protects vulnerable people and has capacity to invest.			
Race	See above	See above	See above	See above
Religion / Spirituality /Belief	See above	See above	See above	See above
Gender	See above	Staff information indicates that where proposals may impact on customers and their carers, some carers will also be council staff and predominantly female.	Customer data shows that a higher proportion of females use social services, therefore proposed investment in this service will have a positive impact.	Customer data shows that a higher proportion of females use social services, therefore adversely affected by any savings in these areas

Disability	Staffing information – proposed investment will have a positive impact on some disabled people and their carers, some of whom will be council staff.	Staffing information - Impact on disabled people may also be felt by their carers, some of whom will be council staff.	Customer data indicates that proposed investment in social services will have a positive impact on some disabled people.	Customer data shows that disabled people are key users of social services. Customer data suggests that disabled on low incomes may be unable to access internet or self serve channels.
Sexual Orientation	See section on all groups above			
Age	See section on all groups above		Older people are key users of social services therefore the proposed investment on this area should have a positive impact on older people.	Older people are key users of social services. Case law suggests there is likely to be a negative impact on older people.
Pregnancy/maternity	The Council's financial strategy will impact on all residents and has carefully considered the local demand for services alongside ensuring the budget set is prudent, protects vulnerable people and has capacity to invest.			
Gender Reassignment				
Marriage and Civil Partnership				

Carers of older and disabled people	Staffing information – proposed investment will have a positive impact on some disabled people and their carers, some of whom will be council staff.	Staffing information - Impact on disabled people may also be felt by their carers, some of whom will be council staff.	Carers are key users of social services therefore the proposed investment on this area should have a positive impact on older people.	Carers are key users of social services. Case law suggests there is likely to be a negative impact on older people.
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If there is **no** evidence the service/policy/function will affect **any of the communities**, please proceed to section 9.

If there **is** evidence the service/policy/function will affect **one or more of the communities**, continue to Stage 2, Full Impact Assessment.

Stage 2: Full Impact Assessment

6	How could different communities be affected by the proposed or reviewed service/policy/function/criteria? Record negative and positive effects below. Expand the boxes to take up as much room as you need. See the 2 EIA Guidance documents on Colin for help about effects to consider.	
A1	Public/customers – positive effects	Proposed investment in Adult Social Services should have a positive impact on some older and disabled people and their carers. Targeted use of school improvement resource will have positive impact on some young people.
A2	Public/customers – negative effects	Some of the budget proposals may have a negative impact on some older and disabled people and their carers. Proposals that increase charges for services or reduce the level of service available will impact on all communities of interest.
B1	Staff – positive effects	Investment in ICT may improve systems and working practices for staff, freeing up more time to spend with customers and on service delivery.
B2	Staff – negative	Service reviews and staffing reductions could

	effects	increase workload in some areas.
7	<p>Can any negative effects be justified? For example:</p> <ul style="list-style-type: none"> ▪ As a proportionate means to achieve a legitimate aim ▪ In support of improving community cohesion ▪ To comply with other legislation or enforcement duties ▪ Taking positive action to address imbalances or under-representation ▪ Because of evidence-based need to target a particular community or group e.g. younger/older people. <p>NB. Lack of financial resources alone is NOT justification!</p>	
<p>Many of the budget proposals focus on delivering efficiencies and transforming services to be more user focussed whilst supporting communities and individual residents. By making these savings it allows for available resources to be targeted to the relevant communities of interest, in particular those individuals who have complex needs.</p> <p>The budget strategy includes proposed investment of £2.5m over a 2 year period into adult social care and continued capital investment in Telecare and other support for disabled people, the elderly and carers.</p>		
8	<p>What changes will you make to the service/policy/function/criteria as result of information in parts 5 & 6 above?</p>	
<p>As overall remedial action the budget strategy will</p> <ul style="list-style-type: none"> • Focus growth where it is expected to have a positive impact on older people, disabled people and their carers. Budget growth of £2.5m over 2 years is included for adult social services. • Protect those who have limited financial means. • Target remaining resources to priority areas. 		
9	<p>What arrangements will you put in place to monitor impact, positive and negative, of the proposed service/policy/function/criteria on individuals from the communities?</p>	
<p>Individual service managers are responsible for implementing the proposals and monitoring the impact. Any impact on equality communities of interest will be reviewed regularly and monitored by Directorate Management Teams.</p>		
10	<p>List below actions you will take to address any unjustified impact and promote equality of outcome (as in appendix 1) for staff, customers and the public from the communities. The action could relate to:</p> <ul style="list-style-type: none"> ▪ Procedures ▪ Service delivery 	

	<ul style="list-style-type: none"> ▪ Training ▪ Improvement projects 		
	Action	Lead	When by?
	Monitor delivery of all savings to ensure no unexpected adverse impact on any equality communities of interest	Cabinet, CMT & Service Managers	Throughout 2014/15
11	Date CIA completed		
<p>Author: Debbie Mitchell Position: Finance Manager Date: 20th January 2014</p>			
12	Signed off by		
<p>I am satisfied that this service/policy/function has been successfully impact assessed. Name: Ian Floyd Position (Head of Service and above) : Director of Customer & Business Support Services Date:</p>			
<p>Please send the completed signed off document to equalities@york.gov.uk. It will be published on COLIN as well as on the council website.</p>			

Appendix 1 - Quality of Life Indicators (also known as “the 10 dimensions of equality”)

Think about the positive and negative impact in these areas:

- Access to services and employment
- Longevity, including avoiding premature mortality.
- Physical security, including freedom from violence and physical and sexual abuse.
- Health, including both well-being and access to high quality healthcare.
- Education, including both being able to be creative, to acquire skills and qualifications and having access to training and life-long learning.
- Standard of living, including being able to live with independence and security; and covering nutrition, clothing, housing, warmth, utilities, social services and transport.
- Productive and valued activities, such as access to employment, a positive experience in the workplace, work/life balance, and being able to care for others.
- Individual, family and social life, including self-development, having independence and equality in relationships and marriage.
- Participation, influence and voice, including participation in decision-making and democratic life.
- Identity, expression and self-respect, including freedom of belief and religion.
- Legal security, including equality and non-discrimination before the law and equal treatment within the criminal justice system.

Indicators from: The Equalities Review 2007 and the Equality Framework for Local Government.



Cabinet

11 February 2014

Report of the Cabinet Member for Finance, Performance and Customer Services

CAPITAL STRATEGY 2014/15 to 2018/19

Summary

1. This report sets out the Capital Strategy for 2014/15 to 2018/19, and in particular sets out new capital schemes.
2. Members are asked to:
 - Consider the proposed new Capital Schemes and their requirement for funding covering the period 2014/15 – 2018/19
 - Recommend to Council the overall capital investment programme.

Background

3. The current 2013/14 –2017/18 capital programme was approved by Council on 28 February 2013. Since then a number of amendments have taken place as reported to the Cabinet up to and including the 2013/14 Capital Monitor 3 report. The changes made as a result of the above reports have resulted in a current approved capital programme for 2013/14 – 2017/18 of £205.482m, financed by £126.135m of external funding and Council controlled resources of £79.347m. Table 1 illustrates the current approved capital programme profile from 2013/14 – 2017/18 as at capital monitor 3 2013/14.

	2013/14	2014/15	2015/16	2016/17	2017/18	Total
	£m	£m	£m	£m	£m	£m
Gross Capital Programme	60.914	57.738	38.828	27.804	20.198	205.482

Funded by:						
External Funding	36.728	32.572	24.537	17.556	14.742	126.135
Council Controlled Resources	24.186	25.166	14.291	10.248	5.456	79.347
Total Funding	60.914	57.738	38.828	27.804	20.198	205.482

Table 1 – Capital Programme Funding and Receipts Position

Funding Position of approved 2013/14 – 2017/18 programme

- The current economic environment continues to place pressure on the funding of the programme over the 5 year cycle based on current projections. The capital programme continues to place reliance on the achievement of a small number of high value asset disposals which have been affected by the economic downturn.

Options

- This report sets out the capital investment requests for the 5 year period covering 2014/15 to 2018/19. Members can consider the requests to make additions and amendments to the existing capital programme and choose to approve or reject the proposals contained within the report. Members can choose to approve or reject the recommendations made to Council as a result of the amendments contained in this report. It should be noted that it is a statutory requirement for the Council to set a capital budget for the forthcoming year (2014/15) per Local Government Act 2003 (revised).

Summary of Proposed Capital Investment

- The CRAM process invited bids from the departments asking to submit requests for the Councils main capital priorities. Of the requests going forward 26 are asking for direct Council funding, this is comprised of 15 requests for extensions to existing rolling programme schemes and 11 requests for new schemes 2 of which attract match funding.

7. In total, requests that would increase the existing 14/15 – 18/19 Capital Programme by **£38.132m** have been made. The **£38.132m** is comprised as follows:
- General Fund schemes requiring financing through mainly Council borrowing **£17.170m** (**£16.375m** prudential borrowing of which £750k is self financing)
 - General Fund Schemes financed entirely by external funds **£12.003m** (**£12.003m** Government grant)
 - Housing Revenue Account schemes financed by HRA funds **£8.959m** (**£8.959m** HRA funds)
8. Tables 2, 3, 4, 5 and 6 show the proposals that result in a net increase of **£38.132m**. In particular the following key schemes are included in this report :-

Extension of funding for rolling programme/currently approved schemes for additional years (£11.050m) including:

- **Highways R&R (£750k 18/19)** – The continuation of the programme for the resurfacing and reconstruction of the City's roads and footways established to maintain the asset in the best condition possible with the anticipated level of capital available.
- **Information and Communication Technology (IT) Development Fund (£6.170m 14/15 – 18/19)** - The ICT development plan investment will continue to fund the essential technology refresh programme for the replacement of systems, storage and ICT hardware – servers and desktop devices. This will ensure that the Council and its partners will have continued access to their enabling and service supporting systems/information via highly available, agile and robust ICT systems and infrastructure, and will mitigate against high profile reputation damaging system failures similar to the recent RBS/Natwest incident that has been attributed a lack of investment in their technology refresh/replacement programme.

In addition it is critical in the delivery of savings required in future years, and to provide services in the most effective way for customers, major investment will be needed within ICT over the next few years. This will seek to position the authority at the

forefront of ICT lead service provision. It will fund the development and introduction of evolving digital technologies to help personalise the customer experience, support the transformation programme, customer strategy and enable the delivery of the council services into homes and businesses for the convenience of customers.

- **LTP Contribution (£500k 14/15)** - Additional top up LTP funding to deliver schemes to fill key gaps in the cycle network, tackle congestion with technology improvements and ensure the transport opportunities of the Reinvigorate York programme are maximised.
- **Highways Improvements (£2.300m 14/15)** – Significant investment to fund a programme of works for approval at the March Cabinet Member Decision Session for Environment (in public) for footway schemes £1m, Carriageway schemes £1m and replacement traffic loop sensors £300k. These schemes are being determined using the asset management data gathered earlier in 2013, the footway and carriageway schemes will concentrate predominantly on the unclassified network.
- **Museums Trust (£1.500m 14/15)** – Investment to support the York Museum Trust’s ongoing development programme within the St Mary’s Abbey precinct ,as well as the refurbishment of Exhibition Square, focussing on the enhancement of infrastructure and services that increase the financial sustainability of YMT.

Housing Revenue Account Funded schemes (£8.959m) including:

- **Major Repairs Allowance (£5.730m)** – including improvement schemes such as Decent Homes Works
- **Modernisation of Local Authority Homes (£2.461m)** –investment in improvement schemes such as communal area improvements and health and safety works at sheltered schemes.

Externally Funded Schemes (£12.003m) including:

- **Basic Need (£11.624m – 14/15 – 18/19)** – providing additional support to local authorities experiencing pressure on places through the funding of new academies and free schools, as well as

enabling investment to expand good and outstanding schools with high levels of demand.

9. Overall this report proposes increases in the value of capital schemes by **£38.132m**. Details of all schemes can be seen in the accompanying annex that sets out the purpose of each scheme and is summarised on table 9.

Detailed Consideration of Proposed Investment, and Financial Implications

Rolling Programme Schemes – Prudential Borrowing

10. The 2013/14 – 2017/18 capital programme contained a number of rolling programme schemes that require funding on an ongoing basis. This report extends the rolling capital programme to 2018/19 and also requests have been received to increase the level of currently approved rolling programme schemes by adding additional years across a number of financial years, these schemes are set out in the table below:

Scheme Type / Description	Total Value	Financial Year
	£000	
Capital Contingency	300	14/15
LTP Top Up	500	14/15
Disability Support Budget	150	18/19
Telecare Equipment	250	18/19
Highways R&R	750	18/19

City Walls Rolling Repair Programme	90	18/19
Bridge Maintenance	200	18/19
Disabled Facilities Grants	475	18/19
Highways Drainage Works	200	18/19
Carbon Reduction in Street Lighting	400	17/18 & 18/19
Joint Equipment Store	315	16/17, 17/18 & 18/19
Asset Maintenance/Critical H&S Repairs	500	14/15, 15/16, 16/17, 17/18 18/19
IT Development Plan New	6,170	14/15, 15/16, 16/17, 17/18 18/19
IT Development Plan Extension (18/19 only)	750	18/19
Total Rolling Programme Schemes	11,050	
Self Financing: IT 18/19 bid	(750)	18/19
Total Rolling Programme Schemes increasing borrowing	10,300	

Table 2 – Summary of Rolling Programme Bids Requesting Prudential Borrowing Funding

11. Of the £11.050m increase for rolling schemes, £10.300m are schemes that will require revenue growth to fund, the revenue implication are contained in the Financial Strategy 14 – 19 report on this agenda.

12. An overview of each scheme being proposed is set out in the following paragraphs:
13. **Capital Contingency (£300k 14/15)** – The continuation of a prudent single year capital contingency to address any unexpected capital pressures in year.
14. **LTP Contribution (£500k 14/15)** - Additional top up LTP funding to deliver schemes to fill key gaps in the cycle network, tackle congestion with technology improvements and ensure the transport opportunities of the Reinvigorate York programme are maximised.
15. **Disability Support Budget (£150k 18/19)** – To continue to provide discretionary assistance for disabled customers who need financial help. The assistance (loans and grants) given helps disabled people and parents with disabled children to adapt their homes to continue living there and maintain their independence.
16. **Telecare Equipment (£250k 18/19)** – Allowing the continuation of the installation of sensors in vulnerable customers homes to deal with specific assessed risks. The equipment will be purchased by the new CELTAS Community Interest Company but CYC will retain ownership of the assets.
17. **Highways R&R (£750k 18/19)** – The continuation of the programme for the resurfacing and reconstruction of the City's roads and footways established to maintain the asset in the best condition possible with the anticipated level of capital available.
18. **City Walls Rolling Repair Programme (£90k 18/19)** - Ensuring that continuing essential repairs and restoration are undertaken on York City Walls.
19. **Bridge Maintenance (£200k 18/19)** – To allow the continuation of the programme of maintenance to maintain the structures in a serviceable and safe condition.
20. **Disabled Facilities Grant (£475k 18/19)** - To allow payment of mandatory disabled facilities grants (DFGs) in line with statutory requirements (The Housing Grants, Regeneration and Construction

Act 1996). The funding enables older and disabled persons to remain safely in their home and maximises their independence.

21. **Highways Drainage Works (£200k 18/19)** – funding the restoration of the Councils drainage infrastructure supporting the findings of the Surface Water Management Plan. This funding reflects the amount of work that can realistically be done using the available resources within the council where there is extensive local knowledge.
22. **Carbon Reduction in Street Lighting (£400k 17/18 & 18/19)** – To continue the investment in street lighting that taken a leading role in the Councils commitment to reduce its carbon footprint by 25% in five years. The funds will enable a reduction in energy and carbon emissions by replacing older less efficient equipment with newer technologies and innovations.
23. **Joint Equipment Loan Store (£315k 16/17, 17/18, 18/19)** - Allows the continuation of the funding for specialist equipment to stock the loans store. The equipment will be purchased by the new CELTAS Community Interest Company but CYC will retain ownership of the assets.
24. **Asset Maintenance (£100k 18/19)** – Extension of the rolling programme scheme of works for £100k per annum to maintain the condition of the Councils properties. The fund is not sufficient to deal with the entire repairs backlog but is intended to be directed to specific buildings that warrant investment on a business case consideration basis and that the Council will look to retain in the long term.
25. **Critical Health and Safety Repairs (£400k 14/15, 15/16, 16/17 & 17/18)** – An allocation of funds to enhance a number of properties which have been identified as being retained for service delivery and/or delivering Council objectives, either directly or indirectly, through the Asset Management Strategy and also individual service reviews. A significant number of these properties have urgent health and safety repairs which will need to be carried out in the coming years to make them sustainable for future service delivery. These funds will be combined with the scheme above to facilitate a more strategic asset management approach.

26. **IT Development Plan new (£6.170m 14/15 – 18/19)** - Within the rolling programme requests, the IT development plan is bidding for £6.170m of new capital funding. The bid has been made reflecting the recognised need to establish a strong and coordinated approach to its change programme and the fundamental review and redesign of processes and systems to ensure that its services meet the needs of its customers. It also indentified that although the Council's ambitions are achievable, the current capacity within CYC is stretched and that the transformation programme will stretch it considerably further.
27. The review also recognised and supported the view that ICT has a significant and key enabling role within its service provision to the Council and its Partners, and to the required Transformation Programme and Customer Strategy and the associated commitments to help ensure the wider delivery of agile and cost effective services. In addition to the essential technology refresh programme for the replacement of systems, storage and ICT hardware – servers and desktop devices, the fund will also fund the development and introduction of evolving digital technologies to help personalise the customer experience, support the transformation programme, customer strategy and enable the delivery of the council services into homes and businesses for the convenience of customers by:
- Creating my account services – provide customers with timely, personalised, channel-appropriate communications
 - Providing access to information and services from anywhere, at anytime and from any device – interactive infographics
 - Developing 'social business' tools that help to collaborate and communicate across boundaries securely and at a relatively low cost.
 - Developing predictive analytics - the ability to collate and analyse different data sets and information in real time to support service design/decision-making.
 - Exploiting the increasing value and complexity of information – intelligent use of data sets so-called 'big data', helping York to make the change from being a containment City to become an early intervention/preventative City.

- Supporting and sustaining the move towards digital/mobile by default as part wider shift in service provision/access agenda.
 - Recognising the potential for localised digital divide and help mitigate against York's residents and businesses being disadvantaged by the lack of access to super or ultra fast broadband.
28. The Director of CBSS is responsible for the overall management and investment of the ICT capital plan, however monitoring reports will be brought to cabinet in the future given the importance of the plan in transforming service delivery of the Council in coming years.
29. **IT Development Plan Extension (£750k 18/19)** – Extension of the existing IT development plan currently in the capital programme to 2018/19 to be funded form within existing revenue budgets.

New Schemes – Prudential Borrowing

30. As part of this years capital budget process a number of bids have been received that require discretionary prudential borrowing to be added. Some of this funding is used to help attract external sources of finances as is shown in table 3:

Scheme Type / Description	Total Scheme Value	CYC Funded Value	Financial Year
	£000	£000	
Highways Improvements	2,300	2,300	14/15
Museums Trust	1,500	1,500	14/15
Replacement of Unsound Lighting Columns	270	270	14/15

Watercourse Restoration	200	200	14/15 & 15/16
Alley Gating	50	50	14/15
Huntington Secondary school - New Block	900	200	14/15
Litter Bin Upgrade	100	100	14/15
War Memorial Renovation	40	40	14/15
Theatre Royal Contribution	115	115	14/15
Smarter York - better play area	295	200	14/15 & 15/16
York Art Gallery Gardens	350	350	15/16
Total New Schemes	6,120	5,325	

Table 3 – Summary of New Bids Requesting Prudential Borrowing Funding

31. An overview of each new scheme being proposed is set out in the following paragraphs:
32. **Highways Improvements (£2.300m 14/15)** –Significant investment to fund a programme of works for approval at a future public Cabinet Member Decision Session for Environmental Services for footway schemes £1m, Carriageway schemes £1m and replacement traffic loop sensors £300k approval.
33. **Museums Trust (£1.500m 14/15)** – Investment to support the York Museum Trust’s ongoing development programme within the St Mary’s

Abbey precinct ,as well as the refurbishment of Exhibition Square, focussing on the enhancement of infrastructure and services that increase the financial sustainability of YMT.

34. **Replacement of Unsound Lighting Columns (£270k 14/15)** – In line with the planned 2014/15 the three year retest period columns will require structural testing again. It is anticipated that of the 2700 columns to be tested, there will be a ten percent failure rate i.e. condemned and one year retests. This will equate to approximately 270 column replacements at a cost of £270k.
35. **Water Course Restoration (£200k 14/15 &15/16)** – Capital funding required to initially restore the watercourses to a satisfactory condition to manage flood risk, and revenue funding to subsequently maintain them on an annual basis.
36. **Alley Gating (£50k)** – Additional capital funding to allow the installation of gates on alley ways to help reduce the nuisance and other anti social related issues experienced in identified areas.
37. **Huntington Secondary school - new 7 classroom block (£900k total, CYC £200k 14/15)** - £200k Council contribution to deliver a brand new 7 classroom self enclosed block with associated facilities at Huntington Secondary school. The block will be modular by design and will meet or exceed all existing building regulations, including sustainability, accessibility and environmental impact design aspects. The block will replace 2x failed life expired temporary classrooms in addition to the existing biology block, which is beyond economic repair due to current condition.
38. **Litter Bin Upgrade (£100k 14/15)** – The Council has approx 900 litter bins across the outer areas of the city of which many are in need of replacement. This capital fund will enable the purchase of 34 new solar compactor bins to replace older bins across the city.
39. **War Memorial Renovation (£40k 14/15)** – To mark the 100 year anniversary of the beginning of World War 1 it is proposed to make an investment to repair the Grade 2 Listed War Memorial at Memorial Gardens Leeman Road. The work will involve resurfacing of footpaths, and building gullies. In addition the paving in Triangle Gardens will be re-laid; this will compliment the new trees planted last year.

40. **Theatre Royal Contribution (£115k 14/15) - To** support the purchase of a temporary structure to assist the Theatre to carry on productions during the extensive renovation works in 2015/16.
41. **Smarter York - better play areas (£295k total, CYC 200k 14/15 & 15/16) –** A capital fund to improve the quality of York playgrounds and youth facilities e.g. skate parks. The fund will be used as a challenge fund which the community would bid for to support the redevelopment or enhancement of the City play and teenager facilities. A condition of the fund would be the expectation that the community will raise some of the funds themselves e.g. from Yorventure. The investment in skate parks will include improvements at both Rowntree Park and Rawcliffe Country Park.
42. **York Art Gallery Gardens (£500k total, CYC £350k 15/16) -** York Art Gallery is due to reopen in Spring 2015 following a major redevelopment costing £8 million (incl. a £500k contribution from the Council). It will result in the city having an Art Gallery appropriate to its status as a leading European visitor destination, with new and expanded displays of its collections, an exciting exhibition programme, and a new Centre of Ceramic Art to celebrate York's world-class collection of British studio ceramics.
43. The creation of new gardens on the land behind the gallery will create a high-quality green public space, so extending one of York's most popular attractions - the historic Museum Gardens. This area will contain modern horticultural planting and a new Artists Garden which will celebrate all aspects of the arts. It will have its own artistic and event programme organised and funded by YMT, in partnership with other bodies such as Illuminating York.

Additional Schemes - Externally Funded + HRA Funded

44. In addition to those schemes set out in tables 2 and 3, schemes that are fully externally funded are proposed as part of this budget process. Table 4 shows the level of external funding that is increasing existing schemes and which year the change takes effect in:

Scheme Type / Description	External Funding Value	Financial Year
	£000	£000
<u>Existing General Fund Schemes New External Funding</u>		
Basic Need	11,624	11,624
Universal Infant Free School Meals	379	379
<u>Total Existing General Fund Schemes New External Funding</u>	12,003	12,003

Table 4 – Summary of New External Funding

45. An overview of the new schemes being proposed is set out in the following paragraphs:
46. **Basic Need (£11.624m)** – On 18th December 2013 the Secretary of State for Education announced local authority allocations of Basic Need capital grant for the three years 2014/15 to 2016/17. The 2014/15 allocation confirms the amount announced in early 2013. The allocations for 2015/16 and 2016/17 are new and for York represent a significant increase on the assumptions currently in the capital programme. This funding is allocated on the basis of a comparison of forecast pupil numbers against school capacity, with shortfalls in capacity attracting funding. These allocations are a recognition of the need for additional school places within the local authority area.
47. **Universal Infant Free School Meals (£379k)** - From September 2014 all children in reception, Year 1 and Year 2 in state-funded schools in England will be eligible for free school meals. The DfE has made available £150m of capital funding to build or upgrade new kitchens and to increase dining capacity where required. Allocations are calculated based on the numbers of pupils in Reception and Years 1 and 2 at 31st August 2012 in all maintained schools, free schools and

academies, and then allocated to local authorities and the Academies capital maintenance fund in proportion to these numbers. York has been allocated £379k, to be paid in 2014/15, and is already beginning to work with schools to identify the most effective use of this funding in supporting them to deliver their new responsibilities.

48. The approved Housing Revenue Account Business plan 2013 to 2043 report contains an overview of the Housing Revenue Account (HRA) Business plan for the next 30 years and provides detail of the key priorities for the next five years, including the creation of an investment fund to support the delivery of more affordable new homes. As part of the report capital investment plans of the HRA are set out over the forthcoming years. Table 5 updates the capital investment strategy and shows the overall movement (growth) against the existing approved expenditure plans.

Scheme Type / Description	Total Scheme Value	HRA/ Reserve Funding Value	Financial Year
	£000	£000	
<u>New Investment for the HRA</u>			
Major Repairs Allowance Schemes	5,730	5,730	14/15 – 18/19
Modernisation of Local Authority Homes	2,461	2,461	14/15 – 18/19
Assistance to Older & Disabled People	524	524	15/16 - 18/19
Building Insulation Programme	228	228	15/16 - 18/19
IT Infrastructure & Water Mains Upgrade minor amendments	16	16	14/15 - 18/19
<u>New Investment for the HRA Total</u>	8,959	8,959	

Table 5 – Summary of HRA investment

49. The key investment areas are shown in table 5 and shows new investment of over £8.959m that will see key schemes delivered including:
- **Major Repairs Allowance (£5.730m)** – This continued investment in improvement schemes such as Decent Homes Works will ensure the housing stock continues to meet modern facilities and standards including legislative requirements that provide homes that exceed customer expectations.
 - **Modernisation of Local Authority Homes (£2.461m)** – This will see investment in improvement schemes such as communal area improvements and health and safety works at sheltered schemes that will ensure the housing stock continues to meet modern facilities and standards including legislative requirements that provide homes that exceed customer expectations.
 - **Assistance to Older and Disabled People (£524k)** - There is an ongoing need to relocate existing adaptations, renew existing installations and to provide additional installations to meet arising need. This will allow tenants to remain in their homes supporting independent living.
 - **Building Insulation Programme (£228k)** – This increased investment in upgrading windows to PVCU will improve the insulation to more council homes as part of ensuring the housing stock meets modern standards.
50. None of the schemes in table 5 have an impact on prudential borrowing.

Funding Position – CYC Prudential Borrowing

51. The budget proposals in terms of CYC prudential borrowing adds to existing rolling programme schemes totalling £11.050m (of which £10.300m impacts Council Tax) and adds new schemes totalling

£5.325m (of which £5.325m impacts on Council Tax). Table 6 shows the financial impact on a year by year basis and over the 5 year period.

	14/15 £m	15/16 £m	16/17 £m	17/18 £m	18/19 £m	Total £m
Rolling Programme	2.010	1.220	1.375	1.900	4.545	11.050
New Schemes	3.225	2.100	0.000	0.000	0.000	5.325
Gross Total Increase – PB only	5.235	3.320	1.375	1.900	4.545	16.375

Table 6 – Net Funding Position of Prudential Borrowing Schemes

52. The impact of the general capital budget proposals in respect of Prudential Borrowing schemes is an increase in the level of debt (the underlying need to borrow for capital investment purpose only) of £16.375m over the 5 year programme, with schemes to the value of £15.625m impacting on Council Tax.

Summary of Analysis

53. Table 7 summarises the additions and amendments made as part of this report (outside of re-profiling) split by rolling programme schemes and new schemes (by funding type) showing an overall increase in the capital programme of £38.132m.

	14/15 £m	15/16 £m	16/17 £m	17/18 £m	18/19 £m	Total £m
1) Rolling Programme (table 2)	2.010	1.220	1.375	1.900	4.545	11.050
Funded by:						
CYC Pru Brrw	2.010	1.220	1.375	1.900	4.545	11.050
2) New CYC Schemes (table 3)	3.945	2.175	0.000	0.000	0.000	6.120

Funded by:						
CYC Pru Brrw	3.225	2.100	0.000	0.000	0.000	5.325
External Funding	0.720	0.075	0.000	0.000	0.000	0.795
3) Existing Schemes Externally Funded (table 4)	0.379	4.518	4.856	0.000	2.250	12.003
Funded by:						
External Grant	0.379	4.518	4.856	0.000	2.250	12.003
Other						
4) HRA Schemes (table 5)	0.042	0.043	0.045	0.282	8.546	8.959
Funded by:						
HRA	0.042	0.043	0.045	0.282	8.546	8.959
Total Proposed Expenditure Increase	6.376	7.956	6.276	2.182	15.341	38.132

**Table 7 – Summary of Expenditure and Funding Movements 14/15
– 18/19**

54. The overall funding position will need to continue being reviewed on an annual basis and the capital receipts will need to continue to be tightly monitored to update the latest position to ensure the programme remains affordable. The proposal to use prudential borrowing to fund the new schemes is made on the assumption that over the medium term the current level of required receipts are achieved. Clearly if the projected level of receipts is not achieved action will be required to overcome the resulting funding shortfall. This action could take the form of either increasing revenue contributions or increasing the level of prudential borrowing whilst ensuring affordability to meet any capital receipts shortfall, or reducing the capital programme schemes funded by capital receipts. The ability to contribute revenue funds to support prudential borrowing over and above the level currently being proposed as part of this report would have a significant impact on revenue budgets and would potentially place pressure on other Council service areas.

55. Although not anticipated, any short term shortfall in funding will be met from prudential borrowing. The revenue implications of any in year shortfall due to timing differences will be borne by the treasury management budget.
56. The outcome of the proposals outlined above if accepted are illustrated in Table 8 which sets out the proposed capital budget for each directorate over the next 5 years and in detail in Annex A.

Gross Capital Programme	2014/15	2015/16	2016/17	2017/18	2018/19	Total
	£m	£m	£m	£m	£m	£m
Children's, Education, Skills	10.241	9.643	9.981	5.125	2.250	37.240
Adult Services	0.787	0.525	0.505	0.505	0.505	2.827
Communities, Culture, Public Realm	3.439	2.075	0.000	0.000	0.000	5.514
Highways and Waste	6.407	3.497	2.934	2.839	1.350	17.027
Housing and Community Safety	15.821	11.562	10.026	8.753	9.023	55.185
Transport	6.509	2.713	2.713	2.713	0.090	14.738
Community Stadium	9.240	7.679	0.000	0.000	0.000	16.919
Asset Management	1.928	0.420	0.200	0.200	0.100	2.848
IT development plan	1.860	1.870	1.920	2.245	2.025	9.920
Capital Contingency	0.300	0.000	0.000	0.000	0.000	0.300
Economic Infrastructure Fund	7.852	6.800	5.800	0.000	0.000	20.182
Total Capital Programme	64.114	46.784	34.079	22.380	15.343	182.700

Table 8 – Proposed Capital Programme 2014 – 2019

Council Plan

57. The CRAM process ensures that all bids received for capital funding address the aspirations of the Council Plan with each proposal addressing at least one corporate priority. The capital schemes put forward for consideration are derived from the service and area asset management plans which look at the capital needs and requirements of the service. All schemes that have progressed through for further consideration in this report have demonstrated through the CRAM process that they directly contribute toward the achievement of the Corporate Strategy.

Implications

Financial Implications

58. The financial implications are considered in the main body of the report.

Human Resources Implications

59. There are no HR implications as a result of this report.

Equalities Implications

60. A communities impact assessment (CIA) has been completed on the overall impact of the budget proposals and this is available as an annex to the Financial Strategy report elsewhere on this agenda. This assessment has been developed as a result of individual impact assessments for services which are undergoing changes. The impact assessment examines the benefits of recommended growth and capital investment alongside the risks associated with any savings proposals to ensure any negative impact for a particular group, sector or community is eliminated or counterbalanced. Where negative impacts have been identified, possible remedial actions have been shared with the relevant Cabinet member prior to the budget recommendations being finalised. Where a screening of the potential implications has identified it appropriate, a full CIA will be completed for individual proposals. In addition, all capital schemes have

considered any potential equalities implications prior to being included in this report.

Legal Implications

61. The Council is legally required to set a balanced 3 year capital programme but to assist with Medium Term Financial Planning sets a 5 year programme.

Crime and Disorder

62. There are no crime and disorder implications as a result of this report.

Information Technology

63. There are no information technology implications as a result of this report.

Property

64. The property implications of this paper are included in the main body of the report which covers the funding of the capital programme from the disposal of Council assets.

Risk Management

65. The risks associated with both the existing and proposed capital programme has been discussed extensively throughout this report.
66. This report highlights the challenge presented by the proposed capital programme, which includes a significant level of Council driven schemes. Despite the proposed schemes being funded from revenue contributions the existing approved capital programme still places significant reliance on a small number of high value capital receipts. In addition the recent increase in the size of the programme has meant the Council has to ensure that the key skills are in place to allow the programme to be successfully delivered.
67. To mitigate the risks the capital programme is regularly monitored as part of the corporate monitoring process. In addition to this the Capital Asset Board (CAB – the Chief Executive, Director of CBSS, Service Directors and Assistant Directors) meet monthly to plan, monitor and review major capital schemes to ensure that all capital risks to the Council are monitored and where possible minimised. The development of the revised CRAM process and capital strategy has

put in place gate keeping controls to ensure that only projects that can be delivered are put forward for approval by the Council.

Recommendations

68. The Cabinet is requested to recommend that Council:
- Agree to the revised capital programme of **£182.700m** that reflects a net overall increase of **£38.132m** (as set out in paragraph 53 table 7 and in Annex B). Key elements of this include:
 - Extension of prudential borrowing funded Rolling Programme schemes totalling £11.050m as set out in table 2 and summarised in table 7;
 - New schemes totalling £6.120m including an increase in prudential borrowing of £5.325m as set out in table 3 and summarised in table 7;
 - New externally funded schemes totalling £12.003m as set out in table 4 and summarised in table 7;
 - An increase in HRA funded schemes totalling £8.959m funded from HRA balances of £8.959m as set out in table 5 and summarised in table 7.
 - Approve the full restated programme as summarised in Annex A totalling **£182.700m** cover financial years 2014/15 to 2018/19 as set out in table 8 and Annex A
69. Reason: To set a balanced capital programme as required by the Local Government Act 2003.

Authors:	Cabinet Member & Chief Officer Responsible for the report:		
Ross Brown Principal Accountant Corporate Finance Ext 1207	Ian Floyd Director of Customer & Business Support Services		
Debbie Mitchell Finance Manager Corporate Finance	Report Approved	√	Date 17/01/14
Wards Affected: All			
For further information please contact the authors of the report			

Specialist Implications:
Legal – Not Applicable
Property – Tracey Carter – Asst Director Finance Asset Management and Procurement
Information Technology – Roy Grant – Head of ICT

Wards Affected:

All X

For further information please contact the author of the report

Background Papers:

Capital Budget Control 2013/14 – 18/19

Annexes

Annex A – Capital Programme 2014/15 - 2018/19

Annex B – Growth Summary 2014/15 – 2018/19

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	2014/15 Budget	2014/15 Revised Budget	2014/15 Budget Adjustment	2015/16 Revised Budget	2014/15 Budget Adjustment	2016/17 Revised Budget	2014/15 Budget Adjustment	2017/18 Revised Budget	2014/15 Budget Adjustment	2018/19 Revised Budget	Gross Capital Programme To be Funded	Gross Capital Programme Movements
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	14/15 - 18/19 £000	14/15 - 18/19 £000
ACE - Children's, Education and Skills												
NDS Devolved Capital		475		475		475		475		0	1,900	0
- External Funding	0	475	0	475	0	475	0	475	0	0	1,900	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
DFE Maintenance		2,853		2,400		2,400		2,400		0	10,053	0
- External Funding	0	2,853	0	2,400	0	2,400	0	2,400	0	0	10,053	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Basic Need		5,634	4,518	6,768	4,856	7,106		2,250	2,250	2,250	24,008	11,624
- External Funding	0	5,634	4,518	6,768	4,856	7,106	0	2,250	2,250	2,250	24,008	11,624
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Huntington Secondary School - New Block	900	900		0		0		0		0	900	900
- External Funding	700	700	0	0	0	0	0	0	0	0	700	700
- Internal Funding	200	200	0	0	0	0	0	0	0	0	200	200
Universal Infant Free School Meals	379	379		0		0		0		0	379	379
- External Funding	379	379	0	0	0	0	0	0	0	0	379	379
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS EXPENDITURE	1,279	10,241	4,518	9,643	4,856	9,981	0	5,125	2,250	2,250	37,240	12,903
TOTAL EXTERNAL FUNDING	1,079	10,041	4,518	9,643	4,856	9,981	0	5,125	2,250	2,250	37,040	12,703
TOTAL INTERNAL FUNDING	200	200	0	0	0	0	0	0	0	0	200	200
ACE - Adult Services												
Joint Equipment Store		105		105	105	105	105	105	105	105	525	315
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	105	0	105	105	105	105	105	105	105	525	315
Disabled Support Grant		160		170		150		150	150	150	780	150
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	160	0	170	0	150	0	150	150	150	780	150
Telecare Equipment		250		250		250		250	250	250	1,250	250
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	250	0	250	0	250	0	250	250	250	1,250	250
Health and Safety Works at Social Services Establishments		10		0		0		0		0	10	0
- External Funding	0	10	0	0	0	0	0	0	0	0	10	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Adult Services Community Space		117		0		0		0		0	117	0
- External Funding	0	117	0	0	0	0	0	0	0	0	117	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
EPH Infrastructure Works		145		0		0		0		0	145	0
- External Funding	0	145	0	0	0	0	0	0	0	0	145	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Adult Social Care IT		0		0		0		0		0	0	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
TOTAL GROSS EXPENDITURE	0	787	0	525	105	505	105	505	505	505	2,827	715
TOTAL EXTERNAL FUNDING	0	272	0	0	0	0	0	0	0	0	272	0
TOTAL INTERNAL FUNDING	0	515	0	525	105	505	105	505	505	505	2,555	715
CANS - Communities, Culture and Public Realm												
Milfield Lane Comm Sports Centre		380		0		0		0		0	380	0
- External Funding	0	10	0	0	0	0	0	0	0	0	10	0
- Internal Funding	0	370	0	0	0	0	0	0	0	0	370	0
York Explore Phase 2		1,383		0		0		0		0	1,383	0
- External Funding	0	1,124	0	0	0	0	0	0	0	0	1,124	0
- Internal Funding	0	259	0	0	0	0	0	0	0	0	259	0
City Art Gallery Refurb and Extension		250		0		0		0		0	250	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	250	0	0	0	0	0	0	0	0	250	0
Little Knavesmire Pavillion		500		0		0		0		0	500	0
- External Funding	0	400	0	0	0	0	0	0	0	0	400	0
- Internal Funding	0	100	0	0	0	0	0	0	0	0	100	0
York Explore - Infrastructure Improvements		146		0		0		0		0	146	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	146	0	0	0	0	0	0	0	0	146	0
Museums Trust		0	1,500	1,500		0		0		0	1,500	1,500
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	0	1,500	1,500	0	0	0	0	0	0	1,500	1,500
War Memorial	40	40		0		0		0		0	40	40
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	40	40	0	0	0	0	0	0	0	0	40	40
Smarter York - Better Play Areas	70	70	225	225		0		0		0	295	295
- External Funding	20	20	75	75	0	0	0	0	0	0	95	95
- Internal Funding	50	50	150	150	0	0	0	0	0	0	200	200
York Art Gallery Gardens		0	350	350		0		0		0	350	350
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	0	350	350	0	0	0	0	0	0	350	350
Theatre Royal - Temporary Structure	115	115		0		0		0		0	115	115
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	115	115	0	0	0	0	0	0	0	0	115	115
York Theatre Royal		455		0		0		0		0	455	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	455	0	0	0	0	0	0	0	0	455	0
Litter Bin Upgrade	100	100		0		0		0		0	100	100
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	100	100	0	0	0	0	0	0	0	0	100	100
TOTAL GROSS EXPENDITURE	325	3,439	2,075	2,075	0	0	0	0	0	0	5,514	2,400
TOTAL EXTERNAL FUNDING	20	1,554	75	75	0	0	0	0	0	0	1,629	95
TOTAL INTERNAL FUNDING	305	1,885	2,000	2,000	0	0	0	0	0	0	3,885	2,305
CES - Highways & Waste												
Highway Resurfacing & Reconstruction (Struct Maint)		2,607		2,797		2,334		2,239	750	750	10,727	750
- External Funding	0	1,857	0	2,047	0	1,584	0	1,489	0	0	6,977	0
- Internal Funding	0	750	0	750	0	750	0	750	750	750	3,750	750
Special Bridge Maintenance (Struct maint)	300	300		200		200		200	200	200	1,100	200
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0

	2014/15 Budget	2014/15 Revised Budget	2014/15 Budget	2015/16 Revised Budget	2014/15 Budget	2016/17 Revised Budget	2014/15 Budget	2017/18 Revised Budget	2014/15 Budget	2018/19 Revised Budget	Gross Capital Programme To be Funded	Gross Capital Programme Movements
	Adjustment £000	Budget £000	14/15 - 18/19 £000	14/15 - 18/19 £000								
Internal Funding	0	300	0	200	0	200	0	200	200	200	1,100	200
Replacement of Unsound Lighting Columns	270	270	0	0	0	0	0	0	0	0	270	270
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	270	270	0	0	0	0	0	0	0	0	270	270
Carbon Reduction in Street Lighting	0	200	0	200	0	200	200	200	200	200	1,000	400
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	200	0	200	0	200	200	200	200	200	1,000	400
Fleet Vehicles	0	430	0	0	0	0	0	0	0	0	430	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	430	0	0	0	0	0	0	0	0	430	0
Highways Improvements	2,300	2,300	0	0	0	0	0	0	0	0	2,300	2,300
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	2,300	2,300	0	0	0	0	0	0	0	0	2,300	2,300
Watercourse Restoration	100	100	100	100	0	0	0	0	0	0	200	200
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	100	100	100	100	0	0	0	0	0	0	200	200
Tour de France Highways Improvements	0	0	0	0								
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Highways Drainage Works	0	200	0	200	0	200	200	200	200	200	1,000	200
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	200	0	200	0	200	200	200	200	200	1,000	200
TOTAL GROSS EXPENDITURE	2,670	6,407	100	3,497	0	2,934	200	2,839	1,350	1,350	17,027	4,320
TOTAL EXTERNAL FUNDING	0	1,857	0	2,047	0	1,584	0	1,489	0	0	6,977	0
TOTAL INTERNAL FUNDING	2,670	4,550	100	1,450	0	1,350	200	1,350	1,350	1,350	10,050	4,320
CANS - Housing & Community Safety												
Modernisation of Local Authority Homes	804	3,072	572	1,798	117	1,480	-300	1,230	1,268	1,268	8,848	2,461
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	804	3,072	572	1,798	117	1,480	-300	1,230	1,268	1,268	8,848	2,461
Assistance to Older & Disabled People	0	400	12	412	24	424	37	437	450	450	2,123	523
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	400	12	412	24	424	37	437	450	450	2,123	523
MRA Schemes	37	4,324	176	4,856	-147	5,527	-445	4,310	6,109	6,109	25,126	5,730
- External Funding	37	4,324	176	4,856	-147	5,527	-445	4,310	6,109	6,109	25,126	5,730
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Local Authority Homes	0	4,500	0	1,500	0	0	0	0	0	0	6,000	0
- External Funding	0	1,000	0	0	0	0	0	0	0	0	1,000	0
- Internal Funding	0	3,500	0	1,500	0	0	0	0	0	0	5,000	0
Water Mains Upgrade	-799	300	-699	1,400	-18	1,000	982	1,000	500	500	4,200	-34
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	-799	300	-699	1,400	-18	1,000	982	1,000	500	500	4,200	-34
Building Insulation Programme	0	1,000	-18	221	68	170	8	170	171	171	1,732	229
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	1,000	-18	221	68	170	8	170	171	171	1,732	229
Disabled Facilities Grant (Gfund)	0	1,125	0	1,175	0	1,225	0	1,225	475	475	5,225	475
- External Funding	0	650	0	700	0	750	0	750	0	0	2,850	0
- Internal Funding	0	475	0	475	0	475	0	475	475	475	2,375	475
Air Quality Monitoring (Gfund)	0	25	0	0	0	0	0	0	0	0	25	0
- External Funding	0	25	0	0	0	0	0	0	0	0	25	0
- Internal Funding	0	0	0	0	0	0	0	0	0	0	0	0
Loft Conversions	0	725	0	0	0	0	0	281	0	0	1,006	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	725	0	0	0	0	0	281	0	0	1,006	0
IT Infrastructure	0	75	0	50	0	50	0	50	50	50	275	50
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	75	0	50	0	50	0	50	50	50	275	50
Empty Homes (Gfund)	0	200	0	100	0	100	0	0	0	0	400	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	200	0	100	0	100	0	0	0	0	400	0
Property Buy Back	0	75	0	50	0	50	0	50	0	0	225	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	75	0	50	0	50	0	50	0	0	225	0
TOTAL GROSS EXPENDITURE	42	15,821	43	11,562	44	10,026	282	8,753	9,023	9,023	55,185	9,434
TOTAL EXTERNAL FUNDING	37	5,999	176	5,556	-147	6,277	-445	5,060	6,109	6,109	29,001	5,730
TOTAL INTERNAL FUNDING	5	9,822	-133	6,006	191	3,749	727	3,693	2,914	2,914	26,184	3,704
CES - Transport												
Local Transport Plan (LTP)	500	4,712	0	2,623	0	2,623	0	2,623	0	0	12,581	500
- External Funding	0	4,212	0	2,623	0	2,623	0	2,623	0	0	12,081	0
- Internal Funding	500	500	0	0	0	0	0	0	0	0	500	500
York City Walls - Repairs & Renewals (City Walls)	0	290	0	90	0	90	0	90	90	90	650	90
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	290	0	90	0	90	0	90	90	90	650	90
Access York	0	1,422	0	0	0	0	0	0	0	0	1,422	0
- External Funding	0	473	0	0	0	0	0	0	0	0	473	0
- Internal Funding	0	948	0	0	0	0	0	0	0	0	948	0
Alley Gating	50	85	0	0	0	0	0	0	0	0	85	50
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	50	85	0	0	0	0	0	0	0	0	85	50
TOTAL GROSS EXPENDITURE	550	6,509	0	2,713	0	2,713	0	2,713	90	90	14,738	640
TOTAL EXTERNAL FUNDING	0	4,685	0	2,623	0	2,623	0	2,623	0	0	12,554	0
TOTAL INTERNAL FUNDING	550	1,823	0	90	0	90	0	90	90	90	2,183	640
CES - Community Stadium												
Community Stadium	0	9,240	0	7,679	0	0	0	0	0	0	16,919	0
- External Funding	0	7,500	0	7,562	0	0	0	0	0	0	15,062	0
- Internal Funding	0	1,740	0	117	0	0	0	0	0	0	1,857	0
TOTAL GROSS EXPENDITURE	0	9,240	0	7,679	0	0	0	0	0	0	16,919	0
TOTAL EXTERNAL FUNDING	0	7,500	0	7,562	0	0	0	0	0	0	15,062	0
TOTAL INTERNAL FUNDING	0	1,740	0	117	0	0	0	0	0	0	1,857	0
CBSS - Asset Management												

	2014/15 Budget	2014/15 Revised Budget	2014/15 Budget	2015/16 Revised Budget	2014/15 Budget	2016/17 Revised Budget	2014/15 Budget	2017/18 Revised Budget	2014/15 Budget	2018/19 Revised Budget	Gross Capital Programme To be Funded	Gross Capital Programme Movements
	Adjustment £000	Budget £000	14/15 - 18/19 £000	14/15 - 18/19 £000								
Riverbank Repairs – Marygate		506		0		0		0		0	506	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	506	0	0	0	0	0	0	0	0	506	0
Photovoltaic Energy Programme		100		100		0		0		0	200	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	100	0	100	0	0	0	0	0	0	200	0
Holgate Park Land – York Central Land and Clearance		397		0		0		0		0	397	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	397	0	0	0	0	0	0	0	0	397	0
Asset Maintenance + Critical H&S Repairs	100	200	100	200	100	200	100	200	100	100	900	500
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	100	200	100	200	100	200	100	200	100	100	900	500
Community Asset Transfer		175		0		0		0		0	175	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	175	0	0	0	0	0	0	0	0	175	0
River Bank repairs		200		120		0		0		0	320	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	200	0	120	0	0	0	0	0	0	320	0
Critical Repairs and Contingency		350		0		0		0		0	350	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
CBSS - IT Development Plan												
IT Equipment	1,110	1,860	1,120	1,870	1,170	1,920	1,495	2,245	2,025	2,025	9,920	6,920
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	1,110	1,860	1,120	1,870	1,170	1,920	1,495	2,245	2,025	2,025	9,920	6,920
TOTAL GROSS EXPENDITURE	1,110	1,860	1,120	1,870	1,170	1,920	1,495	2,245	2,025	2,025	9,920	6,920
TOTAL EXTERNAL FUNDING	0	0	0	0								
TOTAL INTERNAL FUNDING	1,110	1,860	1,120	1,870	1,170	1,920	1,495	2,245	2,025	2,025	9,920	6,920
Capital Contingency												
Capital Contingency	300	300		0		0		0		0	300	300
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	300	300	0	0	0	0	0	0	0	0	300	300
TOTAL GROSS EXPENDITURE	300	300	0	0	0	0	0	0	0	0	300	300
TOTAL EXTERNAL FUNDING	0	0	0	0								
TOTAL INTERNAL FUNDING	300	300	0	0	0	0	0	0	0	0	300	300
Economic Infrastructure Fund												
Access York Phase 1		331		0		0		0		0	331	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	478	0	0	0	0	0	0	0	0	478	0
Better Bus Fund		798		0		0		0		0	798	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	380	0	0	0	0	0	0	0	0	380	0
Re-Invigorate York		1,200		0		0		0		0	1,200	0
- External Funding	0	0	0	0	0	0	0	0	0	0	0	0
- Internal Funding	0	1,200	0	0	0	0	0	0	0	0	1,200	0
EIF central fund		5,253		6,800		5,800		0		0	17,853	0
- External Funding	0	1,800	0	1,800	0	1,800	0	0	0	0	5,400	0
- Internal Funding	0	3,453	0	5,000	0	4,000	0	0	0	0	12,453	0
TOTAL GROSS EXPENDITURE	0	7,582	0	6,800	0	5,800	0	0	0	0	20,182	0
TOTAL EXTERNAL FUNDING	0	1,800	0	1,800	0	1,800	0	0	0	0	5,400	0
TOTAL INTERNAL FUNDING	0	5,782	0	5,000	0	4,000	0	0	0	0	14,782	0
Gross Expenditure by Department												
ACE - Children's, Education and Skills	1,279	10,241	4,518	9,643	4,856	9,981	0	5,125	2,250	2,250	37,240	12,903
ACE - Adult Services	0	787	0	525	105	505	105	505	505	505	2,827	715
CANS - Communities, Culture and Public Realm	325	3,439	2,075	2,075	0	0	0	0	0	0	5,514	2,400
CES - Highways & Waste	2,670	6,407	100	3,497	0	2,934	200	2,839	1,350	1,350	17,027	4,320
CANS - Housing & Community Safety	42	15,821	43	11,562	44	10,026	282	8,753	9,023	9,023	55,185	9,434
CES - Transport	550	6,509	0	2,713	0	2,713	0	2,713	90	90	14,738	640
CES - Community Stadium	0	9,240	0	7,679	0	0	0	0	0	0	16,919	0
CES - Economic Development	0	0	0	0	0	0	0	0	0	0	0	0
CBSS - Asset Management	100	1,928	100	420	100	200	100	200	100	100	2,848	500
CBSS - IT Development Plan	1,110	1,860	1,120	1,870	1,170	1,920	1,495	2,245	2,025	2,025	9,920	6,920
CBSS - West Offices (Admin Accommodation)	0	0	0	0	0	0	0	0	0	0	0	0
Capital Contingency	300	300	0	0	0	0	0	0	0	0	300	300
Economic Infrastructure Fund	0	7,582	0	6,800	0	5,800	0	0	0	0	20,182	0
Total by Department	6,376	64,114	7,956	46,784	6,275	34,079	2,182	22,380	15,343	15,343	182,700	38,132
Total External Funds by Department												
Total External Funds by Department	1,136	33,708	4,769	29,306	4,709	22,265	-445	14,297	8,359	8,359	107,935	18,528
Total CYC Funding required by Department												
Total CYC Funding required	5,240	30,405	3,187	17,478	1,566	11,814	2,627	8,083	6,984	6,984	74,764	19,604
TOTAL GROSS EXPENDITURE	6,376	64,114	7,956	46,784	6,275	34,079	2,182	22,380	15,343	15,343	182,700	38,132
TOTAL EXTERNAL FUNDING	1,136	33,708	4,769	29,306	4,709	22,265	-445	14,297	8,359	8,359	107,935	18,528
TOTAL INTERNAL FUNDING	5,240	30,405	3,187	17,478	1,566	11,814	2,627	8,083	6,984	6,984	74,764	19,604

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Capital Growth by Type

Directorate Existing Rolling Programme Schemes

	14/15	15/16	16/17	17/18	18/19	Total	
	£000	£000	£000	£000	£000	£000	Funding Type
CEC					750	750	CYC PB
CEC					90	90	CYC PB
CEC				200	200	400	CYC PB
CEC					200	200	CYC PB
CEC					200	200	CYC PB
CEC	500					500	CYC PB
ACE					150	150	CYC PB
CANS - Hsg					475	475	CYC PB
ACE					250	250	CYC PB
ACE			105	105	105	315	CYC PB
CBSS					100	100	CYC PB
CBSS	300					300	CYC PB
CBSS	1,110	1,120	1,170	1,495	1,275	6,170	CYC PB
CBSS					750	750	CYC PB - Self Financing
CBSS	100	100	100	100		400	CYC PB
TOTAL	2,010	1,220	1,375	1,900	4,545	11,050	

Directorate New Schemes

	£000	£000	£000	£000	£000	£000	
CEC	2,300					2,300	CYC PB
CANS		1,500				1,500	CYC PB
CEC	270					270	CYC PB
CEC	100	100				200	CYC PB
CEC	50					50	CYC PB
CANS	40					40	CYC PB
CANS	115					115	CYC PB
ACE	200					200	CYC PB
ACE	700					700	External Funding
CANS	50	150				200	CYC PB
CANS	20	75				95	External Funding
CANS		350				350	CYC PB
CANS	100					100	CYC PB
TOTAL	3,945	2,175	0	0	0	6,120	

Directorate New Schemes - Wholly Externally Funded Schemes

	£000	£000	£000	£000	£000	£000	
ACE		4,518	4,856		2,250	11,624	External Funding
ACE	379					379	External Funding
Table 5	379	4,518	4,856	0	2,250	12,003	

Directorate HRA Schemes

	£000	£000	£000	£000	£000	£000	
CANS	37	176	-147	-445	6,109	5,730	HRA Funding
CANS	804	572	117	-300	1,267	2,461	HRA Funding
CANS	0	12	24	37	450	524	HRA Funding
CANS	0	-18	68	8	170	229	HRA Funding
CANS	-799	-699	-18	982	550	16	HRA Funding
	42	43	45	282	8,546	8,959	

Overall Increase in Capital Programme

6,376	7,956	6,276	2,182	15,341	38,132
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Funded Split by Type

	£000	£000	£000	£000	£000	£000
Total CYC Prudential Borrowing	5,235	3,320	1,375	1,900	4,545	16,375
Total External Funding	1,099	4,593	4,856	0	2,250	12,798
Total HRA Funding	42	43	45	282	8,546	8,959
Overall Increase in Capital Programme	6,376	7,956	6,276	2,182	15,341	38,132

Summary of Growth by Department

	£000	£000	£000	£000	£000	£000
Childrens	1,279	4,518	4,856	0	2,250	12,903
Adults	0	0	105	105	505	715
H&W	2,670	100	0	200	1,350	4,320
Transport	550	0	0	0	90	640
Housing	42	43	45	282	9,021	9,434
CCPR	325	2,075	0	0	0	2,400
Asset	100	100	100	100	100	500
Contingency	300	0	0	0	0	300
IT	1,110	1,120	1,170	1,495	2,025	6,920
Total	6,376	7,956	6,276	2,182	15,341	38,132

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Cabinet**11th February 2014**

Joint report of the Leader of City of York Council and Cabinet Member for Finance, Performance & Customer Service.

'Re-wiring Public Services'

...means helping residents to help themselves and helping those that need help to have a better quality of life

...it means commissioning outcomes efficiently and focusing our resources on the real needs of our community

...and it means understanding our communities and businesses and what type of City we want and then working with our partners to enable and commission these outcomes.

Summary

1. The purpose of this paper is to set out for Cabinet the key dimensions of the programme: Re-wiring Public Services;
 - Rationale – major challenges and changes to the Council are managed effectively and budget savings are achieved.
 - Scope – a council-wide approach to change and transformation with a focus on putting residents first.
 - Methodology – enable residents, communities, partners and the Council to commission to meet needs and agreed outcomes.
 - Benefits – the provision of services that residents really need to sustain quality of life in an economically vibrant city.
 - Timeline – programme commences in February 2014 and continues through various phases to April 2016.

Background

2. In October 2013, Cabinet agreed to build a transformation programme: Re-wiring Public Services in order that the major challenges and changes

to the Council could be effectively managed. Feedback from the Peer Review and Big York Survey identified the need for;

- Greater involvement of residents in the setting of council priorities and the redesign of council services
 - Greater investment in and co-ordination of the extensive change programme of the council
3. Re-wiring Public Services will support the council to achieve its budget savings. Like all councils and other public services, City of York Council needs to make big savings, circa £80m by 2016/17, if it is to service good outcomes for residents and quality of life. The scale of change we need isn't going to happen by itself and isn't going to happen for free. Cabinet agreed investment of £500k to support the transformation work that will be undertaken with a target of £5.5m in savings for 2015/16, with an expectation of a greater yield in subsequent years.

Re-wiring Public Services Budget Savings

Re-wiring Public Services programme	2015/16 Budget (£,000)
Business Efficiency	-300
Customer Services and Resident Engagement	-450
Place Based Services	-750
Adult Social Care	-3,000
Children's and Youth Services	-980
Total Re-wiring Public Services programme	-5,480

4. It's not just about being more efficient, it's about changing the organisation into a more responsive and more flexible council. A council that **"Puts residents first"**.
5. To do this we will need to change the way we operate. Our focus will be on listening to and understanding our communities' needs and then enabling our residents, partners and the Council to commission the agreed outcomes.
6. It was agreed that Re-wiring Public Services would have people – residents and communities at the heart of its work. This means providing opportunities for people to be involved at every stage of the programme – from clarifying the outcomes, service review and design through to delivery arrangements.

7. City of York Council has, as the Peer Review acknowledged, a good track record of delivering large scale change. However this success has been based on single projects and the Review recognised the need to develop a council-wide approach to change and transformation.
8. Critical success factors of the 2014 programme include:
 - The creation of an organisational development programme for all staff to increase our effectiveness and efficiency.
 - Investment in a robust IT infrastructure to enable services to fundamentally change the way residents and customers can interact with the council.
9. If it is to deliver what residents really need then there is a need to work with residents and partners to focus on the outcomes that are required to create an economically vibrant city but also one characterised by its inherent fairness.
10. The council re-wiring public services programme is directly influenced by the LGA rewiring public services programme that has been discussed in the media and in Parliament. The principles of this national programme are directly relevant to York and the programme we develop will be York's interpretation of the national model.

So, what will City of York Council look like in the future? How will it feel different for our residents?

11. Re-wiring Public Services places our residents at the heart of everything we do. It moves the agenda away from service delivery based on consultation to a focus on outcomes with communities empowered to make decisions and commission services.
12. This will be challenging for both the Council and for the community. It requires a change of culture within the Council but also within our communities. We need to explore risk and accountability as new operating and commissioning models are developed.
13. Although this sounds like a major change, and in many ways it is, nonetheless there are many examples of good practice around the country which can inform decisions.
14. We are already talking to residents, people, communities and frontline staff about how things are now and what needs to change. The

community conversations taking place in every ward will provide everyone in the city with the opportunity to talk with the council about not just how we can improve the way we work but also:

- What are the real issues facing our residents?
- How can communities drive decision making?
- Where can the council help to empower communities?
- What skills and investments will be required?
- What are the key issues which will prevent this autonomy and how can these issues be addressed?

In addition we will be investing in our staff, our systems and in changing our processes to meet the needs set-out through our engagement.

15. We will be looking again at making our customer channels more relevant to today's environment. Many residents now conduct much of their home and work life online and we will redesign the 'do it online' council services during 2014 to ensure that it better responds to their needs, whether they use a computer in a library or at home, a tablet or smart phone. We will seek out the best apps to help residents and visitors access our services and those of partners.
16. Working differently means we need fewer directly employed people. We currently have around 3,300 staff (not including employees in schools). Although it's early days, over the next few years we expect to need around 250 fewer posts. Getting smaller is something we can't avoid because we have less money to spend. But the number of jobs we expect to lose is relatively small and we're already working to avoid compulsory redundancies. Recruitment has been carefully managed since early 2011, we redeploy everyone we can, and we will provide training to help staff learn new skills.
17. Our fees and charges for services will be looked at to make sure we are getting as much income as we can, while giving customers the best value for money possible.
18. We will share and integrate services with other councils, voluntary and community sector partners and within the private sector.

Re-wiring Public Services

19. There are four broad principles underpinning Re-wiring Public Services.

- Involving our communities and residents more in shaping outcomes and services;
- Building community resilience and self reliance, but with support when needed;
- Investing in the voluntary and community sector to create mutual confidence and trust; and
- Greater use of data and evidence to enable residents, people and communities to drive their own decision making.

20. And four key work-streams through which the programme: Re-wiring Public Services will be delivered. These are:

- Business efficiency
- Community and resident engagement
- Place based services and Public Realm
- Children's and Adults social care and integrated Public Health

Each of these programmes is explored in more detail later on in this Cabinet Report.

Involving our communities and residents more in shaping outcomes and services

21. Working effectively with our residents, people and communities is the key to delivering our priorities and is critical to our Re-wiring Public Services programme. With the recent changes in funding and demographic pressures on demand, it is more important than ever to work closely with our communities, to truly listen to and understand their needs and demands and to design services 'with' and not 'for' our residents.

22. As part of the programme we will work to enable our communities to take centre stage in what happens in their area and in the City as a whole. We need to do everything we can to ensure that communities become advocates for their areas and that they are able to play an active role in designing and delivering services.

23. Whilst this is a critical part of Re-wiring Public Services, this is not a new way of working for us. There are many positive recent examples of community engagement including:

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In an open exchange of people, problems and ideas, York is increasingly working as one to develop innovative new solutions to challenges big

and small and to put these to the test. Our open innovation platform, GeniUS!, developed with support from NESTA, allows residents to come together to discuss the challenges the city faces. This approach has won regional, national & international awards from the likes of The Guardian newspaper and Living Labs Global.

24. This approach has given rise to exciting new pilot projects, such as a dementia awareness campaign produced by young people for young people, working with dementia sufferers and a local film company to create a short film and discussion plan for use in York schools and beyond.
- In 2013, we introduced residents' forums. These replaced the more formal ward meetings and are more informal meetings with local residents to discuss a range of issues linked to ward priorities.
 - £1 million worth of 'Big Local' funding has been secured for the Tang Hall area of the City over the next ten years. This is a local budget and the community is coming together to decide how this is spent.
25. Residents are working with us to redesign our services and we are looking to work with them to deliver services. In 2013 Cabinet agreed a plan to create a community benefit society to run York's libraries with the support of community volunteers.
26. However, Re-wiring Public Services will take this further. Engagement with the community is the key component to the programme and we will work to unlock the resource and potential of neighbourhoods and communities through this process.
27. As part of this, we will ensure that we build on the community conversation discussions to move into an engagement plan around outcomes, service design and response.

Building community resilience and self reliance, but with support when needed

28. Our residents are living longer and the support structures needed are changing. That is a change for good, one which can help people to live longer and improve their quality of life.

29. It is also a challenge as the need for additional support increases. We will need to:

- Invest in new skills to help communities to be more supportive and resilient in their own right;
- Enable choice for individuals, their families and carers through new ICT systems, commissioning plans and by creating markets for new suppliers;
- Assist and support independence through the co-design of services with our residents and partners rather than plan services for them; and
- Work together to enable a sustainable economy which carefully balances jobs, growth, housing, leisure and quality of life.

Investing in the voluntary and community sector, both financially and personally, to create mutual confidence and trust

30. Our partnership with residents and with the voluntary and community sector needs significant investment and change. Historically we have worked closely with individual charities and voluntary sector organisations often on a grant given type basis. Under any new model of engagement this is likely to change.

31. Re-wiring Public Services will prompt the council to consider:

- Developing in conjunction with local voluntary and community services organisations (VCSOs), social enterprises and mutual trading vehicles, different service offerings to meet the outcomes residents want.
- Investing further in the relationship with VCSOs to enable them to build capacity and capability, where this is needed, such that they become a key partner in the design, engagement and delivery of commissioned outcomes.
- Together with the VCSOs, designing the most effective engagement model with residents such that the Council shifts from an historical model of service delivery to an outcome driven approach to building stronger, more successful, communities with residents and businesses at the heart of the model.

Greater use of data and evidence to enable residents, people and communities to drive their own decision making

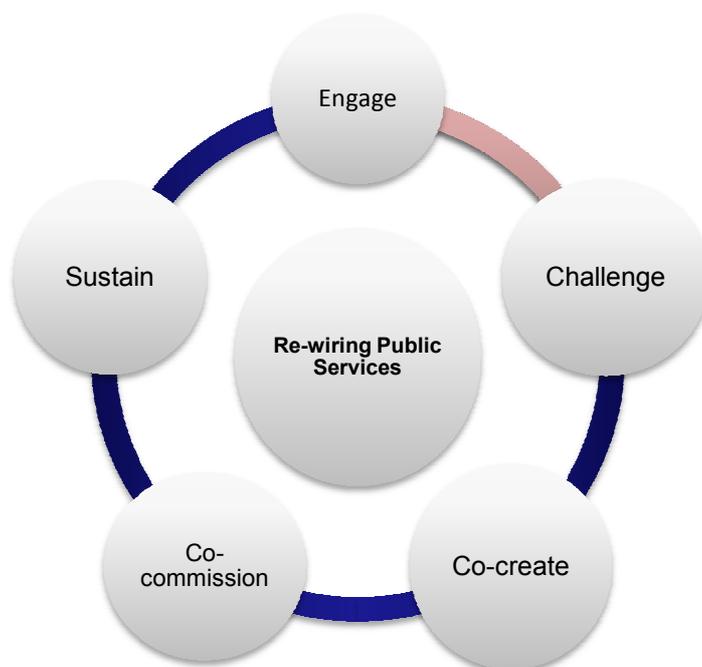
32. This availability of data offers us a significant opportunity to fundamentally change the way we work with our residents, businesses and community organisations.

33. In broad terms we will seek to:

- Offer residents and businesses the opportunity to self-service their data.
- Increase availability of transactional functions online to individuals and businesses such that we offer a greatly improved customer experience at the first point of contact.
- Improve online 'help' and support for transactional functions e.g. accessibility to suit our residents.
- Ensure our data and services are 'engaging and accessible'.
- Move to a 'my account' type model so any individual or business can transact when and how they want to with authentication at the start of the process.
- Expose as much data as possible to individuals and more collectively to the community to enable a greater level of transparency, understanding and greater input into decision making and service design.

Re-wiring Public Services Methodology

34. There will be five steps to the programme's methodology.



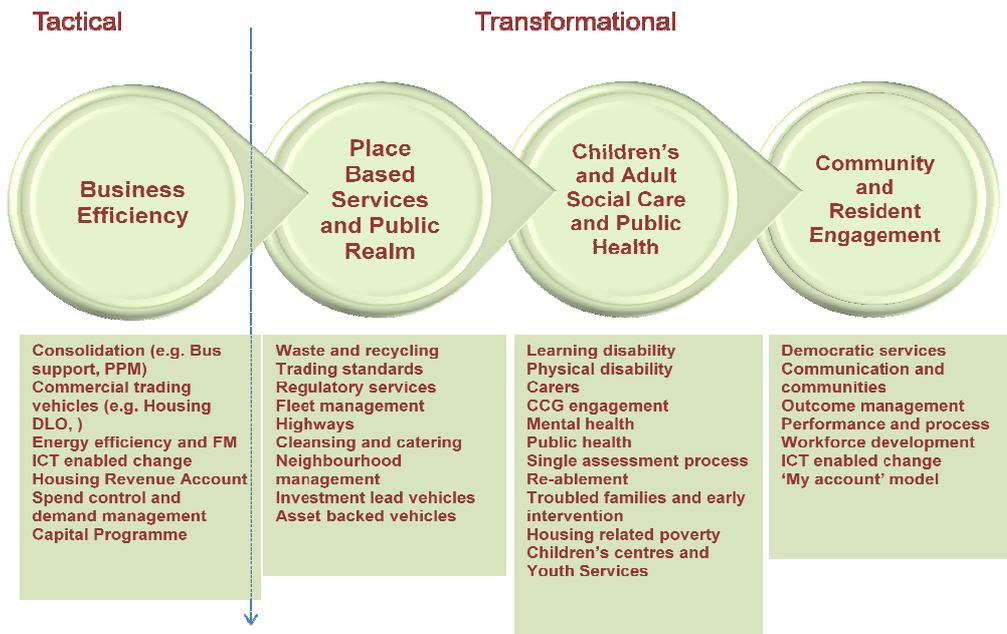
- Engage – we will engage with our communities and debate with them the ambitions they have for the city and the specific objectives and outcomes we want to achieve.
- Challenge – we will approach the issues and problems we face as a challenge and engage with residents and partners to seek solutions.
- Co-create/co-design – we will shape the service or offer jointly to ensure that it will meet the needs of residents and the council.
- Co-commission – we will commission services against an agreed set of outcomes generated through the co-creation and design process.
- Sustain – we will constantly review whether outcomes are being delivered. If not we will adapt them and learn.

35. In simple terms, our transformation methodology is designed to ensure that the council gets closer to residents to understand their challenges and secure better clarity about their expected outcomes. Issues such as affordability of services need to be seen as joint challenges with our residents. The methodology also supports the development of solutions that are relevant and consistent with our residents' expectations.

The proposed four major Re-wiring Public Services areas

36. As set-out earlier in this report there are four major work-streams included in the programme which are explored in more detail in the following sections.

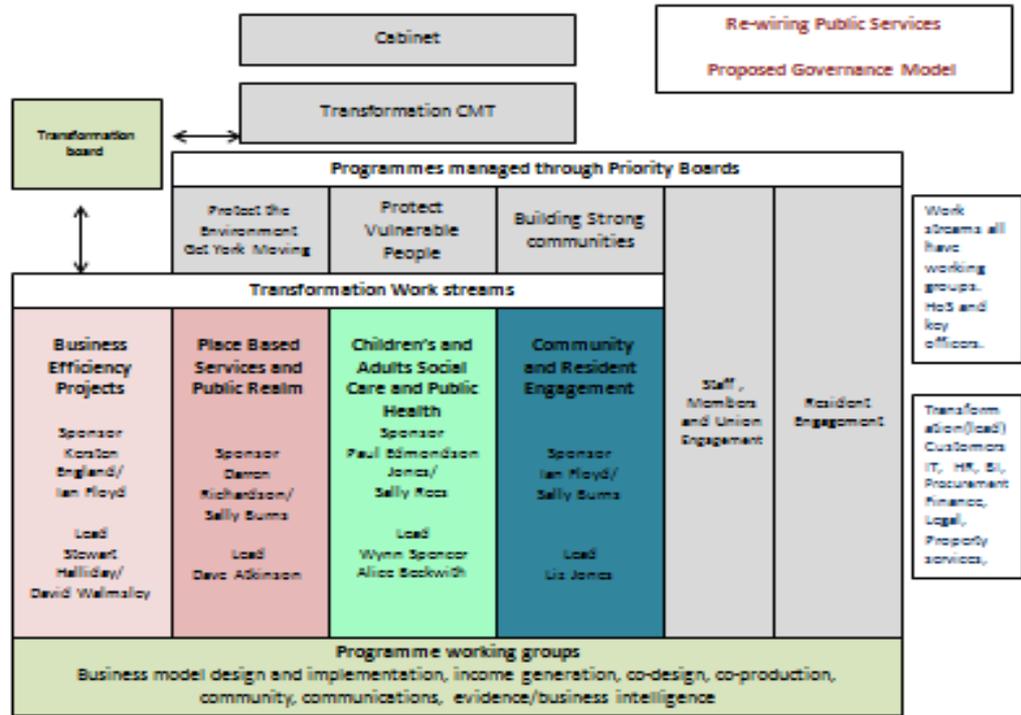
Major Re-wiring Public Services Areas



Proposed Governance model for the programme

37. It is proposed to manage the programme through where possible existing structures rather than adding anything new.

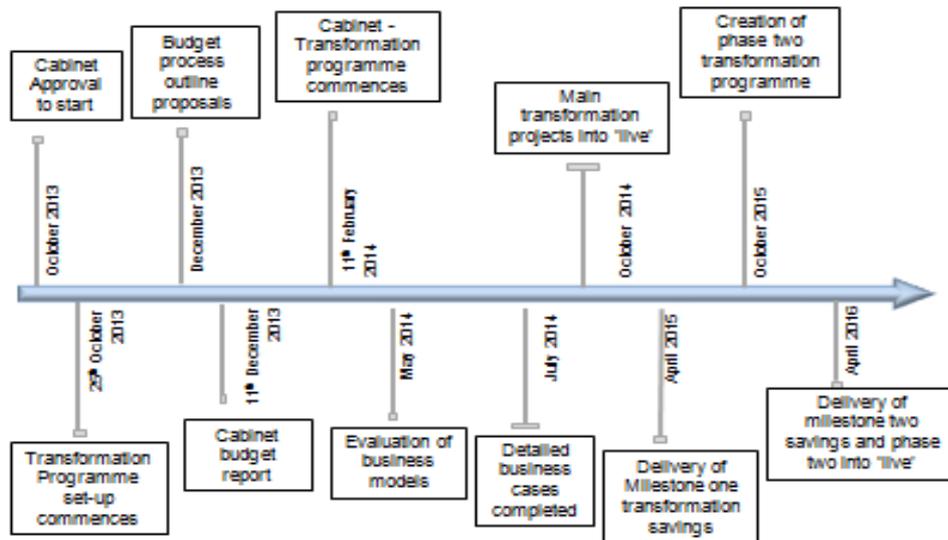
38. Where new boards or other governance processes are added it is with a view to deleting at least one other body so the overall governance of the programme delivers a net reduction in repetition and bureaucracy than can sometimes be created over a number of years of managing major projects and programmes.



Timeline for the development of business cases

- 39. This report sets out the formal commencement of the Re-wiring Public Services programme.
- 40. The timeline shows that the next few months will be collecting evidence and preparing the business cases for each of the programme and projects. This will be an intensive and detailed piece of work with the aim of setting out the options for Members by July 2014 with, if approved, a move into major implementation by September 2014.
- 41. This does not stop many areas being considered now and the Business Efficiency work-stream is already moving into implementation in many of its projects and more will be added over the course of the programme's development.

Re-wiring Public Services Programme Timeline



Four Major programme work-streams

Business Efficiency

42. A range of business efficiency projects have been developed. These are short-term projects specifically looking at making financial savings.
43. Some are included because of the challenge inherent in them to deliver savings. Many of these are internal to the organisation and focus on process efficiency. Many will reduce support costs and reduce the 'corporate' overhead within the council. The shift from procurement to commissioning, which has already started, will be continued and developed across all functions.

Transformational

44. In addition to the shorter-term tactical business efficiency programme there will be three major transformational programmes of work. The community and resident engagement work is absolutely critical to the rest of the programme. It will deliver changes to the way in which the council works and engages with residents to enable the two significant projects to be successful.

Work-stream 1 Community and Resident Engagement

45. This work stream is reviewing community, resident engagement and customer services activities. It will look at improving the interface between the council, individuals, communities and businesses who have reason to interact with the council.
46. This part of the Re-wiring Public Services programme is fundamental to how the council seeks to work in the future, building on work so far, by bringing greater coherence to a range of activities. The outcome is to establish a very different relationship with residents, people and communities by the end of the programme, recognising there is much to celebrate in some areas already but a bigger journey for others.
47. Although this is a discrete work stream with identified projects, the principles of the approach will need to pervade all council activities if the changes envisaged are to be delivered. The new approach should over time, lead to improved outcomes and more effective management of support.
48. The principles and culture changes anticipated are rooted in the council's priorities and the expressed aim of being a co-operative council, working to the values of placing the resident and community at the heart of the business.
49. The cultural changes that are required to enable successful transformation to a co-operative council are, internally to encourage a more open and sharing way of working, making boundaries for staff less fixed and greater working together and with partners as the normal way to do business.
50. Externally there needs to be an increased willingness to engage with residents, people and communities to realise the potential opportunities and benefits to grow resilient and self sufficient communities in York. Much good work is already underway; the aim of the transformation activity is to provide greater focus, coherence and pace.
51. Community engagement can be split into 3 aspects, to:
 - help shape service delivery
 - improve democratic participation
 - increase social capital / community capacity to help problem solving.

52. Giving the first aspect more focus means that services in the future will need to start from outcomes that meet the needs of residents. In reviewing and reshaping services there will be a requirement for this to be undertaken in collaboration with residents, people and communities, in what is known as co-design and in some cases it may be that the council will decide that others, not the council are better placed to actually deliver the outcomes.
53. The same approach will apply to policy development, starting with the problem and working with communities, residents and stakeholders to identify the solutions.
54. The intention is that working in this way should reduce overall demand because interventions will be better targeted to need. It should also lead to greater efficiency and effectiveness as well as residents and communities being more self-sufficient.
55. The second aspect involves members having an increased community leadership role, in supporting and enabling residents and communities, rather than solving their problems. This could also mean in the future greater devolvement of decision making of operational matters down to an area level.
56. Finally there is the development of capacity in the community to enable problem-solving and interventions locally. This can be characterised by examples such as flood and snow wardens where they are making contributions to improve life in York, enabled by the council.
57. All customer activity will be included in scope, with a particular focus on: Democratic Services, Communications, Communities and Equalities and Customer Services. There is a £450,000 saving required from delivery of the transformation work in 2015/16 and on going. This is in addition to efficiency and savings targets already set.

Customer Services

58. City of York Council has undergone a lot of change to its customer services functions. Over the last three years, the council has updated its customer care standards, created a new customer contact centre in West Offices, implemented new technology systems to make case handling and the management of telephone calls more efficient and asked all staff throughout the organisation to think about how they can make their services more customer-friendly.

59. We have also improved the council website to make it easier for customers to find what they need online. The purpose of all this change was to make sure that the council delivers high quality customer services to all its customers, all the time. We want to put the customer at the heart of everything we do.
60. We recognise that expectations are changing and there is a need to make a further step change in the way in which we provide customer services.
61. Too much of the current interaction with the council remains through traditional routes and the use of online and self service has yet to be fully exploited. We need to make the shift towards being more proactive and we will do this through the creation of a 'my account' model of service for our customers.
62. We will encourage all customers to sign up to an online account which will provide them with regular updates by SMS, email or Facebook telling them about things that are happening or changing at the council that they are interested in. Also when they have made a service request, we will ensure that they know it is being dealt with and when it has been completed without the need to chase the council.
63. We know that York has one of the highest levels of computer literacy in the UK, and we've got some of the highest levels of Smartphone ownership. Therefore we will seek to exploit the opportunities of web-based technology in a significant way. The website will change from being an effective library of information, into a transactional site where residents and visitors can interact with the council through systems such as web chat.
64. By making these changes we will be able to provide telephone and face to face customer services for those residents who really do need to talk to us. We will ensure that services are able to answer residents' questions by consolidating more services into the customer centre.
65. We will also work to multiskill our staff and give them the tools to fulfil customer needs, as we aspire to customer excellence, by establishing a culture and way of working across the council that empowers staff to resolve issues and helps customers to help themselves. We want our phone and face to face services to be courteous and responsive i.e. to do what we say we are going to do in a timely way.

66. Advice and information services will be available in other locations. Over time residents will be able to engage with our 'hubs' across the city, which will offer integrated services locally e.g. libraries.
67. We will work with our partners to co-locate services and provide information and advice on behalf of the council e.g. the community and voluntary sector.
68. Throughout this next stage of the journey, we will work with residents, people and communities to design and create these services, ensuring they are more bespoke to the needs of local communities and area.

Council-wide

69. There are several areas that need to have greater consistency in our approach:
 - Establish the one council approach to resident engagement; this will be supported by the use of a balanced scorecard to show impact. This would include resident satisfaction, ability to influence decisions, increased response to consultation, increase in volunteering, hits on the revamped website. This will build on work already in place.
 - Embed resident and community engagement into the work of internal audit and their reports.
 - Revamp consultation to have greater consistency, provide feedback and combine the results with other data such as customer insight to inform decision making.
 - Projects will be established to support service redesign in adult social care (based on the Havering approach) and place based services, possibly on community safety (Darlington approach).
 - Provide better information, advice and access via the website and social media, this will include a refresh of the complaints and FOI information on the website.

People

- Invest in council employees to embed new ways of working, improve skills and support change.

- Invest in individuals and community groups to develop skills and networks e.g. community researchers in Carr to enable greater self sufficiency.
- Agree on a business case methodology to identify services that will transfer to central customer services or have a greater online presence, starting with Housing repairs. This will be followed by 5 further services being identified for better access or online presence in the next 12 months. This would be followed by a rolling programme of consolidation and standardisation.



Oldham
Council

Customer Service Re-wiring Public Services, made civic engagement easier with a provision for Public questions via social media. Through sharing local intelligence vulnerable families and residents in need of immediate support have received a faster response.

Transformation included:

Making web the channel of choice for accessing council services, with an aim to achieve 75% of relevant customer transactions being undertaken on line.

Ensuring a whole organisation/one council response to changing customer needs and behaviours.

The move to online services for Revenues and Benefits will mean a significant change to the service delivered through Access Oldham.

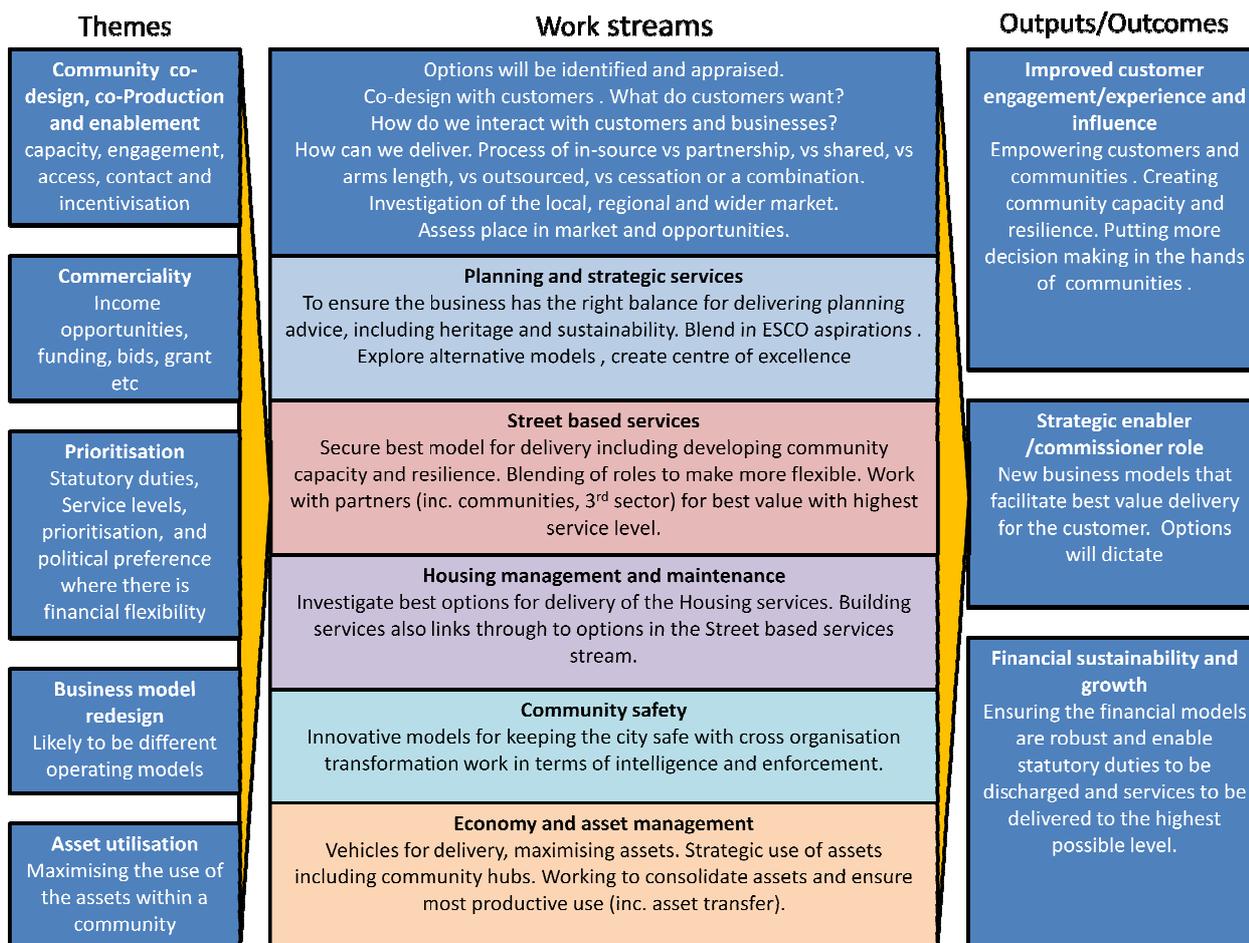
- A cross council project will look across all areas to change behaviours, promote channel switch and improve website access and content (Lewisham model).
- Agree what service excellence is for residents in York and establish a one council balanced score card for all services to residents, proposals to include reduction in complaints, reduction in abandonment rates, increase in alternative access channels across all services, improvements in telephony technology, and a 95% score in call quality monitoring.
- Set out the IT short term fixes to improve customer 'help' and support whilst not compromising the long term ambition below.
- Agree that the long term IT platform for residents will be a 'my account'.

Place

70. To nurture resilient communities, research shows that places are important in developing a sense of belonging and identity. Therefore, as part of the engagement work, two strands of action are proposed with regard to place:
- To agree the strategic direction, which is to rationalise the public sector portfolio of properties across York, whilst at the same time seeking to integrate the services offered from those buildings. This will result in York developing 'community hubs', each of which would be bespoke to their local community. This work has already a number of positive building blocks in place. There is a partner board established that includes, NHS, Fire and Rescue, CVS and the Police, where they consider current properties and their future use. The mapping of the main public assets has been done via the board, though some up dating will be needed. This is also an aspect of the work underway in libraries.
71. The council is currently considering the procurement of a strategic partner to support a wide range of work on assets. To ensure the community aspect is embedded in this work, it is proposed that the partner should offer expertise or some specialism in community and / or resident engagement.
72. The work on integration and hubs development needs to be supported by a second strand of work.
- This strand will need to look at the future needs of services against customer insight data and more importantly conversations in communities to see what it is important locally and how future options will offer good value for money.

Work-stream 2 Place based services and public realm

73. The diagram below sets out the scope of services included in the Place based services and public realm programme.
74. The cross cutting themes are illustrated below and these will shape the projects in the centre blocks that will deliver the outputs and outcomes.



75. A number of underlying objectives have been set for the programme. These are to:

- Reshape business models
- Maximising commercial opportunities
- Ensure the setting of outcomes is resident led
- Develop and support community capacity and resilience
- Invest in a flexible workforce
- Change the culture

76. Two key themes are already underway looking at:

- 1) Commerciality
 - Developing the City of York council offer – corporate, directorate, service, section, group and individual
 - Ensuring that the offer is marketed as a whole – shopping basket approach

- Developing the detail, the business models and business case for delivery – improved in-house, outsources, shared, partnership, Joint Venture, Sub-regional etc.
- Development of the supply chain – commissioning and procurement, best price for AQL (accepted quality level)



Essex County Council: following a scrutiny review of delivery, specialist planning and advice services within Essex County Council were combined (partnership with 11 Local Authorities) in 2012 to form a multi-disciplinary 'Place Services' Team. This includes environmental planners, archaeologists, ecologists, landscape architects, urban designers, listed building specialists and arboriculturists.

The aim to safeguard and maximise the environmental, social and economic benefits the historic environment brings. There has been a shift to a more commercial focus and as well as service level agreements with the individual authorities the team has had for central government with the aim of full cost recovery. This function will develop as an arms-length, not-for-profit specialist environmental planning and management enterprise.

2) Effective utilisation of assets

- Ensure that the council gets best value out of its assets
- Including buildings, highway based, vehicles, people and intelligence
- Community based hubs (alignment to Building Stronger Communities outcomes)

77. Project 1: Planning and strategic services

Context

- Revenue funding reducing in specialist areas. Requirement to revisit the business model and start to achieve financial self sustainability.
- New business model to create a sustainable planning and strategic planning function.
- Projected large income streams from major developments
- Other functions that support and provide other specialism aiming to achieve self financing.
- Build team to support longer term ambition around renewable energy and energy efficiency.

Options

78. The business model will need to look at maximising income to the council through the community infrastructure levy (CIL) and other avenues. It will also need to be in a position to deliver the requirements around renewable energy and energy efficiency that will contribute both in a financial and qualitative sense in the longer term.
79. The model will need to be flexible in order to meet shorter and longer term requirements. Funding streams may not be consistent, i.e. income from planning support may be higher in the short term and returns on something like an Energy Services Company would give longer term payback.

80. Project 2: Place Based services

Context

- Rising cost of Waste to landfill. This is an issue in the short as York falls well below the regional and national average for Waste going to landfill. Opportunities to extend recycling limited due to cost of disposal. Long term future of disposal covered by Waste PFI.
- Services near to optimum level of efficiency for internally delivered services. Running own depot is costly. Reducing budgets.
- Highways maintenance budgets reducing. Risk now on tipping balance between reduction in service level (e.g. pothole spec to 25mm from 15mm) and increase in insurance claims.
- Need to optimise services around resident requirements.
- Further opportunity around generic roles.
- Need to take a longer term view around the delivery of these services in the context of the likelihood that budgets will further reduce, but do also need short term plans to take the business through to the long term.
- Further opportunities exist around income generation.
- Business model to maximise income generation. Important for the short term.
- Transformation approach to delivery – reduce revenue funding in Highways, review of type of service delivered (to meet resident requirement), and service levels and look at cessation of service.
- Community and resident engagement, where applicable, in design and delivery.



In 2005, a Best Value Service Review gave Wolverhampton City Council a “one star service” with uncertain prospects for improvement.

Having worked closely with Enterprise since 1994 when Enterprise began providing elements of the operational services, Wolverhampton Waste Partnership, a 14 year contract formed between the Council and Enterprise.

The partnership has achieved:

95% improvement in recycling levels

“Most Improved Performer” awarded by APSE in December 2009

Top quartile performance for waste diverted away from landfill

81. Project 3: Housing

Context

- Requirement to regenerate more business for Building Services to enable a robust model for supporting council Housing stock.
- Sense check the Housing management model and relationship between Housing Management and Building services.

Options

82. The major piece in Housing is a transformation programme to extend the scheduling and job management and to enable Building Services with mobile working. This has required investment, but will enable the business to start to grow and to explore different markets.
83. These markets could be business in the City, providing Housing associations with building maintenance services for example, providing services to neighbouring authorities and as an aspiration to undertake private work.
84. The purchasing power that the council has in terms of large scale purchase of windows and other items could provide an extra income stream in terms of selling to members of the public.
85. Further analysis work is required on the shape of the model and what would be required to operate with the alternative markets.

86. Project 4: Community safety

Context

- Transform business to enable more multiagency working. Majoring on intelligence sharing.
- To make the city a safe place.
- Maximise enforcement opportunities where the outcome would be to the benefit of residents (e.g. littering, fly tipping, etc.).

Options

87. The creation of a multi agency antisocial behaviour hub will contribute to delivering better outcomes for residents. Case information will be inputted by the officers on the ground through their own systems and this will upload to the hub to provide a joined up, intelligent evidence base.

88. In public protection there will be a necessity to de-prioritise in certain areas to meet revenue budget challenges, but to keep the required level of expertise in the team income streams will be explored.

89. In terms of enforcement there will be a piece of work to look at the further consolidation of neighbourhood / street based enforcement resource and positioning internal funding alongside funding from North Yorkshire Police, the Police and Crime Commissioner and fixed penalty notices to create capacity to ensure the best possible outcomes for residents.

90. Project 5: Economy and asset management

Context

- Delivery models Joint Venture and NewCo
- Maximise potential of assets

Options

91. Ensure that the mechanisms created for inward investment, the economy and tourism are maximising their potential.

92. This includes working strategic asset management into business development and ensuring assets are utilised to their maximum.

93. Not possible at this stage. Target is £750k, but programme will build in target of double that to pre-empt further stretch targets.

Work-stream 3 Children's and Adult Social Care and integrated Public Health

94. This programme considers a range of service areas across the spectrum of children's services, adult services and public health.

95. There are three key projects proposed in Children's services these are:

- Transformation of Youth Support Service
- Replace the existing Children's social care case management and financial system
- School Services Strategic Review

1. Transformation of Youth Support Service

The review is to consider options to shift the Youth Support Service away from its historical model of bricks and mortar centre provision and open access universal service to one of targeted support to high priority young people.

The project priorities are:

- Complete the move to become a predominantly outreach-based specialist service.
- Take significant advances towards co-operative provision with independent sector groups.

2. Replace the existing Children's social care case management and financial system

This project will deliver a replacement of the current Children's social care system.

The project is in its early stages and a project plan is being created to map the likely timescales and resource plan for what will be a major change programme for Children's services.

3. School Services Strategic Review

This review considers the options and opportunities for the council in the delivery of school support services including:

- School Improvement Services
- Governor Services
- Early Years and Childcare (including Children's Centres) Offer
- 14-19 Skills Offer
- Traveller and Ethnic Minority Service
- Corporate Services to schools

Adult Social Care

Why the future of adult social care needs to be different from today

96. In York we want people to live independent and fulfilling lives, based on choices that are important to them. We want care and support services to be more effective and focused on individuals so that they can be independent and stay involved in their local communities.
97. We need to consider this alongside the long-term impact for health and social care services. Nationally, demand for adult social care has been growing year on year and this is also the case in York. People are living longer (we expect to see an increase of 20 percent in the number of people over eighty five living in York by 2020) and we are finding that there is an increase in the number of people with long-term conditions, including dementia. People are also living longer with very disabling conditions. And like many cities we have pressures with residents who have mental health needs. We also have pressures from younger disabled people with very long term needs.
98. Adult social care represents around one third of the council's available budget; £67m per annum. As our funding from Government reduces, there is a need to use the budget we have available to adult social care in the most effective way.
99. We need to balance all of these elements to make sure that we have a sustainable health and adult social care system that puts people in control of their own care and support, makes sure that the most vulnerable people are supported and also delivers value for money for local residents. To try and achieve this, we need to create a very different set of expectations and radically change the way we do things. We need to find more innovative ways of helping our residents to support themselves with fewer formal council services. A key part of this is shifting the balance of care away from costly residential homes and towards more personalised services in community settings.

100. To create the system described above we need to develop a different relationship between the council and the community. We need to move from a model of dependency to one where older and disabled people are seen as people who can contribute and exercise control over their own lives, improving their own health and well-being.



Created a social enterprise called 'Focus Independent Adult Social Work', which has resulted in:

- greater customer satisfaction
- personalisation of care
- integration of other services

Established in September 2013, the organisation has approximately 140 staff with an operating budget of c£4m and have joint responsibility with the North East Lincolnshire Clinical Commissioning Group for care and support budgets of c£28m

101. We will offer people high quality, useful information that can help them to make informed choices about care and support, including what services are available locally and how to access them. This will be for everyone, including people who self-fund their care and support.

102. More people across the whole spectrum of support needs will be helped to live as independently as possible, through prevention, signposting and 're-ablement' – short term interventions to help people recover skills and confidence following a period of poor health or admission to hospital.

103. Overall, fewer people will be dependent on long-term council support and more interventions will be time-limited. This support will be aimed at enabling people to access mainstream services rather than relying on specialist services.

104. We will continue to develop the offer of personal budgets for those people who do require ongoing care and support, including direct payments in cash. People will need information on the amount of money to be spent on their care and support needs so they can make choices on how it is spent. We recognise there is a role for the council in supporting the development of a care and support market that provides the sort of services that people want to access. This includes the availability of

support for people in making those decisions and the implications of choosing to employ their own staff, for example.

105. We recognise the vital role that carers play both in delivering care and in helping prevent people from getting worse or needing more intensive packages of support over time. This means we must carefully consider interventions that can have a demonstrable impact in improving outcomes for people and supporting carers.

106. Care and support is about partnership – involving individuals, communities, voluntary and private sectors, the NHS and the council's wider services, particularly employment and housing. We will need to work closely with the NHS in addressing individuals' and carers' needs and supporting seamless pathways for care. We also need to take account of the reform of the NHS, particularly the enhanced role for GPs in terms of commissioning services, and for the council in terms of joining up commissioning across health, social care and health improvement.



Sunderland's Intermediate Care Service Partnership has been developed jointly by:

Sunderland's City Council
Teaching Primary Care Trust
Clinical Commissioning Group
Intermediate Care Partnership
Other key partners from the Sunderland Intermediate Care Strategy Group.

With high level aims including maximising independent living, ensuring a skilled Intermediate Care workforce, and promoting faster recovery from illness.

107. Voluntary and community services have a key role to play in helping to build strong community engagement. The experience of the sector is also invaluable in thinking of new ways of doing things and helping people understand the need for change. We know that voluntary and community organisations will experience challenges in the future as the overall amount of funding available is reducing. It is important for us to work together with people using services and carers to make the best use of those available resources.

The work we will do –

108. The focus for the future health and social care system is about enabling people to live independently and well for as long as possible and not feeling restricted to traditional support options. Partnership is key here – self help, helping yourself and others as an active citizen, working with the wider community and voluntary sectors to develop social capital are all vital components of a system that provides effective care and support, and which goes beyond the traditional sense of statutory services.

109. This means that the council also has to think differently about the wider services available to support people to make the most of these opportunities.

110. We recognise that many people need some intensive support at the end of their lives. What we want is to have a good balance of services in place to promote health and wellbeing and make that period as short as possible for everyone.

Specifically we will –

111. Look to re-shape our universal offer (open access discretionary services) that cover areas such as day care services as well as befriending, information and advice.

112. We will create a single point of informed contact so that people can access high quality information and advice about social care services and be signposted to resources outside the council. This will be for everyone regardless of whether or not they receive support from the council for their care.

113. Prevention work needs to consider ways of stopping people's care and support needs from getting worse and of helping people minimise the risk of them entering the adult social care system as far as possible. This may include help for carers and the development of telecare, enabling people to live independently at home with the use of technology and equipment, for example personal alarms, fall detectors or temperature extreme sensors. Health services also have a key role to play in helping us become more aware of the groups of people who are more likely to enter the social care system, particularly when they have long-term conditions so that we can target interventions effectively. The biggest impact of preventative action is often on health provision. We will engage with GP commissioners and work as part of the Health and Wellbeing Board to support this.

114. A set of triggers and alerts will be embedded in the new health and social care system with the aim of ensuring that people who are at risk are

safeguarded. The culture will support positive risk-taking and the whole community will be responsible for picking up warning signals and will need to be part of an effective response.

115. The system as a whole will be underpinned by the ethos of independence and re-ablement. Support will be progressive and proportionate to need, minimising bureaucracy and duplication, and ensuring all steps along the way are timely and focused on outcomes. The resources we have for helping people arrange care and support will be increasingly focused on those who are less able to help themselves, including people without family or networks, people with cognitive impairment or a lack of mental capacity.

116. The workforce has a key role to play in supporting and delivering this vision and transformational change. It will be important for us to review our structure and skill mix to make sure that they best support the outcomes residents want and continue to provide timely, clear and high quality responses. Our focus will be on reducing back office costs as far as possible and supporting frontline workers to operate effectively and efficiently. This includes a range of supporting elements including performance management and IT systems, for example mobile technology.



Buckinghamshire Care was a Local Authority Trading Company, which commenced from 1st October 2013 to provide various Adult Social Care services.

The LATC is forecast to generate a cumulative surplus of £600,355 at the end of the fifth year of trading.

The value of the contract between the Council and the LATC will reduce over five years, from a value of £7.9 million in the first year of trading to £7.1 million by year five. The forecast performance of the company secures savings of £2.25m over the five years. These savings are delivered to the Council through the reduced contract price

117. In addition, providers of care and support will need to think differently about the services they offer as individuals take control of their own care and support needs. The council will have a role to play here to help providers understand the changes that are happening and we will also be

focused on the need for all care and support offers to be about high quality support that helps people to achieve the outcomes they want.

Work-stream 4 Business Efficiency Projects

118. These projects and activities will ensure that the council's support functions continue to play a full part in delivering savings, whilst also maximising opportunities for more effective, corporate working.

119. These will build upon the objectives of the overall business case for the Business Support Review which has been running since November 2012, to:

- Embed the principles of one organisation as we operate from West Offices – with similar activities brought together where there is a clear business case;
- Alignment of services for better co-ordination of related services and re-engineering of processes within logical business support groupings;
- Review of management layers across all areas, where there has been a clear member desire to see layers reduced, and where given the financial pressures we need to review across all areas.

120. The Business Support Review, as reconfigured with support from an external peer in the summer of 2013, has the following components:

- Policy & Performance; approval in September for a consolidated Strategic Business Intelligence Hub, that will bring together policy, strategy, research & development and performance management functions across the council, building on models successfully implemented in a number of local authorities (East Riding of Yorkshire, Bradford, London Borough of Hillingdon). Formal consultation on the management structure for the function is underway, with a view to implementation by 1 April, with the consolidation process completed by 1 November.
- Business Administration; approval in July to consolidate generic and technical administrative support functions (data entry, purchase order raising, train ticket ordering, note taking, for example) across the council, building on models successfully implemented in other councils (East Riding, Peterborough). Formal consultation on the management structure for the function is expected to be launched at the end of January, with the consolidation process completed by 1 October.

- Procurement and Commissioning; recruitment to the core central team has now taken place and up skilling of the core function has taken place. Work plans and activities have been reviewed to focus on value delivery and value opportunity. Decision made in September that strategic commissioning will be an important integral part of the overall transformation approach.
- Customer Services; approval in December that customer services should be included as a strategic priority for the Re-wiring Public Services. Further detail on customer services can be found in the community and resident engagement summary.

121. In addition to the Business Support Review workstreams identified above, there is a commitment to conduct a Senior Management Review to identify opportunities to deliver savings from further reductions in management. This process is expected to start in March, once the new Director of Children's Services is in post.

Conclusion

We are in unprecedented times for local authorities. As this report identifies, over £80m will have been taken from council budgets by the end of the year. This has had a significant impact on the council and although some services and outcomes are exemplary such as education, employment rates, crime levels and life expectancy, others are in need of transformation.

This paper takes forward the specific Peer Review recommendations to develop:

- Greater involvement of residents in the setting of council priorities and the redesign of council services; and
- Greater investment in and co-ordination of the extensive change programme of the council.

This will be done through the establishment of a Re-wiring Public Services programme that will reshape the way the council supports residents to achieve the outcomes and quality of life that they want.

Consultation

The proposals in this document are directly informed by the Peer Review which involved partners, residents and community groups. It was also informed by the two most recent Big York Surveys.

Implications

- **Financial** – *Individual projects will develop business cases over the next 6 months that will have financial implications. These business cases will be considered by Cabinet in July 2014.*
- **Human Resources (HR)** – *The report acknowledges that during the implementation of proposals, there will be an impact on council resources. The report also identifies that an Organisational Development Programme will be created.*
- **Equalities** – *The actions in this report further the Council's commitment to equalities.*
- **Legal** – *None*
- **Crime and Disorder** - *None*
- **Information Technology (IT)** – *The Re-wiring Public Services will depend on ICT services to support a new phase of on-line services.*
- **Property** – *None*
- **Other** – *None*

Recommendations

Recommendations are as follows:

Cabinet agree -

- the proposed scope of the Re-wiring Public Services programme
- a minimum savings target of £5.48m for 2015/16
- to receive updates on the programme, aligned to the council performance and financial monitor
- that regular updates will be presented to the Corporate and Scrutiny Management Committee

Reason: To allow the initiation of the Re-wiring Public Services programme in support of the Financial Strategy and Council Plan

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	Report Approved	√	Date 30/01/2014
Specialist Officers: None			
Wards Affected: All			√
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Background Papers: available online only

July 2013 Annual Performance Report
Peer Review Letter
Response to Peer Review
LGA Summary Document of Rewiring Public Services

Annexes

Appendix 1- Sample Case Studies – alternative delivery options

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Sample Case Studies – alternative delivery options

Adult Social Care

Hull City Council

The review of new service delivery models for adult social care services focuses on the following options:

- A review of the existing service's in-house provision, the costs associated and the risk of sustaining the current arrangements.
- The creation of a stand-alone social enterprise for the delivery of some elements of Adult Social Care across the city together with a review of different company structures.
- To join with an existing social enterprise for the delivery of some elements of Adult Social Care delivery.
- To create a Council "wholly owned company" for the provision of Adult Social Care.
- To externalise the whole (or parts of) services to specialist providers – testing the services through a formal tendering process.

The main findings of the review were:

- There is a need/desire for services to be capable of successfully implementing important programmes, such as the personalisation agenda and the introduction of personal care budgets.
- There is a clear recognition that the existing service provision is too expensive and therefore not sustainable without a programme of transformational change.
- It was found that maintaining current delivery models (direct provision by the Council) will not yield the same level of savings as other new delivery options without significant service reductions and a potential detrimental impact on people.

The review identified three organisational arrangements and new delivery models that should be tested further before any implementation phase – these are:

1. Create a stand-alone social enterprise that promotes independence and supports the most vulnerable across these service functions.
2. Join an existing social enterprise and benefit from all associated governance and contracts already in place.

3. Establish a Council wholly owned company for the provision of Adult Social Care.

The review found that complete externalisation of the service is not a viable option at this stage.

The alternative delivery models have the ability to reduce costs due to their tax and charitable status (in some models) and from savings in labour costs and overheads which are simply not available to a public authority such as the Council. In all of the various alternative delivery models, the Council is able to retain control and influence over service quality. The three models highlighted above will also supports the City Plan ten year vision around sustainable jobs and the creation of employment opportunities locally to Hull.

Example Adult Social Care delivery models elsewhere in England

Some examples of successful Adult care service spin offs from the Public Sector include:

- Essex Care Ltd – spun out 20 as a Local Authority Trading Company by Essex Council as a provider of social care services.
- Sussex Council – ASPIRE Sussex Ltd (Adult and Community Learning Services)
- Aberdeen Council – Local Authority Trading Company for social care.
- Swindon Council – Social Enterprise for Integrated Social Care. (SEQOL) Integrated Health and Social Care.

Anglian Community Enterprise (ACE)

Governance - Community Interest Company, commenced trading on 1st January 2011 and provides more than 40 NHS community healthcare services across north Essex. Formerly part of NHS North East Essex, a key aim of ACE is to improve the health and well-being of local communities.

Range of services - Children, Community, Health and Wellbeing, Adult Therapies, Learning Disabilities, Long Term Conditions

Workforce and financials - over 1,000 staff and an income of approximately £45m it seeks to invest any surplus into the local community.

Social Mission – ‘to maximise our role as a service provider, employer, purchaser, community member, partner and potential investor to improve the health and well-being of the communities in which we work’.

Medway Community Healthcare

Governance- Community Interest Company, commenced trading on 1st April 2011, like ACE, is part of the new enterprise culture and one of the first phase of social enterprises delivering high quality community health care to local people. Range of services - from community nurses and health visitors to speech and language therapists and out of hour's urgent care.

Workforce and financials - 1,250 staff providing a wide range of both planned and unscheduled care in local settings such as healthy living centres and is a £50 million business with inpatient units and people's homes.

Your Healthcare (Richmond upon Thames)

Governance Community Interest Company, commenced trading on 1st August 2010.

Range of services - community healthcare and clinical services to local populations including people with learning disabilities in Richmond;

Workforce and financials - over 600 staff.

Your Healthcare CIC turnover for the 15 month period to March 2012 was £16.7m. This was generated mainly from clinical service provisions. Of the total income 97.6% was from NHS organisations and 2.4% from other public sector organisations, mainly local authorities. The period posted a £60,000 operating surplus.

Yorkshire and Humberside Sector Led Improvement Initiative

Across the region, local authorities providing adult social care have participated in an improvement initiative that focuses on peer review and learning from each other. This included work with Barnsley and Calderdale adult social care departments, which had performed well in areas in which it was identified NEL needed to improve.

A recent report by the East Coast Audit Consortium has shown that our integrated approach to commissioning has delivered real success in seeking to live within our means:

- Reduced dependence on placements to long term care for people with high levels of need
- Through tendering, reducing the unit costs of care at home whilst achieving improvements in services

- Reinvestment of savings in the intermediate tier and in prevention and wellbeing services
- Returning people to NEL from expensive placements outside the area
- Reducing management costs.

The CCG has been nominated for the national Best Commissioner Award, and won the Independence Award 2013 for best commissioner based on the work we have undertaken to develop and shape the local care market for people with learning and physical disabilities.

Delivering personalisation is a key part of our local strategy:

- In 2012/13, 2483 people had the opportunity to access services of their choice through receipt of a managed budget.
- In 2012/13, the proportion of people using social care who received a direct payment to allow them to purchase the care and support they need directly, increased to 21.1%; this puts us in 4th position out of all local authorities in the region.

When asked how much control people have over their daily lives, 93.3% said they had full control; again, this is a major improvement on last year, and puts us in top position for local authorities regionally.

Place-based Services

Wolverhampton City Council and Enterprise

The 14 year contract was awarded in 2006. Annual spend on Environmental Waste Management £152,732.

Enterprise and Wolverhampton City Council have been working closely together since 1994, when Enterprise began providing elements of the city's operational services. Ten years of close working evolved in 2005 when Enterprise and Wolverhampton City Council formed the Wolverhampton Waste Partnership. This partnership is responsible for the collection of household refuse, trade waste and environmental waste. It also manages two Household Waste Recycling Centres in Wolverhampton.

Wolverhampton City Council required a collaborative partnership to provide refuse and environmental services that would align and assist with its transformation strategy. This strategy included:

- Setting clear strategic aims and objectives
- Creating a focused operational culture

- Establishing a rigour to performance management
- Focusing on upper quartile service performance in recycling levels and customer satisfaction

The Waste Partnership was innovative in its use of the Retained Employment Model, which seconds rather than transfers staff. It allowed trust in the private sector to be established, which smoothed the transition process and has contributed to the achievements recorded by the Partnership.

Key Achievements are:

- The 2008 Place Survey recorded 83% of people either very or fairly satisfied with the refuse collection service and 73% with doorstep recycling. This exceeds the national average of 78% and 70% respectively.
- In waste statistical terms, the Partnership has helped transform service quality standards, achieving;
- 95% improvement in recycling levels, recording in excess of 33% for 2008/09 and achieving the Partnership target one year ahead of schedule.
- Top Quartile performance for waste diverted away from landfill providing the eleventh best record for landfill diversion in England and Wales in 2008/09.
- In December 2009, APSE awarded Enterprise's Wolverhampton Waste Partnership with the industry coveted "Most Improved Performer" award, in recognition of the transformation in service quality standards.

Further enhancements planned for the service include the introduction of commercial waste recycling, which will aim to recycle cardboard, paper, glass and plastic from trade waste customers. This will reduce disposal costs and minimise the use of landfill, encouraging a more sustainable approach to meet Wolverhampton City Council's objectives.

Customer Services

Oldham Council Customer Service Re-wiring Public Services

The Vision of the Customer Service Re-wiring Public Services is to:

- Provide a common ownership and direction for all first contact activities, creating a consistent approach to customer service delivery across the organisation.
- Ensure a whole organisation/one Council response to changing customer needs and behaviours.

- Provide the information and insight needed to work with services to enable them to reposition services around the customer.
- Make best use of our resources and our access channels to give our customers choices about how they contact us.
- Make web the channel of choice for accessing Council services, with our aspiration to achieve 75% of relevant customer interfaces being undertaken on line.
- Reduce the number of services delivered through the more expensive access channels such as face to face is reduced.

There are five key areas of activity in the delivery of the Customer Service Re-wiring Public Services:

1. Migration of new services to the Corporate Contact Centre (April – October 2013)

Eleven new services were identified where there was opportunity to migrate calls and emails contact to the Contact Centre. These are:

- School admission
- Elections / Land Charges
- Galleries
- Community Safety
- Licensing
- Libraries
- Registrars
- Environmental Health (additional calls)
- Highways
- Parks/Street cleaning

2. Implementation of Agilisys Digital Platform (My Account) November 2013 – April 2014)

The implementation of the Agilisys Digital Platform will allow residents to create their own account giving them the facility to carry out a range of on line transactions. The portal will integrate with a range of existing Council systems allowing customer data and requests to be passed directly to the back office.

3. Introduction of a mediated support model in Access Oldham
The move to online services for Revenues and Benefits will mean a significant change to the service delivered through Access Oldham. Staff will be providing support to residents to undertake online transactions but will continue to provide a mediated support service for those who are unable to self-serve on line.

4. Introduction of improved telephony to the Corporate Contact Centre including an automated switchboard facility. The programme introduces a 'virtual operator service' which provides automated call answering capabilities to the Oldham Council switchboard using state of the art speech recognition and call routing technologies.
5. Communications / marketing to deliver channel shift and change management support to deliver 75% of in scope transactions online within six months. A marketing and communication campaign will be rolled out to current and potential users of these services.

Alternative operating models

Barnet Easy Council Model

The outsourced customer services and back office contract would be worth £320m over 10 years. Barnet believes that the two contracts will deliver £165m in savings over ten years.

Barnet Council will cut 70% of staff from the back-office functions it is outsourcing to Capita.

Kari Manovitch, project director for the outsource at Barnet Council, said a major component of £70m savings the Council expects to make from the 10-year, £320m deal will come from staff cuts.

Manovitch confirmed that Capita's profit margin will come roughly from the difference between the 45% saving it makes in the operating costs of its acquired services and the 18% saving it passes on in contract fees to the Council - making the 27% as profit.

By the end of the contract in 2023, 147 of the 515 posts will be held by people working under contract to Capita in the London borough. Another 192 Capita staff will run Barnet's back-office from shared service centres in Banstead, Belfast, Blackburn, Bromley, Carlisle, Chertsey, Chippenham, Darwen, Sheffield and Swindon.

Barnet Council said Capita would underpin its back-office automation with an £8m investment in computer hardware and software. This would include a customer system to give people "Amazon-style" accounts with the Council, while Capita's fees have been tied to the volume of citizens it handles online.

Barnet's system, called its "Insight engine", would use data about citizens and Council activities to provide personalised services and "insight" into how those services were performing.

Capita has a business intelligence system called Insight it sells to local authorities, which is based on Microsoft's Business Intelligence Technology Stack and SQL Server Reporting Services.

The Council executive claimed Capita's methods would save Barnet £70m over 10 years. The contract will cost £320m. The authority said it would cost £380m to continue running its own services, and ruled out the possibility that it might modernise its own services.

The Service Provider guarantees that during the Contract Period it will achieve the minimum savings and income generation in the provision of the Services as set out in the table below.

The Service Provider shall demonstrate to the satisfaction of the Authority that such savings have been achieved.

Some key objectives include:

- Improves in-year Council Tax collection to 98% and overall Council Tax collection to 99%
- Improves NNDR in-year collection to 98% and overall NNDR collection to 99.5%
- Processes HB/CTB claims in 10 days and changes of circumstance in 5.5 days
- Achieves accuracy levels of at least 95% and guarantee that LA Error and Admin Delay Overpayments will be below the lower DWP threshold.

Lambeth Co-operative Council

Lambeth wishes to be the only local authority in the country to secure four 'outstanding' awards in children's services for adoption, fostering, looked after children and safeguarding; and to be the only authority in the country to be empowering young people to shape and fund their activities through the ground-breaking Young Lambeth Cooperative.

The cooperative Council initiative has seen over 5,000 tenants have helped shape Lambeth's standard for Council homes, one of the largest engagement processes undertaken, and we are confident that our plans for a record £450 million investment will bring about the kind of transformation that our tenants

and leaseholders want and have waited too long to see. And we also know through our work as a cooperative Council that our response is more creative when we work closely with the community: there is some excellent innovation in the personalisation of adult care.

Through working together with our citizens we have developed this plan which sets out our aspirations for Lambeth for the next three years through the delivery of three overarching outcomes:

- More jobs and sustainable growth
- Communities feel safer and stronger
- Cleaner streets and greener neighbourhoods

We believe that the challenges facing the borough can only be met by fundamentally changing the relationship between the Council and our citizens so that we work together on a basis of mutual respect. The cooperative Council ambition is about finding new ways in which citizens can participate in everything the Council does from understanding the strengths and needs of local communities through to buying, delivering and monitoring services.

We are changing the whole way the Council works and how it is structured so that the community is at the centre of everything we do.

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Glossary of Abbreviations

ACE	Adults, Children and Education
ASC	<i>Adult Social Care</i>
CAB	Capital Asset Board
CANS	Communities and Neighbourhoods
CBSS	Customer and Business Support Services
CCTV	Closed Circuit Television
CDS	Credit Default Swap
CELTAS	Community Equipment Loans Store
CES	City and Environmental Services
CFR	Capital Financing Requirement
CIA	Communities Impact Assessment
CIL	Community Infrastructure Levy
CIPFA	Chartered Institute of Public Finance Accountancy
CLG	Communities and Local Government
CPI	Consumer Price Index
CRAM	Capital Resource Allocation Model
CSMC	Corporate and Scrutiny Management Committee
CSR	Comprehensive Spending Review
CVS	Council for Voluntary Services
CYC	City of York Council
DAAT	Drug And Alcohol Treatment
DCLG	Department for Communities and Local Government
DfE	Department for Education
DFG	Disabled Facilities Grant
DfT	Department for Transport
DIF	Delivery and Innovation Fund
DSG	Dedicated Schools Grant
DWP	Department for Works and Pensions
EFA	Education Funding Agency
EI&P	Early Interventions and Prevention
EIF	Economic Infrastructure Fund
EPH	Elderly People's Homes
FM	Facilities Management
FOI	Freedom of Information
FTE	Full Time Equivalent

HR	Human Resources
HRA	Housing Revenue Account
LA	Local Authority
LAC	Looked After Children
LATC	Local Authority Trading Company
LCR	Leeds City Region
LGA	Local Government Association
LMS	Local Management of Schools
LTP	Local Transport Plan
MRP	Minimum Revenue Provision
MTFF	Medium Term Financial Forecast
MTFS	Medium Term Financial Strategy
NNDR	National Non Domestic Rates
OLEV	Office for Low Emission Vehicles
PI	Prudential Indicator
PFI	Private Finance Initiative
PRU	Pupil Referral Unit
PVI	Private, Voluntary and Independent
RPI	Retail Price Index
RSG	Revenue Support Grant
SEN	Special Educational Needs
SHEC	Sheltered Housing with Extra Care
SUFA	Start Up Funding Assessment
TUPE	Transfer of Undertakings (Protection of Employment)
VCSSO	Voluntary Community Services Organisations
VoYCCG	Vale of York Clinical Commissioning Group
YMT	York Museums Trust