



Notice of meeting of

Executive

To:	Councillors Steve Galloway (Chair), Aspden, Sue Galloway, Jamieson-Ball, Reid, Runciman, Sunderland, Vassie and Waller
Date:	Tuesday, 11 September 2007
Time:	2.00 pm
Venue:	The Guildhall, York

AGENDA

Notice to Members - Calling In:

Members are reminded that, should they wish to call in any item on this agenda, notice must be given to Democracy Support Group by:

10:00 am on Monday 10 September 2007, if an item is called in *before* a decision is taken, *or*

4:00 pm on Thursday 13 September 2007, if an item is called in *after* a decision has been taken.

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

1. **Declarations of Interest**

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

2. Minutes (Pages 3 - 12)

To approve and sign the minutes of the meeting of the Executive held on 24 July 2007.

3. Public Participation

At this point in the meeting, members of the public who registered their wish to speak regarding an item on the agenda or an issue within the Executive's remit can do so. The deadline for registering is **5:00 pm on Monday 10 September 2007.**

4. Executive Forward Plan (Pages 13 - 32)

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

5. Minutes of the Young People's Working Group (Pages 33 - 42)

This report presents the minutes of a recent meeting of the Young People's Working Group and asks Members to consider the advice given by the Working Group in its capacity as an advisory body to the Executive.

6. Amendments to the Council's Constitution (Pages 43 - 48)

This report asks the Executive to note amendments made to the Constitution by the Council's Monitoring Officer pursuant to the provisions of Article 16 of the Constitution.

7. Environmental Sustainability Strategy and Action Plan towards a Climate Change Strategy for the City (Pages 49 - 86)

This report seeks approval of the Environmental Sustainability Strategy and Action Plan towards a Climate Change Strategy for the city, and also seeks agreement to the adoption of the Environmental Policy as a basis for the Council's Environmental Management System (EMS).

8. Efficiency and Strategic Procurement Programme (Pages 87 - 98)

This report seeks approval for a set of reviews and other pieces of work aimed at improving the Council's efficiency. These reviews are in addition to the Council's existing efficiency based exercises

which have already been successful in more than achieving the targets set by the Government.

9. Finance Strategy 2008/09 to 2010/11 and Policy Prospectus Response on the Future of a Fair Grant for York (Pages 99 - 172)

This report presents to the Executive the Council's draft Financial Strategy for 2008/09 to 2010/11. In doing so it covers both the Council's financial position for the next three years (the Medium Term Financial Forecast or MTFF) and potential options for bridging the gap between the expected budgetary position and the funding available. It also attempts, for the first time, to formalise a number of financial policies relating to the Council's financial management.

10. Developing the York Compact: new codes of good practice (Pages 173 - 196)

This report sets out and seeks approval of the new and revised York Compact codes of good practice that have been developed by the York Compact Group. It also asks Members to endorse the Council's continued involvement in and support for the York Compact.

11. Urgent Business

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

Democracy Officer:

Name: Simon Copley

Contact details:

- Telephone – (01904) 551078
- E-mail – simon.copley@york.gov.uk

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

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

Contact details are set out above.

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- ensure that what you want to say speak relates to an item of business on the agenda or an issue which the committee has power to consider (speak to the Democracy Officer for advice on this);
- find out about the rules for public speaking from the Democracy Officer.

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

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

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Holding the Executive to Account

The majority of councillors are not appointed to the Executive (38 out of 47). Any 3 non-Executive councillors can 'call-in' an item of business from a published Executive (or Executive Member Advisory Panel (EMAP)) agenda. The Executive will still discuss the 'called in' business on the published date and will set out its views for consideration by a specially convened Scrutiny Management Committee (SMC). That SMC meeting will then make its recommendations to the next scheduled Executive meeting in the following week, where a final decision on the 'called-in' business will be made.

Scrutiny Committees

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

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

Who Gets Agenda and Reports for our Meetings?

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

Committee Minutes

MEETING	EXECUTIVE
DATE	24 JULY 2007
PRESENT	COUNCILLORS STEVE GALLOWAY (CHAIR), ASPDEN, SUE GALLOWAY, JAMIESON-BALL, REID, SUNDERLAND, VASSIE AND WALLER
APOLOGIES	COUNCILLOR RUNCIMAN

29. **Declarations of Interest**

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

Councillors Sue Galloway and Reid withdrew from the room for agenda item 8 (Accommodation Project Update) under the provisions of the Planning Code of Good Practice, as members of the planning committee which would consider the planning application for the site.

Councillors Sue Galloway, Jamieson-Ball and Reid withdrew from the room for agenda item 9 (Affordable Housing Update – former Play Area, Chapelfields Road) under the provisions of the Planning Code of Good Practice, as members of the planning committee which would consider the planning application for the site.

30. **Exclusion of Press and Public**

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

Annexes 1, 2, 4 & 5 to Agenda Item 6 (Improved Direct Communications with Residents) (minute 34 refers) on the grounds that they contained information relating to the financial or business affairs of any particular person (including the authority holding that information). This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

Annex 3 to Agenda Item 8 (Accommodation Project Update) (minute 36 refers) on the grounds that it contained information relating to the financial or business affairs of any particular person (including the authority holding that information). This information was classed as exempt under paragraph 3 of Schedule 12A to Section 100A of the Local Government Act 1972 (as revised by The Local Government (Access to Information) (Variation) Order 2006).

31. Minutes

RESOLVED: That the minutes of the Executive meeting held on 10 July 2007 be approved and signed by the Chair as a correct record.

32. Public Participation

It was reported that there had been one registration to speak at the meeting under the Council's Public Participation Scheme.

Colin Stroud spoke regarding agenda item 10 (York's Local Public Service Agreements (LPSA2)) (minute 38 refers), on behalf of York Council for Voluntary Service (CVS), in support of the proposal to share LPSA reward money with partner organisations.

33. Executive Forward Plan

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

34. Improved Direct Communications with Residents

Members received a report which proposed to improve direct communications with the people of York by establishing a monthly Council publication which was delivered to every household, investigated three different approaches to producing this publication and sought approval in principle for one of these. It also sought approval to repeat the successful publication of an A-Z of Council services, to be delivered to every home.

The report presented the following options for consideration relating to the production of the monthly publication:

- Option 1 – for it to be managed in-house;
- Option 2a – for it to be produced in partnership with Your Local Link Magazine, as a 16 page publication;
- Option 2b – for it to be produced in partnership with Your Local Link Magazine, as a 24 page publication;
- Option 3 – for it to be produced in partnership with the York Press.

These options were detailed in Annex 2 of the report.

The report also presented the following options for consideration relating to the production of the A-Z of Council services:

- Option 1 - for it to be produced in partnership with Your Local Link Magazine;
- Option 2 - for it to be produced in partnership with the York Press.

These options were detailed in Annex 5 of the report.

Officers confirmed that the legal advice relating to statutory public notice requirements was included in paragraph 21 of the report and not paragraph 13 as stated in the legal implications.

Members expressed support for trialling a fresh approach to communicating directly with residents. They also requested the provision of further information relating to budget transfers, addressing the concerns of residents who would prefer not to receive the new publication, the proposed publications assistant post, the scope for increasing advertising income from other public service bodies and major companies, and the possibility of using the publication to satisfy statutory public notice requirements.

Having considered the advice of the Shadow Executive, it was

- RESOLVED: (i) That the introduction of a free delivery, civic publication based on the management and distribution arrangements exemplified in Option 2b of the report, be agreed in principle, initially for a trial period of 10 issues, and subject to further work by officers to:
- a) Provide a detailed statement of the advertising budget transfers that will be implemented from Directorates to fund the publication and to ensure that savings of at least £29,000 pa accrue to the Council;
 - b) Provide further details of the steps that they propose to take to address the concerns of any residents who would prefer not to receive the new publication;
 - c) Provide further details and justification for the establishment of a full time publications assistant post;
 - d) Provide further information on the scope for increasing advertising income from other public service bodies and major companies in the City;
 - e) Using the Local Government Association (LGA) if necessary, further explore the possibility of the publication being used to satisfy statutory public notice requirements;
 - f) Address the following concerns raised by the Shadow Executive:
 - “The publication must ensure that job advertising was appropriate in terms of its status, geographic catchment and inclusivity;
 - Should have regard to any adverse economic consequences on pursuing the option (2b)”;
- (ii) That an updated edition of the A-Z of Council Services be published towards the end of the year.

- REASON: (i) On the grounds that it is the most economic option, with the most innovative approach and the best distribution guarantees;
- (ii) To repeat the successful publication of an A-Z of Council Services.

35. Review Report - York's Closed Circuit Television System

Members received a report which informed them of the current status of the Closed Circuit Television (CCTV) system in the city, outlined the development work that was ongoing and provided information about potential future enhancements. The report was a position statement only and the Executive was not asked to make any decisions.

Appendices A and B of the report set out the geographical locations and installation prioritisation for proposed new cameras.

Officers advised, in relation to paragraph 10 of the report, that the police had access to CCTV systems at all times during the 9 month period when the Council was unable to operate a 24/7 monitoring regime and had been notified of the position relating to the monitoring. In relation to paragraph 24 of the report, officers confirmed that the reference to Salisbury Terrace related specifically to the Balfour Street Play Area.

Members noted that the major announcement in the report related to the extension of the quality and scope of CCTV coverage in the City. They welcomed the potential for coverage to be extended to sub-urban areas and for gaps in city centre monitoring to be filled, subject to the testing of technology and provision of funding.

Having considered the advice of the Shadow Executive, it was

- RESOLVED: (i) That the report be noted, with thanks, and in particular thanks be recorded to Peter Evely, Head of Network Management, who will shortly retire from the Council, for his dedicated work on community safety, and other issues, for the York community;
- (ii) That the Director of City Strategy be requested to provide regular updates for Members on the progress being made with the trial introduction of additional CCTV facilities and on the options for funding further improvements in the resilience and durability of the systems.

- REASON: (i) As requested in the policy prospectus;
- (ii) To ensure Members are informed of progress and related funding issues.

36. Accommodation Project Update

Members received a report which provided a progress update of the Council's corporate accommodation project, which included the targets and achievements for the period October 2006 to June 2007. The main focus of the report was the outcomes from the Hungate feasibility study, a key area of activity during this reporting period. The study demonstrated how a level of further investment would improve the overall business case for the project and provide further benefits particularly in relation to sustainability and the future use of the building. It set out the top ten project risks and how these continued to be managed and sought Member approval for a revised business case for the project.

The feasibility study confirmed that the Hungate site could provide a building of adequate size (13,122 m² gross) that would meet the overall needs of the Council and include the York Customer Centre, other civic space such as a corporate conference suite and general office accommodation to support 1,404 staff. The study recommended the massing option B as the preferred solution, as set out in the plans in Annex 2 of the report. In line with other national benchmark schemes a target of £1,880 per m² for construction was proposed which equated to the need for a construction budget of £24.67m.

Members welcomed the revised business case for the project which showed that, by investing more capital funding at the construction stage, greater savings could be achieved for the Council in future years than previously anticipated. They noted that currently the Council was spending £2.5 million each year on its buildings and that the new Hungate building would cost £1.3 million a year, thereby enabling savings to be invested in services for residents.

They also welcomed the significant opportunity the project represented to contribute to the climate change agenda, with the building achieving an 'Excellent' BREEAM rating, having 20% of its energy needs met on site from renewable sources and bettering the government's CO₂ building requirements by 30%.

Members recorded their thanks to the Ambulance Service for their flexibility in relation to their move from the Hungate site.

Having considered the advice of the Shadow Executive, it was

RESOLVED: (i) That the contents of the report and the progress of the accommodation project to date be noted;

(ii) That the revised business case for the project that supports the outcomes of the feasibility study, detailed in paragraph 42 of the report, be approved.

REASON: To update the Executive on progress achieved and to monitor the project effectively.

37. Affordable Housing Update - Former Play Area, Chapelfields Road

Members received a report which presented the outcome of officer investigations into the feasibility of providing rear access to existing properties at 75-87 Chapelfields Road, and requested that this condition was removed from the terms of disposal of the former play area site.

It was reported that provision of rear access would require the reduction of the number of houses proposed for the site and that this would make the development financially unviable for the Tees Valley Housing Group.

The report presented two options for consideration:

- Option 1 – To confirm approval for development of the site for affordable housing on the terms and conditions agreed at the Executive meetings on 13 March 2007 and 24 April 2007 and remove the requirement to provide rear access to the homes at 75-87 Chapelfields Road;
- Option 2 – To withdraw the approval to dispose of the site for affordable housing.

Members indicated that the Council would continue to liaise with the Tees Valley Housing Group as it may be possible to provide some rear pedestrian access.

Having considered the advice of the Shadow Executive, it was

RESOLVED: That Option 1 of the report be approved.

REASON: To ensure provision of nine much needed affordable family homes for rent and use of the Housing Corporation funding allocated to the scheme.

38. York's Local Public Service Agreements (LPSA2)

Members received a report which sought their views on the use of Performance Reward Grant (PRG) earned at the conclusion of York's second Local Public Service Agreement (LPSA2). They were asked specifically to consider whether this should be made available to help further work which supported both the Council's priorities and the outcomes of the Local Strategic Partnership (LSP).

The Service Reward set out in the table after paragraph 15 of the report was an allocated payment to target holders who achieved or substantially achieved their LPSA targets. This was calculated according to how much grant each area achieved against the Pump-Priming and Venture Fund investment required to achieve it. The reward was payable to eligible service areas up to a value of £50,000 per service. The Executive were asked to support this approach and also the idea that partner organisations should be entitled to a share of these service rewards if they could demonstrate that they had made a substantial contribution to the achievement of performance stretch.

The report presented the following options for consideration:

- Option 1 – The Executive approve the use of 100% of the PRG for commissioning of projects which support the shared priorities outlined in the report, with either a) the Executive, b) the LSP's Executive Delivery Board or c) a bespoke one-off group formed of key stakeholders acting as commissioning body to consider projects tendered by any of the LSP partners;
- Option 2 – The Council retains the PRG for its use on Council priorities or imperatives, possibly including a) using some or all of the extant PRG to maintain service levels in areas where Pump-Priming or Venture Fund funding had ceased, or b) allocating some or all of the extant PRG to the general reserve to offset one off expenditure pressures in future years or earmarking it to support key Council drivers for improvements, given the uncertainty about future levels of central government funding;
- Option 3 – A combination of Options 1 and 2, which would split the PRG to fund both commissioning of projects to support priorities shared with partners and for funding specific Council schemes at the discretion of the Council.

Members wanted to ensure that any venture fund investment was repaid initially and to confirm the allocation already earmarked for service rewards. They noted that a transparent process would be required for the allocation of the remaining grant to either Council departments, statutory partners or the voluntary sector. It was proposed that the bidding process be integrated into the budget build process so that both internal and partner priorities could be fairly judged. In the first instance it was suggested that the funding be devoted to sustaining and improving upon the current areas of success. Any further bid would have to be codified with specific outcome targets including milestones, volume and quality sections and must not require ongoing revenue expenditure.

Having considered the advice of the Shadow Executive, it was

- RESOLVED: (i) That existing commitments be given priority in the allocation of LPSA2 grant funding (Venture Fund repayments, partner agreed grants and sustaining the initiatives which have produced the improved performance in key target areas);
- (ii) That the principle of prioritising the use of residual LPSA2 reward grant into key Local Area Agreement (LAA) target areas be approved;
- (iii) That Directors and partner organisations be invited to consider bid projects (requiring only one off public funding) which they would wish to implement and manage and which would have the greatest impact on achieving key LAA targets;
- (iv) That the Director of City Strategy and the Director of Resources be requested to develop a robust bid process and supporting documentation, with particular reference to methodology and target monitoring, to facilitate the allocation of any LPSA2 grant funding

which may become available, as part of the Council's budget build process.

REASON: In order that the Executive can decide upon the use of Performance Reward Grant prior to the conclusion of the LPSA2 agreement.

39. Research Findings on the Evening Economy in York

Members received a report which sought to brief them on research on the evening economy and the experience of York city centre in the evening, undertaken in association with the First Stop York Product Development Group. It sought views on the principles of the draft vision and action plan prior to a costed action plan being presented later in the year.

The research suggested that the correct "steer" for the York evening economy was towards a more inclusive evening experience with a more exciting and diverse range of evening activities, a higher amenity value and a higher perception of safety in the city centre. The research also highlighted the need for co-ordination of activity in the evening economy to allow for greater communication and cooperation between the stakeholders involved including retail, hospitality, entertainment, accommodation and the local authority.

Paragraphs 6-7 of the report set out the key findings from the research and a draft vision and action plan to stimulate the evening economy in York.

Members noted that the trend towards a 24/7 City would continue and highlighted the need for the Council to cooperate in trying to attract additional income to the City.

Having considered the advice of the Shadow Executive, it was

- RESOLVED: (i) That officers be requested to pursue the production of an action plan based on the views expressed by the Executive and Shadow Executive on the key findings of the research and the principles outlined in the draft proposed vision and action plan for the evening economy in York;
- (ii) That the development of a vibrant, diverse and inclusive evening economy in York be supported in principle;
- (iii) That a further report be presented incorporating a costed action plan to support the development of the evening economy in York city centre.

REASON: To help shape the effectiveness of future action.

40. City of York Local Development Framework - Core Strategy Issues & Options 2

Members received a report which requested that the Local Development Framework (LDF) Working Group's recommendations to the Executive were endorsed and that the LDF Core Strategy Issues & Options 2 and supporting documentation be approved for consultation in the summer. The emerging LDF Core Strategy document was attached as Annex A of the report.

A report on this matter had been taken to the LDF Working Group meeting on 18 July 2007 and the minutes from this meeting had been circulated to the Executive.

The report presented three options for consideration:

- Option 1 – To approve the document, attached as Annex A, and supporting information for public consultation;
- Option 2 – To seek amendments to the document;
- Option 3 – To request further work from officers.

An initial 'Issues & Options' consultation exercise had been held in Summer 2006 and the views raised during this exercise were summarised in a document called '*LDF Issues and Options Consultation Summer 2006*'. It was proposed that this document would be made available alongside the Issues and Options 2 document to support decision making during the consultation process.

Whilst recognising that the Housing Market Assessment did identify the very real problems of affordable housing in York, Members noted that much of the conclusions were based on a "desire" led residents survey, which asked people to identify what housing they would "like" rather than what their "need" was, and expressed the view that this needed to be made clear in the housing section of the document.

Having considered the advice of the Shadow Executive, it was

- RESOLVED: (i) That the draft Issues & Options document be approved for public consultation, subject to the changes recommended at the LDF Working Group and a further amendment to the housing section to indicate that the Housing Market Assessment is a "desire" led rather than a "needs" led document;
- (ii) That the publication of the '*LDF Issues and Options Consultation Summer 2006*' document to support the consultation on the draft Issues & Options document;
- (iii) That the approval of the final layout of the document, the Sustainability Appraisal and the summary leaflet to accompany the Issues & Options document consultation be delegated to the Director of City Strategy in consultation with the Executive Member and Opposition Spokesperson for City Strategy;

- (iv) That the making of any incidental changes to the draft document that are necessary as a result of the recommendations of the LDF Working Group or the Executive be delegated to the Director of City Strategy in consultation with the Executive Member and Opposition Spokesperson for City Strategy.

REASON: To ensure that the LDF Core Strategy can be progressed to its next stage of development as highlighted in the Council's Local Development Scheme.

41. Chair's Comments

On behalf of the Executive, the Chair thanked both David Atkinson, the Chief Executive, and Patrick Scott, the Director of Learning, Culture and Children's Services, for their support, hard work and achievements during their time with the Council and wished them both well for their retirement.

S F Galloway, Chair

[The meeting started at 2.00 pm and finished at 3.00 pm].

FORWARD PLAN ITEM	
Meeting:	Executive
Meeting Date:	25/09/07
Item Type:	Executive Decision - of 'Normal' Importance
Title of Report:	Strategic Risk Register, Annual Risk Management Report and Update on Risk Management Strategy
Description:	To inform Members of identified strategic risks and actions taken to mitigate them. It is a regulatory requirement to report these to Members
Wards Affected:	All Wards
Report Writer:	
Lead Member:	Councillor Ceredig Jamieson-Ball
Lead Director:	Director of Resources
Contact Details:	David Walker david.walker@york.gov.uk
Deadline for Report:	
Implications	
Level of Risk:	
Reason Key:	
Making Representations:	N/A
Process:	
Consultees:	
Background Documents:	Strategic Risk Register, Annual Risk Management Report and Update on Risk Management Strategy
Call-In	
If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07	
<u>Internal Clearance Process</u>	
<i>Pre-Decision</i>	
By Chief Officers at CMT	on: 05/09/07
By Political Group Leaders on:	14/09/07
By Strategic Policy Panel (if required) on:	24/09/07
<i>Post-Decision</i>	
By Strategic Policy Panel (if Required) on:	01/10/07

FORWARD PLAN ITEM

Meeting: Executive**Meeting Date:** 25/09/07**Keyword:****Item Type:** Executive Decision - of 'Normal' Importance**Title of Report:** Minutes of Local Development Framework Working Group and Economic Development Partnership Board**Description:** Members are asked to note the minutes of the Local Development Framework Working Group and the Economic Development Partnership Board.**Wards Affected:** All Wards**Report Writer:****Deadline for Report:****Lead Member:** Councillor Steve Galloway**Lead Director:** Chief Executive**Contact Details:** Simon Copley

simon.copley@york.gov.uk

Implications**Level of Risk:****Reason Key:****Making Representations:** N/A**Process:** N/A**Consultees:** N/A**Background Documents:** Minutes of Local Development Framework Working Group and Economic Development Partnership Board**Call-In**

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process**Pre-Decision**

By Chief Officers at QCG on: 11/09/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 25/09/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: Setting out the long-term direction for the Council: Corporate Strategy 2007-2011

Description: This report sets out the vision and long-term direction for the Council as part of the revised Corporate Strategy. It also provides a progress update on the Organisational Effectiveness Programme and outlines key actions in future years of the programme

Wards Affected: All Wards

Report Writer:

Deadline for Report:

Lead Member: Councillor Steve Galloway

Lead Director: Director of People and Improvement

Contact Details: Kevin Banfield

kevin.banfield@york.gov.uk

Implications: Financial

Level of Risk: 04-08 Regular monitoring required

Reason Key:

Making Representations: N/A

Process: N/A

Consultees: Corporate Management Team

Background Documents: Organisational Effectiveness Programme (OEP) Year 1 Progress Update and outline programme of actions for year 2 & 3

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at CMT

on: 15/08/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 25/09/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: Review Report - Leisure Facilities Strategy

Description: Review report will consider the city's sports and swimming strategy including different management options (eg trust status) and will, in particular, address the needs and opportunities for improved provision in the city centre. We will not commit expenditure at the proposed university pool, and will place a moratorium on further city leisure land sales, until this report has been considered and determined by council

Wards Affected: All Wards

Report Writer:

Deadline for Report:

Lead Member: Councillor Christian Vassie

Lead Director: Director of Learning, Culture & Children's Services

Contact Details: Pete Dwyer

Pete.Dwyer@york.gov.uk

Implications

Level of Risk:

Reason Key:

Making Representations: N/A

Process: N/A

Consultees: N/A

Background Documents: Review Report - Education and Leisure

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at CMT

on: 05/09/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM	
Meeting:	Executive
Meeting Date:	25/09/07
Item Type:	Executive Decision - of 'Normal' Importance
Title of Report:	Production of Foie Gras: Notice of Motion from Cllr Blanchard referred from Full Council on 25 January 2007
Description:	
Wards Affected:	All Wards
Report Writer:	
Lead Member:	Councillor Paul Blanchard
Lead Director:	Director of Neighbourhood Services
Contact Details:	Dawn Steel dawn.steel@york.gov.uk
Deadline for Report:	
Implications	
Level of Risk:	
Reason Key:	
Making Representations:	N/A
Process:	N/A
Consultees:	N/A
Background Documents:	Production of Foie Gras: Notice of Motion from Cllr Blanchard referred from Full Council on 25 January 2007
Call-In	
If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07	
<u>Internal Clearance Process</u>	
<i>Pre-Decision</i>	
By Chief Officers at QCG	on: 11/09/07
By Political Group Leaders on: 14/09/07	
By Strategic Policy Panel (if required) on: 24/09/07	
<i>Post-Decision</i>	
By Strategic Policy Panel (if Required) on: 01/10/07	

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 25/09/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: Review Report - Waste Management

Description: Review report will indicate how we can increase recycling rates to at least 45 per cent during the next 12 months with particular reference to improving facilities for terraced properties, businesses and difficult to access properties including flats. We recognise that funding such a programme will involve difficult financial choices

Wards Affected: All Wards

Report Writer:

Deadline for Report:

Lead Member: Councillor Andrew Waller

Lead Director: Director of Neighbourhood Services

Contact Details: Terry Collins

terry.collins@york.gov.uk

Implications

Level of Risk:

Reason Key:

Making Representations: N/A

Process: N/A

Consultees: N/A

Background Documents: Review Report - Waste Management

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at CMT on: 22/08/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 25/09/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: York Northwest Area Action Plan

Description: This report outlines the work carried out on the first stage of the Area Action Plan. Members agreement is sought to carry out public consultation on the York Northwest Issues and Options documents.

Wards Affected: Rural West York Ward; Micklegate Ward; Holgate Ward; Acomb Ward;

Report Writer:

Deadline for Report:

Lead Member: Councillor Ann Reid

Lead Director: Director of City Strategy

Contact Details: Sue Houghton

sue.houghton@york.gov.uk

Implications

Level of Risk:

Reason Key:

Making Representations:

Process:

Consultees:

Background Documents: York Northwest Area Action Plan

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at QCG on: 11/09/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 25/09/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: Public Places and Footstreets

Description: This report has been referred by City Strategy EMAP on 16 July to the Executive regarding allocation of funding from Reserves in support of the Minster's HLF bid.

Wards Affected: All Wards

Report Writer:

Deadline for Report:

Lead Member: Councillor Ann Reid

Lead Director: Director of City Strategy

Contact Details: Bill Woolley, Director of City Strategy

bill.woolley@york.gov.uk

Implications

Level of Risk:

Reason Key:

Making Representations: N/A

Process: N/A

Consultees: N/A

Background Documents: Public Places and Footstreets

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at QCG on: 11/09/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 25/09/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: Review Report - Jobs

Description: Review report will highlight how we can allocate sufficient resources to ensure that, job creating, planning opportunities are dealt with quickly

Wards Affected: All Wards

Report Writer:

Deadline for Report:

Lead Member: Councillor Ann Reid

Lead Director: Director of City Strategy

Contact Details: Bill Woolley, Director of City Strategy

bill.woolley@york.gov.uk

Implications

Level of Risk:

Reason Key:

Making Representations: N/A

Process: N/A

Consultees: N/A

Background Documents: Review Report - Jobs

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at CMT on: 05/09/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM	
Meeting:	Executive
Meeting Date:	25/09/07
Item Type:	Executive Decision - of 'Normal' Importance
Title of Report:	Sustainable Street Lighting
Description:	To discuss the introduction of a sustainable street lighting policy and Members are asked to approve the adoption of this policy.
Wards Affected:	All Wards
Report Writer:	
Lead Member:	Councillor Ann Reid
Lead Director:	Director of City Strategy
Contact Details:	Paul Thackray paul.thackray@york.gov.uk
Deadline for Report:	
Implications	
Level of Risk:	
Reason Key:	
Making Representations:	N/A
Process:	N/A
Consultees:	N/A
Background Documents:	Sustainable Street Lighting
Call-In	
If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07	
<u>Internal Clearance Process</u>	
<i>Pre-Decision</i>	
By Chief Officers at QCG	on: 11/09/07
By Political Group Leaders on:	14/09/07
By Strategic Policy Panel (if required) on:	24/09/07
<i>Post-Decision</i>	
By Strategic Policy Panel (if Required) on:	01/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 25/09/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: Draft Sustainable Development Strategy for CYC

Description: This report seeks approval from Members for a Strategy and Action Plan for internal consultation.

Wards Affected: All Wards

Report Writer:

Deadline for Report:

Lead Member: Councillor Ann Reid

Lead Director: Director of City Strategy

Contact Details: Kristina Peat

kristina.peat@york.gov.uk

Implications

Level of Risk:

Reason Key:

Making Representations: N/A

Process: N/A

Consultees: N/A

Background Documents: Draft Sustainable Development Strategy for CYC

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at CMT on: 17/07/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM

Meeting: Executive**Meeting Date:** 25/09/07**Keyword:****Item Type:** Executive Decision - of 'Normal' Importance**Title of Report:** Parking Review

Description: (This report is part of a series relating to the overall review of parking operations within the city. It outlines the results of an in depth review of the operation and management of Parking Services, identifies opportunities for improvements and makes appropriate recommendations.) Information is also provided as part of the Policy Review Report process for Members in respect of the following and Members views on future policy are requested on Residents Parking permit charges, Parking charges discounts and Method of charging for off street parking.

This item has been deferred from 5 December

This item has been deferred from 19 December

This item has been deferred from 30 January 2007

This item has been deferred from 27 February

Wards Affected: All Wards**Report Writer:****Deadline for Report:****Lead Member:** Councillor Ann Reid**Lead Director:** Director of City Strategy**Contact Details:** Russ Broadbent

russ.broadbent@york.gov.uk

Implications**Level of Risk:****Reason Key:****Making Representations:** N/A**Process:** N/A**Consultees:** N/A**Background Documents:** Committee Report for Parking Review**Call-In**

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 01/10/07

Internal Clearance Process*Pre-Decision*

By Chief Officers at CMT

on: 05/09/07

By Political Group Leaders on: 14/09/07

By Strategic Policy Panel (if required) on: 24/09/07

Post-Decision

By Strategic Policy Panel (if Required) on: 01/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 09/10/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: First Corporate Finance & Performance Monitor

Description: Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to plans, mitigation for identified issues and financial adjustments (such as allocations from contingency and virements) which are reserved to the Executive.

Wards Affected: All Wards

Report Writer:

Deadline for Report:

Lead Member:

Councillor Steve Galloway, Councillor Andy D'Agorne

Lead Director:

Director of Resources, Director of People and Improvement

Contact Details:

Janet Lornie

janet.lornie@york.gov.uk

Implications

Level of Risk:

Reason Key:

Making Representations: N/A

Process: N/A

Consultees: N/A

Background Documents: First Corporate Finance & Performance Monitor

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 15/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at CMT

on: 19/09/07

By Political Group Leaders on: 28/09/07

By Strategic Policy Panel (if required) on: 08/10/07

Post-Decision

By Strategic Policy Panel (if Required) on: 15/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 09/10/07

Keyword:

Item Type: Executive Decision - of 'Normal' Importance

Title of Report: First Capital Monitor

Description: Provision of the latest forecast of the council's financial and performance position. Actions may be required to agree proposed amendments to the capital programme and financial adjustments which are reserved to the Executive.

Wards Affected: All Wards

Report Writer:

Deadline for Report:

Lead Member: Councillor Andy D'Agorne

Lead Director: Director of Resources

Contact Details: Tom Wilkinson

tom.wilkinson@york.gov.uk

Implications

Level of Risk:

Reason Key:

Making Representations: N/A

Process: N/A

Consultees: N/A

Background Documents: First Capital Monitor

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 15/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at CMT on: 19/09/07

By Political Group Leaders on: 28/09/07

By Strategic Policy Panel (if required) on: 08/10/07

Post-Decision

By Strategic Policy Panel (if Required) on: 15/10/07

FORWARD PLAN ITEM	
Meeting:	Executive
Meeting Date:	09/10/07
Item Type:	Executive Decision - of 'Normal' Importance
Title of Report:	Supporting People Programme - Reference Report from Housing & Adult Social Services EMAP
Description:	For information, to ensure Members are aware of the developments within the Supporting People Programme
Wards Affected:	All Wards
Report Writer:	
Lead Member:	Councillor Susan Sunderland
Lead Director:	Director of Housing and Adult Social Services
Contact Details:	Kathy Clark, Head of Commissioning & Support kathy.clark@york.gov.uk
Deadline for Report:	
Implications	
Level of Risk:	
Reason Key:	
Making Representations:	N/A
Process:	N/A
Consultees:	N/A
Background Documents:	Supporting People Programme - Reference Report from Housing & Adult Social Services EMAP
Call-In	
If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 15/10/07	
<u>Internal Clearance Process</u>	
<i>Pre-Decision</i>	
By Chief Officers at QCG	on: 25/09/07
By Political Group Leaders on:	28/09/07
By Strategic Policy Panel (if required) on:	08/10/07
<i>Post-Decision</i>	
By Strategic Policy Panel (if Required) on:	15/10/07

FORWARD PLAN ITEM	
Meeting:	Executive
Meeting Date:	09/10/07
Item Type:	Executive Decision - of 'Normal' Importance
Title of Report:	Review Report - Adult Social Services and Health
Description:	To provide comparative costs of adult social services; to review reasons for cost pressures and options for addressing them.
Wards Affected:	All Wards
Report Writer:	
Lead Member:	Councillor Susan Galloway
Lead Director:	Director of Housing and Adult Social Services
Contact Details:	Bill Hodson bill.hodson@york.gov.uk
Deadline for Report:	
Implications	
Level of Risk:	
Reason Key:	
Making Representations:	N/A
Process:	N/A
Consultees:	N/A
Background Documents:	Review Report - Adult Social Services and Health
Call-In	
If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 15/10/07	
<u>Internal Clearance Process</u>	
<i>Pre-Decision</i>	
By Chief Officers at CMT	on: 19/09/07
By Political Group Leaders on:	28/09/07
By Strategic Policy Panel (if required) on:	08/10/07
<i>Post-Decision</i>	
By Strategic Policy Panel (if Required) on:	15/10/07

FORWARD PLAN ITEM

Meeting: Executive

Meeting Date: 09/10/07

Keyword: Be significant in terms of its effects on communities

Item Type: Executive Decision - a 'Key Issue' - decision with significant effects on communities

Title of Report: Discus Bungalows - Preferred Partner

Description: To provide Members with details of the recent tender process and recommend the appointment of a preferred development partner

Wards Affected: All Wards

Report Writer: Steve Waddington **Deadline for Report:** 25/09/07

Lead Member: Councillor Susan Sunderland

Lead Director: Director of Housing and Adult Social Services

Contact Details: Steve Waddington

steve.waddington@york.gov.uk

Implications

Level of Risk:

Reason Key: It is significant in terms of its effect on communities

Making Representations: In writing or by email to Dilys Jones by 10th September

Process: Meetings

Consultees: Discus Bungalows Development Association

Background Documents: Discus Bungalows - Preferred Provider

Call-In

If this item is called-in either pre or post decision, it will be considered by Scrutiny Management Committee on: 15/10/07

Internal Clearance Process

Pre-Decision

By Chief Officers at QCG on: 25/09/07

By Political Group Leaders on: 28/09/07

By Strategic Policy Panel (if required) on: 08/10/07

Post-Decision

By Strategic Policy Panel (if Required) on: 15/10/07

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Executive**11 September 2007****Report of the Head of Civic, Democratic and Legal Services****Minutes of the Young People's Working Group****Summary**

1. This report presents the minutes of a recent meeting of the Young People's Working Group and asks Members to consider the advice given by the Working Group in its capacity as an advisory body to the Executive.

Background

2. The revised Constitution agreed by Council on 27 April 2006 created a number of Working Groups whose role is to advise the Executive on issues within their particular remits. The Groups are:
 - Social Inclusion Working Group (equalities issues)
 - Young People's Working Group (young people's issues)
 - Local Development Framework (LDF) Working Group (matters relating to the Local Development Framework)

The Constitution also includes a Protocol on Councillor Working Groups, which sets out rules and guidelines for the establishment and operation of Working Groups.

3. To ensure that the Executive is able to consider the advice of the Working Groups, it has been agreed that minutes of the Groups' meetings will be brought to the Executive on a regular basis. The Executive has also agreed to receive minutes of the meetings of the Economic Development Partnership Board, which acts as an advisory body to the Council and to the Local Strategic Partnership.
4. Consideration of the minutes of the above bodies has been scheduled on the Forward Plan for the Executive, as follows:
 - 11 September – Social Inclusion Working Group and Young People's Working Group
 - 25 September - LDF Working Group & Economic Development Partnership Board
 - 4 December – Social Inclusion Working Group and Young People's Working Group

- 18 December - LDF Working Group & Economic Development Partnership Board
- 11 March – Social Inclusion Working Group and Young People's Working Group
- 25 March - LDF Working Group & Economic Development Partnership Board

In accordance with the Forward Plan, this report presents the minutes of the Young People's Working Group (YPWG) meeting on 12 July 2007 (Annex A). The Social Inclusion Working Group (SIWG) has not met formally since 21 March 2007. The minutes from that meeting were presented to the Executive on 12 June 2007. Therefore, there are no minutes from the SIWG attached to this report.

Consultation

5. No consultation has taken place on the attached minutes, which have been referred directly from the Working Group. The minutes are still in draft form, pending approval at the Group's next meeting, on 24 October 2007. It is assumed that any relevant consultation on the items considered by the Group was carried out in advance of their meeting.

Options

6. Options open to the Executive are either to accept or to reject any advice that may be offered by the Working Group, and / or to comment on the advice.

Analysis

7. There are no resolutions within the attached minutes which require the specific endorsement or approval of the Executive. However, Members may wish to note in particular:
 - a. the Group's comments on the options for the selection of the Children's and Young People's Champion (minute 4), which have subsequently been considered by the Children's Services EMAP (Executive Members & Advisory Panel) on 19 July 2007, when a decision on the matter was taken, and
 - b. the Group's comments regarding the transfer of the Connexions Service responsibilities to the Local Authority from April 2008 (minute 5), which will be considered by the Council when proposals for the management structure for the new service are received.

Corporate Priorities

8. The aims in referring these minutes accord with the key principles of improving the Council's organisational efficiency.

Implications

9. There are no known implications in relation to the following in terms of dealing with the specific matter before Members, namely to consider the minutes and determine their response to the advice offered by the Working Groups:

- **Financial**
- **Human Resources (HR)**
- **Equalities**
- **Legal**
- **Crime and Disorder**
- **Property**
- **Other**

Risk Management

10. There are no risk management implications associated with the referral of these minutes.

Recommendations

11. Members are asked to consider the minutes attached at Annex A and to decide whether they wish to respond to any of the advice offered by the Young People's Working Group.

Reason:

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

Contact details:

Author:
Simon Copley
Acting Principal Democracy Officer
01904 551078
email:
simon.copley@york.gov.uk

Chief Officer Responsible for the report:
Suzan Hemingway
Head of Civic, Democratic and Legal Services

Report Approved



Date 21.8.07

Specialist Implications Officer(s) None

Wards Affected:

All



For further information please contact the author of the report

Annexes

Annex A – Minutes of the meeting of the Young People's Working Group held on 12 July 2007

Background Papers

Agendas and associated reports of the above meeting (available on the Council's website).

MEETING	YOUNG PEOPLE'S WORKING GROUP
DATE	12 JULY 2007
PRESENT	COUNCILLORS ASPDEN (VICE-CHAIR), HOLVEY, GUNNELL, ALEXANDER AND VASSIE (SUBSTITUTE)
APOLOGIES	COUNCILLORS BLANCHARD(CHAIR) AND RUNCIMAN

1. DECLARATIONS OF INTEREST

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

Councillor Alexander declared a personal non-prejudicial interest in Agenda Item 6 (Children & Young People's Plan 2007-2010) as he worked at St John's University.

Councillor Aspden declared a general personal non-prejudicial interest as he was a teacher in North Yorkshire and also a member of the National Union of Teachers (NUT).

2. MINUTES

RESOLVED: That the minutes of the meeting of the Young People's Working Group held on 25th October 2006 be approved and signed by the Chair as a correct record.

3. PUBLIC PARTICIPATION

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

Councillor Scott spoke on Agenda Item 4 (Options for the Selection of the Children and Young People's Champion). As he was the current Children's and Young People's Champion he felt that the next Champion ought to be an elected member rather than an independent member as they would have opportunities to speak at Council meetings and the ability to move motions at Full Council meetings. He also mentioned that the young people he had met in his term of office as Champion wanted to be part of an election and to understand and be involved with the process. Taking all the above into consideration he felt that Option 1 in the report should be the one recommended to the Executive Member at the next meeting of the Executive Members for Children's Services and Advisory Panel.

Councillor Scott also commented on the fact that constitutionally the Champion had to be an elected member and if an independent member

were to be elected then there would need to be a change to the Council's Constitution. He referred to the fact that he was not consulted regarding this report and felt that in the future the Children's and Young People's Champion needed to be involved.

4. OPTIONS FOR THE SELECTION OF THE CHILDREN AND YOUNG PEOPLE'S CHAMPION

Members considered a report regarding the selection of the Children and Young People's Champion

Officers reported that manpower in the department had decreased dramatically and Option 1 in the report would be very difficult to implement as it would need the equivalent of another full time employee to instigate. It was reported that there were already very tight time constraints on schools and running an election would be extremely difficult. Therefore option 2 was the preferred and recommended option.

The following points were raised and discussed:

- Some Members felt that did not have a problem with appointing an independent person as Champion
- Members felt that Option 1 was the better option
- Members had very positive views regarding holding elections for the Children's and Young People's Champion and felt that the whole process should be run as if it were a real election
- The general agreement was that, if an election were held, it must be run properly, however costly, as it was an aid to preparing young people for democracy when they leave school
- Some Members believed that young people putting themselves forward for this post would need a clearly defined freedom to campaign
- Some Members thought that an independent person would not be able to push an agenda forward
- Some Members were of the opinion that there were other opportunities for an independent person to represent youth topics
- It was very important to investigate other voting alternatives such as online voting or texting
- It was important to try and reach as many young people as possible
- The difficulty children had accessing computers at school; during lessons use of IT equipment was restricted to lesson related material and during break times the computers were often out of bounds therefore it was thought most

children who used online voting (if this was introduced) would be using a home computer.

- Some Members thought that the selection/election process should be channelled through schools if at all possible
- It was generally felt that the process of changing the Constitution to allow an independent person to be elected would be too time consuming

The report set out the following options:

Option 1: Full election process run in all schools

Option 2: Hustings at the school council conferences followed by a simpler voting process in schools

Option 3: Election at the primary and secondary school council conferences

RESOLVED: That the Members of the Young Person's Working Group make the following comments to the Executive Members for Children's Services and Youth and Social Inclusion:

1. That, due to the Council's Constitution, the Children's and Young People's Champion should be an elected Member, as the Constitution could not easily be changed
2. That Councillor Scott's term as Children's and Young People's Champion be extended until May 2008 until the process of selection has been approved
3. That the election of the Children's and Young Person's Champion be moved to May rather than October
4. That Officers bring a report to the next meeting of the Young Person's Working Group regarding other options for the selection of a Children's and Young People's Champion including the possibility of electronic voting, making option 1 in the current report more feasible (especially financially)

REASON: This ensures a cross section of children and young people have an opportunity to talk with the candidates face to face as well as extending the option to vote to the maximum amount of children and young people.

5. FUTURE OF THE CONNEXIONS SERVICE

Members considered a report that informed them of the future of the Connexions Service. From April 2008 the City of York Council will receive a Government grant previously paid to the Connexions Service and will also acquire the responsibilities attached to the funding. The report was

approved by the Executive on 27th February 2007 and was brought to the Young People's Working Group in order to inform discussions in advance of a further report to Urgency Committee in late July 2007 which will seek approval for a staffing structure for the new service.

There would be a new young people's service comprising Connexions and the Youth Service and it would be directly managed within the proposed new service arm of Learning, Culture and Children's Services (LCCS) (Partnerships and Early Intervention).

Operational delivery would be through 3 localities with a preferred co-location of multi-disciplinary staff teams where possible. The draft structure indicates that there will be a Head of Service and three senior managers in the first instance. Each of the senior managers would be responsible for a geographic area of the City and would also have City wide responsibility for specific portfolios.

There would also be opportunities for a combined new service to collaborate with schools and colleges in curriculum initiatives and activities such as early support to young people at risk of NEET(Not in education, employment or training), sexual health, drugs and alcohol. There will also be opportunities to collaborate with North Yorkshire County Council to continue providing support through an 'information management system'.

Members raised concerns about potential budgetary constraints once the City of York Council took over the management of the Connexions Service. Officers said that the initial budgets had been set and there was an additional cut of £33,000 to take into consideration over the next three years. They thought this would be manageable. Members asked that these figures be clarified after the Urgency Committee had met. Members agreed that there would be some very challenging targets to meet regarding health, teenage pregnancy and Neet in the future.

RESOLVED: The Young People's Working Group made the following comments regarding the transfer of the Connexions Service responsibilities to the Local Authority from April 2008.

- (i) Noted progress on the proposed new service for young people
- (ii) Raised concerns regarding the cuts to allocated funding to services for young people
- (iii) Requested to see future financial details and the management structure after the Urgency Committee.

REASON: In order to provide further advice to the Urgency Committee which will be meeting to approve a management structure for the new service

6. CHILDREN AND YOUNG PEOPLE'S PLAN 2007-2010

Members considered a report regarding the Children and Young People's Plan 2007-2010. The Children and Young People's Plan (England) Regulations 2005 require that Local Authorities prepare and publish a Children and Young People's Plan outlining 'the Authority's strategy for discharging their functions in relation to children and relevant young persons.' The guidance requires that plans should include:

- A statement of the Authority's vision for children and relevant young persons
- A needs assessment against the outcomes
- An outline of the key actions planned to achieve the improvements so far as relating to the outcomes
- A statement as to how the authority's budget will be used to contribute to those improvements
- A statement as to how the plan relates to the Authority's performance management and review of services for children and relevant young persons

Although the Children and Young People's Plan is fairly new, the vision that the City of York Council has about the way in which they support children and young people is not; 'The ultimate goal for everybody engaged in providing services for children and young people is that their work should contribute towards high levels of personal achievement for all children and young people, both as individuals and as citizens, contributing towards the greater good.'

The draft plan was sent out for consultation with parents, children and young people and partners. At the end of this process the following six priorities emerged as strong themes:

- Success for all
- A healthy start in life
- A safe place to grow up
- Children and young people in their communities
- A good deal for disabled children and young people
- Knowledgeable adults

Officers reported that it had emerged that bullying was still one of the major problems for children and young people.

Members congratulated Officers on the Children and Young People's Plan. They were concerned that there were still further steps that needed to be taken to raise young people's aspirations and to encourage them to pursue further and higher education. It was noted that the University had a member of staff whose role it was to increase access to further education (including vocational qualifications) and that the current Connexions service also ran an 'aspirations' scheme.

RESOLVED: That the Young People's Working Group note the Children and Young People's Plan.

REASON: To influence the direction of policy development for young people.

7. CHAIR'S REMARKS

The Chair suggested that a workplan be put in place for future meetings. It was suggested that a report be brought to the next meeting of the Young People's Working Group (24th October 2007) regarding selection of the Children's and Young People's Champion. For the following meeting on 17th January it was suggested that Officers address the points, by way of a report, set out in minute 11 from the minutes dated 25th October 2006.

Cllr K Aspden, Chair
[The meeting started at 5.00 pm and finished at 7.00 pm].



Executive**11 September 2007**

Report of the Head of Civic, Democratic & Legal Services

AMENDMENTS TO THE COUNCIL'S CONSTITUTION**Summary**

1. The Executive is asked to note amendments made to the Constitution by the Council's Monitoring Officer pursuant to the provisions of Article 16 of the Constitution.

Background

2. On the 25 January 2007 Council endorsed a recommendation from the Executive to amend Article 16 of the Council's Constitution to enable the Head of Civic, Democratic and Legal Services, in consultation with the Chief Executive, to make amendments to the Constitution without approval of Full Council where such amendments were minor drafting or other amendments in consultation with Group Leaders.
3. The Executive further recommended to Full Council that any changes made to the Constitution be reported to the Executive, circulated to all Council Members and incorporated in an up-to-date version of the Constitution, which should be accessible via the Council's Website. This recommendation was also endorsed by Full Council on 25 January 2007.
4. Since this resolution the Head of Civic, Democratic and Legal Services has, in accordance with the constitutional requirements kept the Constitution under review and a number of minor drafting amendments have been made. In addition, following the election, the Group Leaders agreed amendments to the Constitution to reflect the new political arrangements. These amendments were contained in the report to the Executive on the 12 June 2007 'Future Political Management Arrangements at the City of York Council'. At the meeting on the 12 June 2007 the Executive resolved that the Head of Civic, Democratic and Legal Services be instructed to exercise her delegated authority to implement those changes to the Constitution set out in paragraph 1 of Annex 1 of the Agreement, which command the unanimous support of all party groups.
5. The attached schedule (Annex 1) sets out the amendments to the Constitution resulting in the circumstances described in paragraphs 3 and 4. The amended pages of the Constitution will be circulated to all political groups and the

electronic version of the Constitution will also be updated in accordance with the resolution of Full Council on 25 January 2007.

Consultation

6. The amendments undertaken by the Head of Civic, Democratic and Legal Services and detailed in this report have been done in consultation with the Chief Executive and to implement agreement of the Group Leaders.

Options

7. This report is for information. There are no options for consideration.

Analysis

8. Not applicable. This report is for information only.

Corporate Priorities

9. The effectiveness of the constitutional arrangements assists in improving the decision-making process of the Council and contributes towards the priority of improving leadership at all levels to provide clear, consistent direction to the organisation.

Implications

10. There are no Financial, Human Resources, Equalities, Crime and Disorder, Property or other implications.

- **Legal**

The proposed amendments are to ensure that the Constitution is accurate and effective and improves the corporate governance arrangements of the organisation.

- **Information Technology (IT)**

The electronic version of the Constitution must be amended to ensure it is up-to-date and accurate.

Risk Management

11. The accuracy and effectiveness of the Constitution is important to ensure that governance arrangements remain legally sound and reduce the risk of challenge for maladministration.

Recommendations

12. That the Executive note the amendments implemented to the Constitution.

Reason: To ensure the Constitution is effectively revised and monitored and that appropriate corporate governance arrangements are in place.

Contact Details

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Head of Civic, Democratic &
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Chief Executive's Department
Tel No. 551004

Chief Officer Responsible for the report:

Suzan Hemingway
Head of Civic, Democratic & Legal Services

Report Approved

Date 17 August 2007

Specialist Implications Officer(s) None

Wards Affected:

All

For further information please contact the author of the report

Background Papers: None

Annexes

Annex 1 - Schedule setting out the amendments to the Constitution resulting in the circumstances described in paragraphs 3 and 4.

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SCHEDULE OF AMENDMENTS TO CONSTITUTION

Page No.	Amendment	Reason	Authority
Article 7, Pages 21 - 22 and Pages 51 and 101	Establishment of the Strategic Policy Panel	To implement agreement of the Group Leaders as approved by the Executive on 12 June 2007	Executive decision 12 June 2007 and Article 16 of the Constitution
Article 9, Page 24	Delete the exclusion of Executive or Shadow Executive members from the Audit and Governance Committee	To implement the agreement of the Group Leaders as approved by the Executive on 12 June 2007	Executive decision 12 June 2007 and Article 16 of the Constitution
Article 13, Page 33	To appoint the Head of Public Services as the Proper Officer for the Registration Service	To implement a decision of the Urgency Committee on 3 August 2007	Resolution of Urgency Committee 3 August 2007
Pages 41 - 49	Change of text, minor typographical changes	To amend minor drafting errors	Article 16 of the Constitution
Pages 51 - 53	Various amendments to text	To correct a number of minor drafting amendments	Article 16 of the Constitution
Page 75 and 76	To remove reference to the LEA budget	Such budget no longer exists	Article 16 of the Constitution

11.9.2007

Page 77	Various amendments to the Delegations to the Executive Member for Leisure and Culture	To accurately reflect the delegations to this portfolio holder.	Article 16 of the Constitution
Pages 86 - 89	Various amendments to the Licensing and Regulatory Committee functions to include a power to determine policy, procedures and conditions in relation to the Licensing functions and to incorporate the provisions of the Gambling Act 2005	To ensure the Council operates regulatory functions in the appropriate manner as required by Statute	Article 16 of the Constitution
Page 90	To delete the delegated authority to the Corporate Appeals Committee to determine appeals against final written warnings	This is not a Member function	Article 16 of the Constitution
Pages 115 - 122	Various amendments to the Common Officer Delegations	To reflect the need to ensure that where matters are not specifically delegated to Full Council, the Executive or a Committee of the Council that they are delegated to Officers	Article 16 of the Constitution
Pages 161 - 181	Various amendments to the Scrutiny Procedure Rules	To reflect the procedures agreed by Scrutiny Management Committee for dealing with matters referred to Scrutiny and registration of scrutiny topics	Article 16 of the Constitution

11.9.2007



Executive**11th September 2007**

Report of the Director of City Strategy

Environmental Sustainability Strategy and Action Plan towards a Climate Change Strategy for the city.**Summary**

1. The purpose of this report is to present the Environmental Sustainability Strategy and Action Plan towards a Climate Change Strategy for the city to the executive for agreement. The strategy relates specifically to council actions in this area; a strategy for the council rather than the whole city. Also to seek agreement to the adoption of the Environmental Policy as a basis for the council's Environmental Management System (EMS).

Background

2. The council is currently developing a reputation in the region and beyond, for forward thinking and action in the arena of sustainability and climate change. This is due to:
 - Demonstration projects – York EcoDepot,
 - Policy development - Supplementary Planning Guidance and policy on Sustainable Design and Construction; corporate procurement strategy
 - Indicators to monitor our progress - we are one of the leading councils in the adoption and use of Ecological Footprinting and using the policy profiling tool REAP (Resource Energy Analysis Programme),
 - The Local Area Agreement - is viewed by the Government office as one of the best in the region for the way it has embedded sustainability.
3. In June 2007 the leaders of the political parties in York requested that the council prepare a Climate Change Strategy. Prior to that the two Sustainability Officers of the council had been preparing a Sustainability Strategy which incorporated proposals for developing a Climate Change Strategy.
4. The Strategy & Action Plan attached as Annex A is the above mentioned strategy. It is not a Climate Change Strategy but provides the policy context, methodology and timescale by which one will be produced.

5. The draft Environmental Policy was agreed by Executive in 2004. This has now been redrafted following staff consultation and was presented to corporate management team in February this year. The Environment Policy sits below the Environmental Sustainability Strategy and forms the foundations for the council's Environmental Management System (EMS). The proposed Environmental Policy is attached in Annex B.

Consultation

6. The details of the Sustainability Strategy mentioned above were presented to Corporate Management Team in February and March of this year with a view for the first draft to be presented to Executive in April. The report was delayed and has now been informed by the above request by the political parties. A scoping report for the full strategy incorporating proposals for a Climate Change Strategy was presented to the Party Leaders meeting on 22 June 2007. Since then the draft has returned to Corporate Management Team (CMT) in June where it was suggested its emphasis was on Environmental sustainability and that the councils communication team should be consulted on its layout and presentation.
7. Consultation has taken place with staff from across the council on the Environmental Policy. All Directorate Management teams have seen the policy via email to cascade to staff and through presentations at their meetings. Comments have been received back and the policy amended accordingly.

Options

8. There are two options at this stage:
 - A. to do nothing and continue council sustainability activity in an adhoc, manner utilising opportunities as they arise, or
 - B. provide a strategic coordinated approach to council work on sustainability and the development of a Climate Change Strategy.

Analysis

9. Option A.
This approach has been the one take over the last 4 years due to the staff resources available. The identification and use of opportunities as they arise to demonstrate sustainability principles has been beneficial. It has however, meant that progress has not been made on the council's Environmental Management System (EMS) as the embedding of sustainability principles into every day council activities needs dedicated staff resources, continuity of these resources and careful planning. Due to limited staff available this has not been possible.
10. Option B.
There is support for the vision of a more sustainable York and the examples in paragraph 2 demonstrate the council is moving in the right

direction: however there is currently a lack of coordination. The staff resources in sustainability doubled in January 2007 (now two officers) this has meant progress on the council's EMS and the use of the Ecological Footprint and REAP. It has also meant the council was in the position to take advantage of the help offered by the Carbon Trust to develop a Carbon Management Programme for the council. It is becoming increasingly clear that as activities and expectations increase the council now needs a coordinated strategy for realising the vision in a prioritised way; to consolidate achievements, identify gaps and provide a clear view of where to go next. Therefore, the target is for the council to show leadership; maintaining and developing the increasing high profile importance and urgency assigned by government and society to sustainability and climate change.

11. The awareness and understanding of the issues around sustainability have also changed over the last 4 years, particularly in relation to climate change. The Stern Review (2006) identified the economic impact of climate change as 1% Global Gross Domestic Product. Stern further identifies the 'Business as usual' scenario reducing the wellbeing of people by up to 20%. There is an overwhelming body of scientific evidence highlighting the serious and urgent nature of climate change. The Intergovernmental Panel on Climate Change (IPCC) report, published in February 2007, confirms that atmospheric concentrations of the major greenhouse gases, carbon dioxide, methane and nitrous oxide have all increased significantly since pre-industrialised times because of human activities. It shows conclusively that the debate over the science of climate has moved on from whether or not it is happening to what action we need to take.
12. In order for sustainability issues, climate change and resource depletion to be tackled effectively actions need to be embedded into everything the council does.
13. It is proposed that this strategy concentrates on environmental sustainability (sustainable development and sustainability means the balance of social, economic and environmental issues). However it was recognized by CMT during consultation that a Sustainability Strategy is one of a much wider nature and more appropriate to be incorporated into a Council/Corporate Strategy. The attached Strategy and Action Plan therefore concentrates on the area where there have been gaps in action, that is in reducing the council's environmental impact and climate change.
14. The Environmental Sustainability Strategy and Action Plan towards a Climate Change Strategy for the city is split into two areas of action;
 - I) those that the council has direct control over such as how it delivers its services, the energy it uses and what it buys, and;
 - II) the areas in which the council has a leadership and influencing role such a planning policy and the Local Strategic Partnership.

14. The purpose of the Strategy and Action Plan is not to duplicate work but to identify how activities in the council contribute to the sustainability agenda. It is intended to identify and fill the gaps in council action relating to reducing its own environmental impact. A very important part of this action is the production of a Climate Change Strategy for the city. This document does not provide this but it does provide the policy context in which it can take place, the methodology to produce it and time scales. It identifies that a Climate Change Strategy needs to be prepared for the whole of the city and not just the council and that this should take place through partnership via the Local Strategic partnership. Ultimately it is intended that the attached strategy enables wider action to take place in a coordinated fashion to ensure the effective delivery of limited resources to the maximum effect.

Corporate Priorities

15. The proposed Sustainability and Climate Change Strategy and Action Plan meets the following corporate and partnership objectives:
 - 'Without Walls' - the Community Strategy which provides the sustainable framework for York ;
 - The Corporate Strategy of CYC and supporting Corporate Priorities 1 – 3,6,7,9,11-13.
 - Executive sign up to the Nottingham Declaration on Climate Change
 - Executive agreement to implement an Environmental Management System
 - The recent refresh of the council's Corporate Strategy suggests the inclusion of a Direction Statement of 'We will seek to place environmental sustainability at the heart of everything we do.'
 - This also includes the suggestion for the inclusion of an Improvement Priority of; '(We will) reduce the environmental impact of council activities and encourage, empower and promote others to do the same.'

Implications

16.
 - **Financial** – There are no financial implications
 - **Human Resources (HR)** – The Strategy will be produced using existing staff resources.
 - **Equalities** – There are no equalities implications.
 - **Legal** – There are no legal implications.
 - **Crime and Disorder** – There are no crime and disorder implications.

- **Information Technology (IT)** – There are no IT implications.
- **Property** – There are no property implications.
- **Other** – None.

Risk Management

17. There are no identified risks associated with this recommendation.

Recommendations

18. Members are asked to consider:

- 1) Option B and to agree the Environmental Sustainability and Action Plan towards a Climate Change Strategy for the city.

Reason: To provide a basis for future action in environmental sustainability for the council.

- 2) Approving the Environmental Policy attached in Annex B

Reason: To provide a basis for council activities and its EMS.

Contact Details

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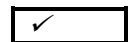
Report Approved



Date 30/8/07

Specialist Implications Officer(s) None

Wards Affected: All



For further information please contact the author of the report

Background Papers: Report to and minutes of Executive 20th April 2004 – Draft Environmental Policy and update on preliminary review of the Environmental Management System.

Annexes:

- A. Environmental Sustainability and Action Plan towards a Climate Change Strategy for the city.
- B. City of York Council Environmental Policy.

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**City of York Council
Environmental Sustainability Strategy
and Action Plan towards a Climate Change
Strategy for the City**

Foreword

The goal for York is to develop as a Sustainable Community; flourishing within economic, social and environmental limits. The role of the City of York Council is to work towards that goal, striving to provide excellent quality services within a well managed organisation; all within the resource limits of one planet.

Climate Change challenges us to make innovative and sustained reductions in our use of resources and fossil fuels for energy in our buildings and for our transport needs. We are already responding to these challenges by setting our carbon footprint for the Council, to be used as a benchmark for an action plan of future savings. In this way we can stand as a leader within the City, working with our partners to develop a Climate Change Strategy for the City as a whole.

This strategy sets the framework for how we shall consider our environmental limits and respond to the challenge of environmental sustainability.

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 - 1.5 What it covers/how structured
 - 1.8 Why we need to have a strategy
 - 1.10 Global Warming and Climate Change
 - 1.15 Resource depletion and one planet living
 - 1.18 The local picture
 - 1.21 Towards a Climate Change Strategy for the city
 - 1.25 Legislative and policy context
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(explain Sustainable Communities Brief)
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- 3.1 Vision for the city and the council.
 - 3.2 Aim for the council and this strategy.
 - 3.3 Objectives
 - 1. Climate Change
 - 2. Local management towards sustainability
 - 3. Protecting natural resources
 - 4. Responsible consumption and lifestyle choices
 - 5. Planning and design
 - 3.4 Overall targets;
 - 3.5 Target for City of York Council
 - 3.6 Target for the city as a whole.
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GLOSSARY OF TERMS

What is Sustainability?

The key to sustainability is meeting our social, economic and environmental needs whilst considering the ability of future generations to meet their needs. In 2005 the UK Sustainable Development Strategy 'Securing the Future' introduced a responsive and quantifiable definition of sustainability:

'Sustainability is all about living within our environmental limits – living within the planet's environmental limits whilst also creating a fair and just society.'

This definition acknowledges the urgency of current environmental and climate pressures, and also supports a more quantifiable way of working towards sustainability. It is this definition that has helped the City of York Council identify the current gaps in action.

What is a Sustainable Community?

A sustainable community is one which embodies the principles of sustainable development at a local level. These principles include taking local action to tackle global environmental challenges, which at the same time ensure a vibrant local economy. Good governance and a strong, responsible and healthy society.

The Governments Communities Plan published in 2003 defined them as;

'places where people want to live and work, now and in the future. They meet the diverse need of existing and future residents, are sensitive to the environment and contribute to a high quality of life. They are safe and inclusive, well planned, built and run and offer equality of opportunity and good services to all.'

Ecological Footprinting – what is it?

The Ecological Footprint is one way of measuring how our lifestyles have impacts on the planet and also on other people. It calculates how much productive land and sea is needed to feed us and provide all the energy, water and materials we use in our everyday lives. It also calculates the emissions generated from the oil, coal and gas we burn at ever-increasing rates, and it determines how much land is required to absorb our waste.

Today, the global Ecological Footprint is over 25% larger than that which the planet can regenerate. In other words, it now takes more than one year and three months for the Earth to regenerate the resources used in a single year. This overshoot is maintained by using up the planet's non-renewable resources, which is clearly unsustainable in the long term.

The Ecological Footprint – scale of application.

The Ecological footprint measures the consumption of a geographical community, region or country. The measurements show the impact of consumption in that locality per head of population. Currently an Ecological Footprint analysis is not available for the operation of an organisation, be it the council or any other organisation or business. In addition it may not be appropriate for the council to use limited resources in developing one. Using its areas of control and influence the council can concentrate resources and activities on the biggest footprint activities of the City – food, energy and transport - to reduce the council's impact in these areas and lead by example to encourage others to do the same.

What is low carbon /zero carbon/carbon neutral development and economy?

A **zero** carbon development is one that achieves zero net carbon emissions from energy use on site on an annual basis. This requires highly efficient developments, powered and heated by renewable energy with zero net carbon emission. Energy use on site relates to all energy use of the building and structures and the use of them, excluding transport. All non building energy use on site should also be included with in the assessment eg. Street lighting. Fossil fuels may be used on site, as long as there is sufficient export of renewable heat, cooling and or power to offset the resulting carbon emissions.

A **low** carbon development is one that reduces net carbon emissions by 50% or more from energy use on site, on an annual basis.

There is no clear definition of a carbon **neutral** but it does require the carbon emissions from the activity/development to be offset, providing an overall more globally neutral impact.

A zero, low or neutral carbon **economy** is one that meets these criteria in the context of wider economic activity although care needs to be taken with the use of offsetting emissions as the calculations to ensure it is correct are notoriously difficult.

What is an Environmental Management System (EMS)?

An Environmental Management System (EMS) helps identify, co-ordinate and improve the environmental impact of all our activities. This is underpinned with an Environmental Policy for the council. The EMS assesses whether we are using natural resources in a sustainable way to provide the services and activities of the council, and how much waste and pollution to air, land and water is being caused as a result. From there we can set priorities and actions to improve our environmental performance and assign targets, responsibilities and deadlines by which to meet them.

Measuring Sustainability

Measuring sustainability needs a quantifiable assessment of the social, economic and environmental impacts of everything we do. This helps us to work towards our goal of developing a flourishing community and economy within the resource limits of One Planet.

The Triple Bottom Line approach extends our decision making process from traditional financial assessment to integrating measurements of social and environmental impacts. This approach provides a framework for measuring and reporting the councils performance on sustainability. Triple Bottom Lining makes our decision making process more transparent and consistent, taking into consideration impacts on the environment and people, as well as on financial cost. Examples of measurements used in triple bottom line accounting include:

- Economic - £cost, jobs and business creation
- Environmental – e.g. tonnes CO₂ emissions, ecological footprint.
- Social – e.g. Crime, health or poverty measurements

What is climate change?

Carbon dioxide (CO₂) is the main greenhouse gas of concern. A finite amount of carbon is stored in fossil fuels, the sea, living matter and the atmosphere. Without human influence, carbon is absorbed and emitted in roughly equal measures – for example, plants absorb carbon as they grow, but release it as they decay.

But when humans cut down trees or burn fossil fuels, they release extra carbon into the atmosphere, increasing the greenhouse effect. The increase of CO₂ in the atmosphere thickens the greenhouse blanket with the result that too much heat is trapped into the Earth's atmosphere. This causes global warming: global temperatures rise and cause climate change

Executive Summary & first six-month delivery plan.

This strategy sets out actions for the City of York Council to tackle the pressing environmental challenges facing the city. It incorporates the areas of control and influence that the council has and puts a priority on leading the development and implementation of a city wide climate change strategy.

By April 2008 the council will:

1. Approve:

- The council Carbon Management Strategic Implementation Plan,
- The scoping report for the City wide Climate Change Strategy,
- The Council Environmental Policy (Executive 11th Sep 2007),
- The Planning Note on Sustainable Design and Construction (Planning Committee September 2007),
- The Council Policy on Sustainability in Design: Policy and Best Practice (Executive Sep 2007),
- The Council Energy and Water Policy (Executive Sep 2007),
- A Draft Sustainable Procurement Policy (Autumn 2007)

2. Continue the implementation and provide an update on progress of:

- The Environmental Management System:
Set in place the Environmental Review phase
- The Carbon Management Programme:
Complete a carbon emissions baseline assessment
Complete Strategic Implementation Plan
- The LDF consultation process

3. Start and provide an update on:

- Development of a sustainability appraisal tool for council decision making,
- Development of a sustainability training programme for the Council,
- Development of a sustainability Communications strategy for the council,
- The review of Sustainable Community Strategy,
- The waste recycling trial within council buildings,
- Respond on sustainability to the Future York Report.

SECTION 1 : The purpose of this document

Purpose

1.1 The national and local policy and legislative context shows clear support for the vision of a more sustainable York and the council is moving in the right direction. However it currently lacks coordination. The purpose of this document is a coordinated strategy for the council in realising this vision as a priority: consolidating its achievements, identifying gaps and providing a clear view of where it goes next.

Who is it for ?

1.2 This strategy is for elected members, chief officers and senior managers and all other staff to explain the global environmental impacts we are facing, and identify a corporate strategy from which a framework of co-ordinated action across the council will respond to these environmental challenges.

1.3 This strategy is for elected members in response to the Policy Prospectus to identify the action being taken towards a climate change strategy for the city.

1.4 This strategy aims to:

- Identify a co-ordinated approach and strategic direction for environmental sustainability in the council.
- Identify the activities the council is undertaking to reduce its environmental impacts in its goal for environmental sustainability.
- Identify the context, actions and timescale for a climate change strategy for the city.

What it covers/how structured

1.5 This strategy and action plan provides a corporate vision, aim and objectives for City of York Council with regards to environmental sustainability and identifies the framework and action plan for the development of a climate change strategy for the city. It introduces the main environmental issues which are driving the need for us to reduce our environmental impacts and presents the regulatory framework within which the environmental limits for our actions are set. It identifies how this strategy fits with the Councils strategic agenda, at both corporate and wider community level and presents an approach and methodology to consider environmental sustainability in everything we do.

1.6 It identifies work already taking place in the council that contributes to York becoming a more sustainable community but, more importantly, it identifies gaps in our action. Corporate Management Team has identified areas of good practice being undertaken in social, economic and environmental matters (the three criteria required for full sustainability). However, it also has identified gaps in the integration of environmental consideration in council activities. This document seeks to fill these gaps in council activities relating to environmental impact.

1.7 The actions are split into two areas: firstly, those where the council has direct control over such as how it delivers its services, the energy it uses and what it buys; and secondly, those areas where the council has a leadership and influencing role such as planning policy and the Local Strategic Partnership. However this is a corporate strategy and action plan for City of York Council, not the city as a whole. It is intended to guide the actions of the council and identify how it can influence and lead others within the wider City Partnership to reduce their impact on the world.

Figure 1. provides a graphical representation of where the Environmental Sustainability & Action Plan towards a Climate Change Strategy for the city sits in relation to other council work.

It illustrates the wider sustainability context in which this strategy operates. It gives examples of council work that contributes to the social and economic elements of the sustainability agenda as well as the gaps in action relating to environmental issues. Examples are given of some of the action currently taking place as well as proposed to address the gaps. The underpinning environmental issues and limits that the strategy and action plan deals with are explained in the next section.

Figure 1: Context and Scope of this Strategy

The Goal for the City: York as a Sustainable Community
Flourishing within economic, social and environmental limits

City of York Council's role in working towards a Sustainable Community	
CYC as an organisational lead CYC Council Plan & Corporate Strategy <i>(Areas of CYC control)</i>	CYC as a lead partner within the City Local Area Agreement <i>(Areas of CYC influence)</i>

Social Goals & actions
Areas of CYC control: e.g. H&S policy, Procurement Policy, New school buildings,
Areas of CYC influence: e.g. Housing Strategy, Fair trade city status, Energy Efficiency Grants,
Measuring Social impact: <ul style="list-style-type: none"> ○ Community provision. ○ H&S policy & targets for CYC staff. ○ Use of Fair trade products. ○ Actual & fear of crime. ○ Health indicators.

Economic goals & actions
Areas of CYC control e.g. capital programme, procurement
Areas of CYC influence e.g. Economic Development Strategy, Science City, LSP Economic Development Board, Future York Report
Measuring Economic impact: <ul style="list-style-type: none"> ○ Normal accounting process & systems. ○ Jobs created. ○ Support for local business. ○ New business creation. ○ No's tourists.

Environmental goals & actions
Areas of CYC control e.g. Environmental Management System, Carbon Management Programme, Sustainable Procurement Policy, Energy & Water Working Group, Sustainable Design Policy,
Areas of CYC influence e.g. Climate Change Strategy, grants to Energy Efficiency Advice Centre.
Measuring Environmental impact: <ul style="list-style-type: none"> ○ Tonnes CO₂. ○ Ecological Footprint. ○ Habitat loss/creation. ○ KwHrs energy used/saved. ○ Cubic metres water used/saved



Scope of this Strategy & Action Plan

Why we need to have a strategy

Threats to a sustainable community for York

1.8 The government has identified at a national and global level three main threats to the long-term future and well-being of the environment, society and economy:

- climate change,
- resource depletion and the challenge of 'one planet living'.
- terrorism

1.9 Climate change and resource depletion are the two main drivers for action to ensure more sustainable communities. It is how the council reduces its impacts in these two areas which is addressed in this strategy and action plan.

Global Warming and climate change

Climate change

1.10 There is an overwhelming body of scientific evidence highlighting the serious and urgent nature of climate change. The Intergovernmental Panel on Climate Change (IPCC) report, published in February 2007, confirms that atmospheric concentrations of the major greenhouse gases, carbon dioxide, methane and nitrous oxide have all increased significantly since pre-industrialised times because of human activities. These changes present a serious threat to human society and the natural environment.

1.11 Carbon dioxide (CO₂) is the main greenhouse gas of concern. A finite amount of carbon is stored in fossil fuels, the sea, living matter and the atmosphere. Without human influence, carbon is absorbed and emitted in roughly equal measures – for example, plants absorb carbon as they grow, but release it as they decay.

1.12 But when humans cut down trees or burn fossil fuels, they release extra carbon into the atmosphere, increasing the greenhouse effect. The increase of CO₂ in the atmosphere thickens the greenhouse blanket with the result that too much heat is trapped into the Earth's atmosphere. This causes global warming: global temperatures rise and cause climate change.

1.13 The ten warmest years globally since instrumental records began in 1861 have all occurred since 1994. 1998 was the warmest year and 2005 was almost as warm. Without action to reduce greenhouse gas emissions global temperatures are expected to rise by between 1.4 and 5.8°C by 2100 and sea level could also rise by between 0.09 and 0.88 metres compared to 1990 levels. Such changes will have significant impacts on human society and on the natural environment, with increases in drought and extreme rainfall and greater risks of abrupt changes in climate. The severe flooding weather events of July 2007 across the region follow this projected trend.

1.14 The Stern Review (2006) identified the economic cost of reducing our emissions to tackle climate change as 1% of Gross Domestic Product. Stern further identifies the 'business as usual' scenario, if we do nothing to reduce our emissions or adapt to climate change, this would result in reducing the wellbeing of people by up to 20 per cent. **It is now clear that the debate over the science and economics of climate change has moved on from whether or not it is happening to what action we need to take.**

Resource depletion and one planet living

Resource depletion

1.15 The United Nations Environmental Programme, in its Global Environmental Outlook report (2000) stated:

'The continual poverty of the majority of the planet's inhabitants and excessive consumption by the minority are the two major causes of environmental degradation. The present course is unsustainable and postponing action is no longer an option'

1.16 According to World Wildlife Fund's [Living Planet Index 2004](#), a third of the Earth's natural wealth has been destroyed since 1972. This includes our wildlife, forests, rivers and seas. Much, if not all, of this destruction results from human consumption - which is now unsustainable, and is posing a serious threat. We are using too many resources in too large quantities at too fast a rate.

1.17 The impacts of this over consumption include :

- Increase in use of fossil fuels leading to increased green house gas emissions,
- Road traffic is now the main source of urban air pollution,
- Increasing levels of waste generation,
- Over exploitation of groundwater with significant pollution by nitrates, pesticides, heavy metals and hydrocarbons;
- Over exploitation of commercial North Sea fish stocks.

The local picture

One planet living in York

1.18 If everyone lived as we do in York we would need the resources of three planets to support us. To move York from living a three planet lifestyle to the actual limits of living within our one planet means we all need to make changes in our lives; as individuals, organisations and businesses. There is a clear role for the council to reduce its resource consumption in delivering its services and providing leadership for and encouraging others to do the same.

1.19 So that we can do this, we need to understand and measure the environmental impact of our everyday decisions and actions. We also need

to know where change is most beneficial and most needed. The use of ecological foot printing can help us make these decisions by defining our options in a more quantifiable way.

The challenge for York

1.20 Climate change, resource depletion and one planet living all present significant challenges for both the council and city as a whole. Action to deal with them must be considered within a broad context of sustainability and the social, economic and environmental impact of our actions. The solutions are not always straightforward. Research evidence from the Stockholm Environment Institute (SEI) links the size of the ecological footprint and carbon footprint to income levels i.e. the higher the income the greater the consumption levels and therefore the higher the footprint. Also, the effects of climate change and resource depletion will be felt most by those least able to adapt – the poor. The challenge is to reduce all forms of unsustainable consumption without reducing the well-being of people with lower incomes; moving away from reliance on a consumption led, fossil fuel based economy to the development and implementation of low resource use, low CO₂ life styles, behaviour and technologies. The ultimate aim is a low/zero carbon economy.

Towards a Climate Change Strategy for the city.

1.21 The future is not as bleak as the above information may sound; the scientists are saying that there is still time to take action, but the time is now. There are a number of council programmes already in place and national initiatives coming forward that are laying the foundations for a Climate Change Strategy for the city. The Local Authority Carbon Management Programme is the first step in the action plan towards a city wide Climate Change strategy.

1.22 Local Authority Carbon Management Programme.

This is a ten month programme run by the Carbon Trust aiming to reduce the carbon emissions of local authorities. The council joined the programme in May 2007 and is currently gathering the baseline data of our carbon emissions from which to benchmark future outputs and set targets for reduction. The programme requires us to produce a Strategic Implementation Plan (SIP) by March 2008 which will provide the framework for the council's strategic response to climate change, and enable us to lead by example in developing a Climate Change Strategy for the city.

1.23 Carbon Reduction Commitment.

Under the Energy White Paper the government is setting up a system of carbon trading for all large organisations (those with annual electricity bill in excess of £500,000). This system places a cost to the council for each tonne of carbon we emit. The baseline carbon emissions will be set in 2008 with trading starting in 2010. The baseline and energy consumption work we are undertaking in the council for the Carbon Management Programme will make a direct contribution to this.

1.24 **Proposed environmental CPA indicators.**

The Government is looking at introducing new indicators to assess councils' environmental performance. Defra's Environmental Prospectus is proposing indicators for the following: climate change mitigation; climate change adaptation; water consumption; air pollution. These will measure our carbon emissions, how we are considering measures to adapt to the impacts of climate change (severe weather events including flooding, drought etc), levels of water consumption and levels of air pollution caused by council activities. This means that underperformance in these areas will have a clear effect on our overall score.

Legislative and policy context

1.25 At a national level there are a host of policies and legislative drivers that are placing greater responsibility on local government to monitor and manage its environmental impacts, most recently with regard to carbon emissions. These include:

Government Policy:

- Kyoto protocol, ratified 2005. UK target to reduce CO₂ emissions by 12% by 2010 (using 1990 baseline)
- UK Climate Change Bill target to reduce CO₂ emissions by 30% by 2020 and 60% by 2050 (using 1990 baseline)
- Energy White Paper, 2003
- National climate change programme – this stresses the importance of local authorities' leading by example

Strengthening Legislation:

- EU Strategic Environmental Assessment Directive 2001
- Climate Change Levy
- Tightening Building Regulations, 2005+
- EU Energy Performance in Buildings (EPD) Directive 2006+
- Energy End Use Efficiency and Energy Services Directive, 2006+
- Carbon Reduction Commitment (CRC) 2010; A Cap and Trade carbon emissions permit trading system for all large organisations.

Where the strategy fits within the Councils strategic agenda

1.26 At a local level there are a number of drivers for the council both internally and in its role as lead partner within the LSP which directly relate to sustainability and climate change:

- Central and local government share the ambition to create sustainable communities which embody the principles of sustainable development at local level. Sustainable communities are places in which people want to live, now and in the future. This means they improve the quality of life for all whilst safeguarding the environment for future generations.

- York's Community Strategy positions the city's Ecological Footprint as a main success measure. The Community Strategy is currently being revised to reflect the government's requirement for a Sustainable Community Strategy (SCS), a document which will outline how the council, as lead partner, will work towards delivering a sustainable community and help shape the Local Area Agreement.
- The council's Policy Prospectus produced by the new Administration in May 2007 requested a Climate Change strategy. This document provides an action plan identifying the proposed steps for a Climate Change Strategy for the city.
- The refresh of the council's Corporate Strategy places priority for environmental sustainability at the heart of the council's strategic agenda through the Direction Statement (proposed) :
We will seek to place environmental sustainability at the heart of everything we do
- This refresh of the Corporate Strategy also identifies climate change as one of the council's nine Improvement Priorities (proposed):
(We will) Reduce the environmental impact of council activities and encourage, empower and promote others to do the same

Review and reporting timescales.

1.27 This Strategy will be reviewed every three years, the action plan annually and progress will be reported to the Corporate Management Team and Executive every six months. Progress on targets will be reported annually.

Conclusion.

1.28 There is a clear case for action, ensuring we fill current gaps in action to reduce our environmental impacts within the council. Not only is it the right and responsible thing for the council to do but there are also numerous external drivers that are compelling us to change.

Section 2: Our Approach and methodology

2.1 The council's strategic goal to put environmental sustainability at the heart of everything we do places a challenge for each and every one of us; from ensuring we recycle our waste and switch off electrical equipment when not in use, to influencing the policies, strategies and procurement of the council to minimise environmental impact and deliver sustainable outcomes.

2.2 The actions to achieve this goal will be delivered in three ways. Firstly, raising awareness of the main environmental impacts to all our staff and delivering training to raise skills and capacity in environmental sustainability. Secondly, measuring and managing our environmental performance to ensure we understand our environmental impacts and set appropriate targets to work towards the environmental limits of one planet. Thirdly, influencing our decisions and those of our partners in embedding environmental sustainability at the heart of everything we do. These three areas of action will need to take place simultaneously, will effect directly different people and their outcome will benefit other areas of council activities.

2.3 ***Raise awareness & training leading to behaviour change***

A comprehensive awareness raising and training programme underpins the successful outcome of this strategy and action plan. The range and complexity of environmental issues can seem confusing and unrelated to our everyday actions. To respond to this, we will develop an Environmental Sustainability Communications Strategy for the council. This will raise awareness of environmental issues to staff through existing internal staff communications mechanisms, identifying how the council's activities have an environmental impact and how to reduce this impact through information, practical advice and targeted campaigns (e.g. Switch Off campaign). Building on the awareness raising activities we will raise the capacity of staff to respond to these impacts by providing training on environmental sustainability. This will be delivered by integrating into existing training programmes, developing a core sustainability training package and developing bespoke training where need is identified.

2.4 ***Measure and manage our environmental performance***

The Council already assesses, measures and manages many of its environmental impacts, however much of the information and data is stored in non standardised systems, limiting the opportunity for a council wide overview of how we are performing against our environmental limits. To combat this, an environmental management system is being rolled out across the council to provide a corporate performance framework for measuring, managing and reducing environmental impact.

An Environmental Management System (EMS) helps identify, co-ordinate and improve the environmental impact of all our activities. This is underpinned with an Environmental Policy for the council. The EMS

assesses whether we are using natural resources in a sustainable way to provide the services and activities of the council, and how much waste and pollution to air, land and water is being caused as a result. From there we can set priorities and actions to improve our environmental performance and assign targets, responsibilities and deadlines by which to meet them. We are currently undertaking a baseline review within each Directorate to measure the amount of Carbon, other pollution and waste we are producing from all our activities, This will allow us to benchmark our performance from which to set improvement targets.

To respond to the Climate Change priority assigned by members and capitalise on our inclusion in the Carbon Management Programme we are prioritising the reduction of carbon emissions. A carbon project team is fast tracking the measurement of carbon within the EMS baseline review. From this they will produce a Strategy and Implementation Plan (SIP) by March 2008 which will outline exactly what actions we need to take within the council to meet our carbon reduction targets. The SIP will be used as the lever with partners from the LSP to develop a Climate Change Strategy for the city.

2.5 *Influence decision making activities and leadership role*

We will develop a sustainability appraisal process to ensure we integrate environmental sustainability into the heart of our decision making process, which will be applied to all council policy and strategy development. One of the toolkits we will use in this appraisal process to assess environmental impacts will be the footprinting software REAP (Resource and Energy Analysis Programme). REAP can model scenarios of the long term environmental impacts resulting from proposed policy, allowing us to see both the impact caused by the individual policy, and also the impacts caused by the combined effects of a number of policy areas. In local authorities REAP is particularly suited to modelling policy relating to Housing, Transport and the Local Development Framework. In addition to these areas, sustainability will be integrated into the Corporate Agenda, in particular through the Organisational Efficiency Programme, the Corporate Procurement strategy of the council, core strategies including the LDF and the Local Transport Plan. At a wider, partner level an environmental sustainability appraisal will be carried out on the Sustainable Community Strategy.

2.6 *Action Plan*

The Action Plan of this strategy identifies who will deliver each element of the plan and target dates for completion.

SECTION 3: Vision, aim, objectives and overall targets.

In order to drive this action forward the following vision, aim and objectives have been identified.

3.1 Vision for the city and council.

***York as a Sustainable Community
Flourishing within economic, social and
environmental limits***

3.2 Aim for the council and the Sustainability and Climate Change Strategy.

The City of York Council will strive to work within the environmental limits of one planet by putting sustainability and reducing its impact on climate change at the heart of everything it does and has influence over.

3.3 Objectives.

The following objectives are areas specifically dealt with by this strategy and action plan.

Objective 1: Climate Change

'We are committed to assuming our global responsibility for climate protection.'

At CYC we will:

- a. Lead the development of a Climate Change Strategy for the City of York.
- b. Lead this activity by example, providing a CYC carbon footprint
- c. Develop a CYC Carbon Management action plan to reduce the Council's Carbon footprint to a more sustainable level through a programme of prevention, adaptation and mitigation measures
- a. Develop a process to consider adaptation of the most climate-sensitive CYC processes and functions, recognising that climate change may present opportunities as well as threats
- d. Mainstream the City wide Climate Change Strategy into all relevant policies, in particular in the areas of energy, transport, procurement, and waste.
- e. Raise awareness and encourage behaviour change to respond to the causes and probable impacts of climate change within CYC.

Through the influence of our policies, services, contracts and partnerships we will seek to:

- f. Develop a Climate Change Strategy and action plan for the City of York.
- g. Encourage the development of a low carbon economy for York.
- h. Co-operate with local businesses to promote and implement good corporate practice.
- i. Through the actions in the strategy reduce Carbon emissions within the City
- j. Raise awareness of Climate Change, the Climate Change Strategy and action plan, and promote engagement and action in the wider York community.

Objective 2: Local Management Towards Sustainability

'We are committed to implementing effective decision making and management of sustainability, from formulation through implementation to evaluation.'

At CYC we will:

- a. Build capacity and understanding of sustainable development issues and environmental limits within CYC.
- b. Strengthen corporate and cross directorate sustainability processes and mainstream them into the heart of CYC
- c. Deliver integrated management towards sustainability, based on the precautionary principle
- d. Set an action plan that is monitored and reviewed annually to implement this Sustainability Strategy.
- e. Ensure that sustainability issues are central to CYC decision making processes through the use of sustainability appraisals on council strategies, policy, projects and procedures
- f. Ensure that resource allocation is based on strong and broad sustainability criteria
- g. Increase understanding of and seek the introduction of a Triple Bottom Line approach to CYC accounting and decision making.

Through the influence of our policies, services, contracts and partnerships we will seek to:

- h. Lead the development of a sustainable community strategy
- i. Encourage ambitious sustainable Local Area Agreement Targets.

Objective 3: Protecting Natural Resources

'We are committed to assuming our responsibility to protect, to preserve, and to ensure equitable access to natural resources.'

At CYC we will:

- a. Reduce our use of and reliance on non-renewable resources.
- b. Increase our use of products from renewable sources, including products with high recycled content.
- c. Reduce our reliance on fossil fuel based energy and increase the share of renewable energies
- d. Encourage transmission of fleet to low-emission vehicles
- e. Use water more efficiently

Through the influence of our policies, services, contracts and partnerships we will seek to:

- f. Promote and increase biodiversity and extend and care for designated nature areas and green spaces
- g. Improve air quality
- h. Improve soil quality, preserve ecologically productive land, forestry and trees

Objective 4: Responsible Consumption and Lifestyle Choices

'We are committed to adopting and facilitating the prudent and efficient use of resources and to encourage sustainable consumption and production in line with the environmental limits of One Planet Living.'

At CYC we will:

- a. Avoid and reduce waste and increase reuse and recycling within our council activities
- b. Manage and treat waste in accordance with best practice standards
- c. Adopt the energy hierarchy of reducing our energy needs, increase efficiency in our use of energy, and use energy from renewable sources wherever possible.
- d. Produce a Procurement Strategy from which we will undertake sustainable procurement

Through the influence of our policies, services, contracts and partnerships we will seek to:

- e. Actively promote sustainable production and consumption in particular of eco-labelled, organic, locally sourced, ethical and fair trade products

Objective 5: Planning and Design

'We are committed to a strategic role for urban planning and design in addressing environmental, social, economic, health and cultural issues for the benefit of all.'

At CYC we will:

- a. Apply requirements for sustainable design and construction and promote high quality design and building technologies
- b. Produce a Local Development Framework in accordance with government guidance that puts sustainability at its heart.
- c. Develop an integrated and sustainable urban mobility plan to, from and for work

Through the influence of our policies, services, contracts and partnerships we will seek to:

- d. Re-use and regenerate derelict or disadvantaged areas
- e. Avoid urban sprawl by achieving appropriate urban densities and prioritising Brownfield site over Greenfield site development
- f. Ensure the mixed use of buildings and developments with a good balance of jobs, housing and services, giving priority to residential use in city centres
- g. Ensure appropriate conservation, renovation and use/re-use of our urban cultural heritage

3.4 Targets.

The targets below are overall strategic targets; more detailed targets relating to action such as energy use or policy development will be broken down in their specific action plans. All action plan targets will contribute to the overall targets below.

3.5 Proposed target for the City of York Council:

‘The City of York Council will reduce its CO₂ emissions by 25% on 2005/6 baseline by 2013’

3.6 Target for the City as a whole:

Agreed target for City of York Ecological Footprint:

The Ecological Footprint per capita for York is currently 5.33 gha. The target set in the 2004 Community Strategy is:

‘A progressive reduction of York’s Ecological Footprint to 3.5 hectares per person by 2033 (33% reduction on 2004 baseline) and by 70% over the next 50 years.’

Proposed target for City of York Carbon Footprint:

The current York Carbon Footprint is 11 tonnes of CO₂ per person per year. In line with UK Climate Change Bill targets this translates into:

‘ a reduction of York’s Carbon Footprint to 8.8 tonnes (20%) per person by 2010 and 4.4 tonnes (60%) per person by 2050.’

It is proposed that this target be suggested for use in the review of the Community Strategy, the Sustainable Communities Strategy.

SECTION 4: ACTION PLAN – OBJECTIVES

Objective 1: Climate Change: ‘We are committed to assuming our global responsibility for climate protection’

At CYC we will:

- a. Lead the development of a Climate Change Strategy for the City of York.
- b. Lead this activity by example, providing a CYC carbon footprint
- c. Develop a CYC Carbon Management action plan to reduce the Council’s Carbon footprint to a more sustainable level through a programme of prevention, adaptation and mitigation measures
- d. Develop a process to consider adaptation of the most climate-sensitive CYC processes and functions, recognising that climate change may present opportunities as well as threats
- e. Mainstream the City wide Climate Change Strategy into all relevant policies, in particular in the areas of energy, transport, procurement, and waste.
- f. Raise awareness and encourage behaviour change to respond to the causes and probable impacts of climate change within CYC

Through the influence of our policies, services, contracts and partnerships we will seek to:

- g. Develop a Climate Change Strategy and Action Plan for the City of York
 - h. Encourage the development of a low carbon economy in York.
 - i. Reduce Carbon emissions within the city
 - j. Raise awareness of Climate Change, the Climate Change Strategy and Action Plan, and promote engagement and action.
-

Objective 1: Climate Change

Corporate Priorities	Action	Responsibility	Due Date	Success measure
Council Policy Prospectus. Corporate Strategy: Direction Statement & Improvement Statement	Implement the Carbon Trust's Local Authority Carbon Management Programme (CMP)	Sustainability Officers, CMP Project Team, CMP Project Sponsors, Emergency Planning.	Oct 08	Produce a CO ₂ emissions baseline for the council.
			March 08	Develop Climate Change adaptation requirements as part of Emergency Planning Activity. (Adaptation means steps needed to respond to severe weather events)
			April 08	Produce a Carbon Strategy and Implementation Plan (SIP) for the Council.
			April 08	Use the council's SIP to feed into the city wide Climate Change Strategy
	Lead the development of a Climate Change Strategy for the City alongside LSP partners.	Council staff: Sustainability Officers, Emergency Planning, Property Services, Planning	Sep 07	First meeting of the LSP Environment Partnership
			Oct 07	Identify LSP group to take forward the co-ordination of Climate Change Strategy
			Dec 07	First meeting of LSP Climate Change Strategy group to identify remit and scope.
			July 08	Drafting of city Climate Change Strategy and Action Plan
	Core links to other project areas: Carbon Management Programme, Environmental Management Programme, corporate procurement strategy, major new developments, Future York report	LSP: Environment Partnership, EDB	Sep 08	Consultation Draft of Climate Change Strategy for York
			Sept. 07	Provide a response on the impacts of Sustainability on the Future York Report (published June 07)
Work towards balancing the economic, social and environmental limits of the city within the Economic Development Strategy and its implementation	Sustainability Officers, EDU	Sept. 07	Provide a response on the impacts of Sustainability on the Future York Report (published June 07)	

Objective 2: Local Management Towards Sustainability: ‘We are committed to implementing effective decision making and management of sustainability, from formulation through implementation to evaluation.’

At CYC we will:

- a. Build capacity and understanding of sustainable development issues and environmental limits within CYC.
- b. Strengthen corporate and cross directorate sustainability processes and mainstream them into the heart of CYC
- c. Deliver integrated management towards sustainability, based on the precautionary principle
- d. Set an action plan that is monitored and reviewed annually to implement this Sustainability Strategy.
- e. Ensure that sustainability issues are central to CYC decision making processes through the use of sustainability appraisals on council strategies, policy, projects and procedures
- f. Ensure that resource allocation is based on strong and broad sustainability criteria
- g. Increase understanding and seek introduction of a Triple Bottom Line approach to CYC accounting and decision making.

Through the influence of our policies, services, contracts and partnerships we will seek to:

- f. Lead the development of a sustainable community strategy
- h. Encourage ambitious sustainable Local Area Agreement Targets

Corporate Priorities	Action	Responsibility	Due Date	Success measure
Corporate Strategy: Direction Statement & Improvement Statement	Implement an Environmental Management System across the Council, using the framework and methodology of the European Eco Management and Audit Scheme.	Sustainability officers	July 07	Approve the Environmental Policy for the Council
			April 08	Undertake an Environmental Review of all Council activities to provide a baseline of environmental performance
Organisational Efficiency Programme	Ensure decision makers adopt the precautionary principle for targets, policies programmes etc when information or evidence of environmental outcome is unsure or unknown	Sustainability officers	April 08	Produce a guide to the precautionary principle within the Sustainability appraisal system.
	Monitor this Sustainability action plan annually	Sustainability officers	Apr 08	Sustainability Progress report to Exec each April

Corporate Priorities	Action	Responsibility	Due Date	Success measure
Council Policy Prospectus.	Integrate sustainability consideration into all new reports, policies and practices using sustainability appraisals.	Sustainability officers	April 08	Develop sustainability appraisal system
Corporate Strategy: Direction	Integrate sustainability as an element of all council decision making.	Sustainability officers	April 08	Integrate Sustainability impact considerations into all Council reports
Statement & Improvement Statement	Lead the partners within the LSP to ensure a Sustainable Community Strategy	LSP, LSP partners	April 08	Development of a Revised Sustainable Community Strategy
	Integrate quantifiable environmental limits of sustainability into LAA targets wherever possible	Sustainability officers	April 08	Use the REAP footprinting tool to assist in identifying targets for environmental limits,
Organisational Efficiency Programme	Provide sustainability training through <ul style="list-style-type: none"> • Induction programme • Staff training programme • Member training • Bespoke training (eg BREEAM, REAP) 	Sustainability Officers (+ training team)	Mar 08	Develop a Council Sustainability training and awareness programme
	Raise awareness of sustainability issues through internal communication mechanisms.	Marketing & Communications, Sustainability Officers	Nov 08	Develop a Council Communications Strategy on Sustainability
	Support implementation of the Council's 'Organisational Leadership' priority (IS11)	Director	Yr 2: 07/08, Yr 3: 08/09	As identified in the Organisational Leadership 3 year action plan
	Work with LSP partners to develop long term sustainability vision	LSP, Partnership team	April 08	Sustainability vision within the Sustainable Community Strategy
	Support implementation of the Council's 'Engagement in Service Design' priority (IS10)	Director	Yr 2: 07/08, Yr 3: 08/09	As identified in the Engagement in Service Design 3 year action plan
	Implement Green travel plan,	Transport Planning Unit	Apr 08	Revise green travel plan
	Carbon management programme	Transport Planning Unit	Apr 08	Actions within CMP SIP
	Work with partners integrating the LTP2 and AQAP	Transport Planning Unit, Air Quality Team	Apr 08	Use REAP to model pollution implications of any proposed transport activity

Objective 3: Protecting Natural Resources: ‘We are committed to assuming our responsibility to protect, to preserve, and to ensure equitable access to natural resources’

At CYC we will:

- a. Reduce our use of and reliance on non-renewable resources.
- b. Increase our use of products from renewable sources, including products with high recycled content.
- c. Reduce our reliance on fossil fuel based energy and increase the share of renewable energies
- d. Encourage transmission of fleet to low-emission vehicles
- e. Use water more efficiently

Through the influence of our policies, services, contracts and partnerships we will seek to:

- f. Promote and increase biodiversity and extend and care for designated nature areas and green spaces
 - g. Improve air quality
 - h. Improve soil quality, preserve ecologically productive land, forestry and trees
-

Corporate Priorities	Action	Responsibility	Due Date	Success measure
Council Policy Prospectus. Corporate Strategy: Direction	Minimise the procurement of virgin non renewable raw materials, ensuring wherever possible high recycled content materials	Council Procurement team	Nov 07	Develop a sustainable procurement strategy. Join the Recycling Action Yorkshire (RAY) procurement programme
Statement & Improvement Statement Organisational Efficiency Programme	Look to ensure green tariffs (good quality CHP) wherever possible, and support use of energy from renewable sources	Property Services Council Procurement team Sustainability Officers	July 07 Nov 07	Gain Exec approval to the Council’s Energy and Water Policy. Develop a sustainable procurement strategy.

	Use the energy and water policy to increase water efficiency where possible.	Energy Officer Sustainability Officers	April 08	Identify efficiency targets through the Review activity of the Environmental Management System
Corporate Priorities	Action	Responsibility	Due Date	Success measure
	Develop a Biodiversity Action Plan and a Tree strategy for the Council	Design & Conservation teams	May 08 May 08	Biodiversity Action Plan Draft for Consultation Produce a Council Tree strategy
	Implement the Air Quality Action Plan (AQAP)	Air Quality Management Team	Ongoing	Implement Air Quality Action Plan

Objective 4: Responsible Consumption and Lifestyle Choices: ‘We are committed to adopting and facilitating the prudent and efficient use of resources and to encouraging sustainable consumption and production.’

At CYC we will:

- a. Avoid and reduce waste and increase reuse and recycling within our council activities
- b. Manage and treat waste in accordance with best practice standards
- c. Adopt the energy hierarchy of reducing our energy needs, increase efficiency in our use of energy, and use energy from renewable sources wherever possible.
- d. Produce a Procurement Strategy from which we will undertake sustainable procurement

Through the influence of our policies, services, contracts and partnerships we will seek to:

- e. Actively promote sustainable production and consumption in particular of eco-labelled, organic, locally sourced, ethical and fair trade products

Corporate Priorities	Action	Responsibility	Due Date	Success measure
Council Policy Prospectus.	Implement the Council’s Waste strategy	Neighbourhood services	April 08	Set up a waste recycling trial within council buildings
Corporate Strategy: Direction Statement & Improvement Statement	Develop a sustainable procurement strategy to support the Councils overarching Procurement strategy	Council Procurement team Sustainability Officers	Nov 07	Produce a sustainable Procurement Strategy
Organisational Efficiency Programme	Promote York Fair Trade City status within LSP partnership	LSP partnership team, Sustainability officers	April 08	Raise the awareness of and opportunities presented by Fair Trade City Status into the revision process of Sustainable Community Strategy

Objective 5: Planning and Design: ‘We are committed to a strategic role for urban planning and design in addressing environmental, social, economic, health and cultural issues for the benefit of all.’

At CYC we will:

- a. Apply requirements for sustainable design and construction and promote high quality design and building technologies
- b. Produce a Local Development Framework in accordance with government guidance that puts sustainability at its heart.
- c. Develop an integrated and sustainable urban mobility plan to, from and for work

Through the influence of our policies, services, contracts and partnerships we will seek to:

- d. Re-use and regenerate derelict or disadvantaged areas
 - e. Avoid urban sprawl by achieving appropriate urban densities and prioritising brownfield site over greenfield site development
 - f. Ensure the mixed use of buildings and developments with a good balance of jobs, housing and services, giving priority to residential use in city centres
 - g. Ensure appropriate conservation, renovation and use/re-use of our urban cultural heritage
-

Corporate Priorities	Action	Responsibility	Due Date	Success measure
Corporate Strategy: Direction Statement & Improvement Statement	Improve requirements for sustainable design and construction within Council activity and Planning Guidance.	Planning Department, Sustainability Officers, Property Services	July 07	Gain Exec approval for the Council Policy on Sustainability in Design: Policy and Best Practice
			Sep 07	Gain Exec approval for the Planning Guidance on Sustainable Design and Construction
	Ongoing development of the Local Development Framework (LDF) for York	City Strategy	Sep 07	<i>LDF Core Strategy:</i> Issues & options phase
	Use the REAP tool to model the ecological footprint of the Options phases.		April 08	Preferred Options phase
			Nov 07	<i>LDF Key Allocation Development Plan:</i> Issues & Options phase
			Sep 08	Preferred Options
			Apr 08	<i>LDF City Centre Area Action Plan:</i> Issue & Options
			Oct 07	<i>LDF York Northwest:</i> Issues & Options

Annex B. City of York Council Environmental Policy.

Introduction

This Environmental Policy sets the broad goals the council is working towards in improving its own environmental performance. This policy represents the first step in the establishment of an environmental management system (EMS) for the council. An EMS establishes the framework within which environmental performance is first measured to assess a baseline, from which an improvement programme is designed. The improvement programme concentrates on improving the aspects from the baseline that have a significant environmental impact.

The Environmental Policy supports the environmental strand of the council's Sustainability Strategy. This policy is a separate document due to the specific requirements of the environmental management system.

AN ENVIRONMENTAL POLICY FOR CITY OF YORK COUNCIL

At the City of York Council we are committed to enhancing the natural and built environment and to improving the quality of life in York, now and for future generations, through the principles of sustainable development. We have embodied these principles within the Council's Corporate Strategy (2006-2009) and provide more detail within the Environmental Sustainability strategy. In partnership with the wider community, the 'Without Walls' community strategy provides the Sustainable Framework for the City.

We recognise we are a significant employer in York and our activities have impacts on the environment. We need to manage these impacts, reducing our negative effects and maximising our positive effects on the environment. We will aim towards good environmental practices and to safeguarding the local, natural and global environment in partnership with the whole community.

We are committed to the implementation of an Environmental Management System. This will provide the framework within which we will manage our environmental impacts, reduce pollution and continuously improve our environmental performance. We will regularly review this document to ensure its ongoing effectiveness. It is our policy within the City of York Council to:

Environmental Management

- Establish an environmental management system to identify, manage and improve our significant environmental impacts.
- Ensure requirements of environmental legislation, regulations and Corporate Environmental policies are being met.
- Undertake regular review of the Council's environmental performance

Environmental Awareness & training

- Raise environmental awareness of council staff, encouraging environmentally responsible behaviour
- Provide training to staff to ensure effective implementation of the EMS.

Purchasing

- Develop a comprehensive environmental purchasing policy which seeks to minimise the environmental impact of the goods and services we purchase
- Work in partnership with our supply chain suppliers to minimise the environmental impacts of our supply chain

Energy

- Support the Governments energy policy/regulations in promoting energy efficiency measures and achievement of the UK's carbon emission targets
- Encourage the design and refurbishment of buildings to a standard that minimises energy consumption. Promote and encourage an increase in methods of renewable energy production within the city.

Water

- Minimise the use of water within council buildings and promote responsible water management and conservation

Waste

- Reduce, reuse, recycle internal council waste (waste produced within council buildings and activities)
- Increase waste reduction, reuse and recycling of waste within York, and actively work towards decreasing the tonnage of biodegradable waste and recyclable products going to landfill.

Transport

- Implement actions to minimise the environmental impact of staff travelling to, from and at work. Actively support walking cycling, and public transport as the travel hierarchy for staff where practicable.
- Actively support the reduction of environmental impact of fleet vehicles and in doing so achieve an acceptable balance between measures to improve local air quality and measures to reduce CO₂ emissions and climate change.
- Increase the use of public and other environmentally friendly modes of transport

Sustainable Development

- Apply Sustainable Development appraisals to all new policies and projects within the council
- Incorporate consideration of impacts on Sustainability in all council reports
- Actively support the use of REAP (Resource Energy Analysis Programme) policy profiling tool in council policies and decision making as a method to reduce resource and energy consumption.

Natural environment

- Maintain, restore and enhance the biodiversity of York in line with the York Biodiversity Action Plan.
- Continue to support the Governments Regional Forestry Strategy for Yorkshire and sustain and improve the management and increase in York's tree and woodland cover
- Improve the city's rural landscape and cityscape in order to enhance overall amenity.
- Ensure the retention, enhancement and creation of publicly accessible open space for the enjoyment and well being of residents, businesses and visitors.

- Steer landscape designs to positively relate to the local environment and micro-climate and to respond to the existing and future needs of the community through the planning and design processes.

The built environment

- Actively promote and encourage sustainable design, construction and management practices in all development within the city.
- Promote best practice in the stewardship and maintenance of council owned/managed listed buildings
- Ensure council developments integrate the consideration of archaeological matters into the development process and strategic planning process in York.

Air Quality

- Implement, monitor and continually review the measures in the Air Quality Action Plan (AQAP) to ensure nitrogen dioxide concentrations within the existing Air Quality Management Area (AQMA) are reduced
- Ensure local air quality issues are fully integrated into development and strategic planning processes in York.

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EXECUTIVE**11th September 2007**

Report of the Director of Resources

Efficiency and Strategic Procurement Programme**1. Summary**

- 1.1 The purpose of this report is to seek approval for a set of reviews and other pieces of work aimed at improving the Council's efficiency. These reviews are in addition to the Council's existing efficiency based exercises which have already been successful in more than achieving the targets set by the Government.
- 1.2 The majority of reviews proposed are in cross cutting areas of activity where comparative figures indicate that the Council may not be as efficient as it could be. Some reviews are of specific services where the Council spends more than average. There are very few of these.
- 1.3 In addition to the efficiency reviews a Strategic Procurement Programme is presented for approval. The key difference between the Efficiency Review Programme and the Strategic Procurement Programme is that in the Efficiency Programme, the Council needs to review and identify the size of any inefficiency and then identify the best options for tackling this inefficiency. Whereas for those items in the Strategic Procurement Programme the situation is that the potential inefficiency has been identified and it is officers view that the best options for addressing these are procurement based solutions where the Council moves towards, or changes, its contractual arrangements for the provision of those services.
- 1.4 In the time since this report was discussed by the Council's Management Team the Government have championed the Shared Services agenda and this has been tied in with the efficiency and procurement agendas at a national and regional level, through the Regional Centres of Excellence. This report therefore also sets out the early steps that the City of York Council is taking in the broadly defined area of Shared Services.

2. Background

2.1 Any work on efficiency, procurement and shared services in York needs to be considered in the light of the following facts:

- a) York is undoubtedly one of the most efficient councils in the Country. It has good Performance Indicators that overall are well above average. It has the lowest spend per head of population of any Unitary council. It has a set of results from external inspections which range from average to excellent for many services.
- b) York has already achieved the government set 3 year efficiency target of £8.8 million and is on target to achieve efficiency savings of £10.8m against this target.
- c) York's detailed budget process reviews the scope for efficiencies, identifies options, takes decisions and then follows through to ensure efficiencies are delivered and implemented.
- d) The scope for further efficiencies in York is limited both by the extent of efficiencies already delivered and by the very low level of overall expenditure.
- e) York does directly provide a very wide range of services itself, more so than most other councils. This creates the opportunity to reconsider the extent of this direct provision in order to try to find more efficient alternatives and to reduce the strain on the organisation's capacity.
- f) York has been identified as being very strong in departmental service delivery, but not as strong in dealing with some cross cutting or corporate issues. This again creates the opportunity for greater efficiencies by departments working together on common issues or jointly procuring services.

2.2 The situational analysis above needs to be set in the national and local context. This in simple terms is:-

- a) That whilst local government has been the most successful sector in driving forward efficiencies the government believes that more can be done. It is likely that in the Comprehensive Spending Review in October 2008 the existing targets of 2½ % of net expenditure per year (which can be met by a combination of cash and non-cash efficiencies) will be increased to 3% per year all of which may have to be in cash. In addition it has been mooted that whilst until now council's have been able to keep and use their efficiency savings to close budget gaps and/or enhance services it may be in the future that 3% per year has to be returned in cash to the Government. It is now thought that this is unlikely to be implemented by the government.

- b) The Council is already facing a significant forecast budget gap for 2008/09 as set out in the Financial Strategy elsewhere on this agenda. It is the aim of the reviews set out in this report to help address the financial gaps identified for the next 3 years as well as meeting the Government's efficiency targets.
- c) The Government believes that the sharing of services is a good route to achieving efficiencies. Shared services is very broadly defined by the Government and covers any working together that councils do, any joint procurement, any services that one council may provide for another under contract etc.

2.3 The Efficiency and Strategic Procurement review programmes set out in annexes A and B have been drawn up using the following information.

1. Results from Audit Commission benchmarking
2. Results from CYC benchmarking work
3. Existing efficiency focussed reviews and projects
4. Suggestions made at staff workshops
5. Financial performance within some services

2.4 The services identified are in many cases already within work programmes aimed at reviewing and improving them. For these services the purpose of including them in a programme is merely to give them a focus and for the authority to capture what it is doing to improve efficiency. However, there are some services identified for review, where resources would need to be identified to review and improve the services. Management Team have made a commitment to this and it is likely that space will be made within future service plans to direct resources towards achieving these efficiencies.

2.5 It is very likely that as further work is carried out on the Efficiency Programme some of the projects will be identified as ones where the best solution is through revised procurement arrangements and these projects will move over to the Strategic Procurement programme.

2.6 If members approve the two programmes set out in the annexes then further work will be done to set timetables, lead officers and project management arrangements for the delivery of these programmes.

2.7 In addition to the two programmes in the annexes to this report some work has also been done to identify efficiency projects within individual departments. This work will be finalised and a small list of projects will be carried out within the departments of the Council. These are likely to include localise projects, some of which will be focussed on energy usage and efficiency.

3. The Corporate Efficiency Priority

- 3.1 Improving efficiency and reducing waste is one of the Council's corporate priorities. Whilst the Council has done well to exceed the government's target, particularly given the fact that it was already a very efficient council. However CYC needs to do even better and become even more efficient, both in order to meet the tougher targets that will be set for future years and in order to help close the forecast budget gap for future years. In any case the Council has a duty to be as efficient as it can for its residents.
- 3.2 In order to move things forward the Council has recently appointed councillor Merrett as the member efficiency champion and has appointed the Director of Resources as the Council's officer efficiency champion. The Director of Resources has, in line with other Corporate Priority champions produced a Delivery and Innovation Plan. This sets out that in addition to hitting the government target, the council will develop Efficiency and Strategic Procurement programmes. It also sets out proposals for the Council to raise awareness of efficiency initiatives successfully delivered within the council and elsewhere and to help create a culture of efficiency within the council. Finally it embraces the end to end systems approach to service review and improvement.

4. Shared Services

- 4.1 Shared Services is a generic term being used to encourage councils to work together, provide services for each other, run consortiums, use joint procurement processes etc. It has also been used as term referring to Councils working with other public sector bodies and even with the private sector, although here the boundaries between contracting and sharing get very blurred. The idea is in its infancy nationally, but nonetheless it has become a clear government expectation and York will need to set out what it is doing to further shared services. A full list of all the areas that the Council is working on in terms of shared services has not been developed, but at present work is going on in the following areas:-
- The Kendric Ash transport review (with East Riding and the Hospital Trust
 - Business Rates with various other Councils
 - Internal Audit Management with North Yorkshire CC
 - Payroll with various other public sector bodies
 - Mental Health and other social services management with the PCT
 - Discussions with Selby about the possibility for providing some shared services
- 4.2 It is intended that some further work will be done within the Council to collect a full list of shared services and that work will be done with the Regional

centre of Excellence to identify further opportunities within the region for developing shared services.

5 Consultation

5.1 The Council's Management Team have approved the Efficiency and Strategic procurement programmes for consideration by the Executive. Some limited consultation with other officers has taken place and the Audit Commission have indicated that programmes such as these will be beneficial in persuading them that the Council has a suitable approach to the efficiency agenda to back up its good results.

5.2 There has not yet been any staff or union consultation. It is intended that should members approve these programmes then their would be consultation on the component parts of the programmes where there would be implications for staff.

6. Options

6.1 The programmes presented are themselves lists of options and they can be added to or reduced as members wish.

7. Corporate Priorities

7.1 This report has been prepared in pursuance of the "Improve Efficiency and reduce waste to free up more resources" priority. It also has the potential to impact upon several of the other corporate priorities.

8. Implications

8.1 There are no significant financial, equalities, legal, crime and disorder, human resources, information technology, risk management or property implications directly associated with this report. It is however likely that there will be significant financial, human resource and legal/procurement implications as some of the reviews progress.

9. Recommendations

9.1 The Executive is asked to approve the Efficiency programme set out in annex A

9.2 The Executive is asked to approve the Strategic Procurement programme set out in annex B

9.3 The Executive is asked to note the position on shared services and the further work planned in this area.

Reason: In order to move the Council forward in terms of its approach to the identification and achievement of efficiency savings.

Contact Details

Author:

Simon Wiles, Director of Resources

Chief Officer Responsible for the report:

Simon Wiles, Director of Resources

Report Approved

Date 31/8/07

Specialist Implications Officer(s) None

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

All

For further information please contact the author of the report

Background Papers: None

Annexes: Annex A Efficiency Programme

Annex B Strategic Procurement Programme

Annex A

Strand / Project	Scope and Objectives	Description
Exploiting Business Opportunity		
Review of future delivery options (make, buy, sell, cease, partner / shared services).		Development of a framework for reviewing the delivery mechanisms for services. This will move onwards from the Rollo Report, the Procurement Strategy and the corporate benchmarking, based around a competition policy.
Income Collection	Scope is being restricted to manageable levels to start with.	Collecting income quickly and more efficiently
Leisure Commercialisation	Services within Lifelong Learning & Culture particularly sport, arts, libraries and heritage, parks & open spaces. The objective is to identify methods of service delivery that will generate greater revenue in order to cross-subsidise targeted activity and reduce overall cost	Changing the basis of service delivery in order to provide more market based services capable of generating greater revenue which can be used to cross subsidise targeted activity and reduce overall cost to the Council.

Service Reviews		
Refuse		Full review of service in the light of recent changes
Street Cleaning		Full review of service in the light of recent changes
Facilities Management - Building Cleaning/schools cleaning		Originally to be reviewed as part of the Admin Accom project - but required due to losses on in house service and likely impact of job evaluation.

Annex A

Enabling Change		
Improve management information so it is more useful and relevant		Performance management framework, benchmarking and links to CPA (data)
Staff culture, flexibility, skills and capacity		Introduce measures to create a more flexible workforce. Involves both cultural issues and terms and conditions proposals including.
Making structures fit for purpose	Consider managerial overheads through benchmarking top tiers against high performing (3/4 star) unitary Authorities.	Taken together with the project below to look at; balancing the staff profile, workforce planning and capacity management. Possibly a couple of areas could act as pilots to establish principles. One from an operational service and one from an admin/management service.
Benefits Realisation		Development and implementation of a model for post project review of quantifiable benefits and learning opportunities. Once in place to be applied to major projects including Fleet Management, Easy, FMS Replacement, ISIS Replacement etc.
Use of technology/mobile working		To cover both internal and customer use of technology. Further work needed to scope this

Exploiting Assets		
Developers contribution (s106 agreements)		Review of current contributions held across the Council
Office Accommodation		Deliver efficiencies from project
Easy project		Deliver efficiencies from project

Annex A

Challenging High Cost Services		
Unapportionable overheads	Review the allocation of unapportionable overheads in the council's accounts and compare with the accounting treatment used by other authorities. Review the expenditure in this area and find out why we are top quartile. Make recommendations to bring costs down in this area.	Review why top quartile spend against benchmark group
Challenging sickness/ absence		Higher than average sickness levels lead to high costs of sickness absence. Need to review why and what progress is being made.
Physically disabled in residential and nursing care		Review why top quartile spend against benchmark group
LEA Behaviour Support	Clarify whether York's spend on Behaviour Support is within the top quartile spend.	Review whether top quartile spend against benchmark group
Average Cost of Individual Library Books	Review the Library Service Book Purchasing Policy	Review why top quartile spend against benchmark group
Culture and heritage	Clarify York's position in the spending tables and decide whether a full review is required.	Review why top quartile spend against benchmark group
Winter maintenance	The scope is: to investigate the statistical information on which this based, carry out research with other authorities to access the extent and standards of their activities and the relative costs. The objectives are: to review the current service in comparison with other authorities and to seek improvements in the standards, extent of the service assessed against vfm.	Review why top quartile spend against benchmark group

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City of York Council
Annex B
Strategic Procurement Programme 2006/07 to 2010/11

Strategic Procurement Initiatives					Assignment		Time - tabling					Summary monitor	
Ref	Development opportunities	Service Transformation	Service Efficiency	Description	Responsible Director	Commissioning Officer	06/07	07/08	08/09	09/10	10/11	Action status	Notes
1	Highways PFI			Scope includes all highway maintenance and construction related works. Objective to secure a total service management & delivery solution that provides joined up services, better VFM, improved standards, funding, and backlog management.	Bill Woolley	Paul Thackray						WIP	PFI EOI submitted in Sept 06. Awaiting Government decision to proceed. If EOI unsuccessful the project will be re-scoped but remain within the SPP, with revised procuremnet approach
2	Waste PFI			Waste disposal operation through collaborative PFI project with NYCC	Bill Woolley	Sian Hansom						WIP	Time-tabled to the end of the strategic commissioning phase for SPP purposes
3	Local Transport Plan - construction works			Construction related procurements falling under the general remit of the LTP	Bill Woolley	Damon Copperthwaite						On-going	As time-tabled in detailed annual works programme
4	Building schools for the future pathfinder (Joseph Rowntree)			Funding received to improve one school site further to phased Government investment programme in the re-furbishment and re-provision of all secondary schools nationally (the building schools for future policy initiative).	Pete Dwyer	Kevin Hall						WIP	
5	Targeted funding for schools replacement (West Side Review)			Review of West Side schools includes new Manor School, the York High School and new swimming pool	Pete Dwyer	Kevin Hall						WIP	
6	ECO Depot			Re-provision of depot accommodation in a sustainable, fit for purpose building	Bill Woolley	John Goodyear / Neil Hindhaugh						Complete	
7		Park & Ride Contract		Re-placement Park & Ride Contract. Opportunity for service transformation through the negotiation of new contractual arrangements and better use of sites.	Bill Woolley	Damon Copperthwaite						WIP	
8		Business Rates Administration		Shared service initiative to maximise administrative economies of scale across wider LA area	Simon Wiles	James Drury						Commencing	Shared service initiative

Annex B
Strategic Procurement Programme 2006/07 to 2010/11

Strategic Procurement Initiatives				Assignment		Time - tabling					Summary monitor		
Ref	Development opportunities	Service Transformation	Service Efficiency	Description	Responsible Director	Commissioning Officer	06/07	07/08	08/09	09/10	10/11	Action status	Notes
9		Customer Transport		Collaborative procurement solution across public sector organisations within the City to realise economies of scale and exercise greater market leverage	Simon Wiles	Steve Morton						WIP	
10		Admin Accommodation		New Council Offices	Simon Wiles	Maria Wood						WIP	
11		Facilities Management - Buidling Cleaning - Building Repairs - Caretaking - Security Services		New FM contracts required to aggregate supply arrangements and streamline contract management arrangements in the context of one site operations in future	Simon Wiles	Neil Hindhaugh							Will require limited service reviews in 07/08 to inform appropriate procurement solutions
12		Adult Home Care		Provision and commissioning of Home Care and other services for Adults	Bill Hodson	Keith Martin						WIP	Revised contracts implemented December 06
13			Legal services Commissioning	Client management and commissioning of all support and advisory services through a framework agreement solution	Heather Rice	Suzan Hemmingway							Framework contracts let April 07
14			Planning Advice & Consultancy Commissioning	Client management and commissioning of all support and advisory services through a framework agreement solution	Bill Woolley	Damon Copperthwaite							
15			Property Advice & Consultancy Commissioning	Client management and commissioning of all support and advisory services through a framework agreement solution	Simon Wiles	Neil Hindhaugh							
16			ABRO Fleet Management	Fleet management contract	Terry Collins	John Goodyear							Review needed to identify and maximise efficiencies from contract
17			Utilities - Gas - Electricity - Water	New contracts required to aggregate supply arrangements and streamline contract management arrangements in the context of one site operations in future	Simon Wiles	Neil Hindhaugh							Review of existing contract management arrangements and contract conditions required in 07/08 and again in 09/10 for future requirements in new building



Executive

11 September 07

Report of the Head of Finance

Finance Strategy 2008/09 to 2010/11 and Policy Prospectus Response on the Future of a Fair Grant for York

Summary

1. This report presents to the Executive the council's draft Financial Strategy for 2008/09 to 2010/11. In doing so it covers both the council's financial position for the next three years (the Medium Term Financial Forecast or MTFF) and potential options for bridging the gap between the expected budgetary position and the funding available. It also attempts, for the first time, to formalise a number of financial policies relating to the council's financial management.
2. The report provides not only the MTFF but also details of the proposed methodology and timescales for addressing these pressures. It also outlines options in terms of saving target requirements for 2008/09 and enhancements to the usage of performance information and priority alignment in relation to the budget process.
3. As part of moves to address the funding gap the report explores the options available for moving to a more strategic approach to meeting future budget pressures and for delivering efficiency improvements across the council's services. Such processes will not only assist the budget process through releasing funding but will also enable a better deployment of resources to meet the ever present need to reprioritise the council's efforts. This process will be a key element in meeting the commitment to the priority for improvement "*Improve efficiency and reduce waste to free-up more resources*".
4. It should be noted that this year, more than ever, the degree of uncertainty in the MTFF is significant. This report was originally timed to coincide with the Government's 3 year Comprehensive Spending Review (CSR) figures which was originally due to be published in July 2007. This would have given us the national funding totals from which we could have estimated likely funding and would have been followed in the late autumn by York specific figures for the next 3 years. The Government has, however, delayed the CSR until early October and this causes significant forecasting problems. York cannot afford to wait for the CSR to start its budget process so we must work on the limited information that is available. On this basis the MTFF assumes that there will be no cash increase in the level of grant available. It should be noted that this

projection includes any additional funding provided nationally to support changes to the concessionary fares arrangements.

Background

The Underlying Financial Position

5. This is the council's third three year finance strategy. The first, which was approved by the Executive in July 2005, was the start of the process of developing a longer term approach to the management of the council's finances. The 2008/09 to 2010/11 strategy, which is attached as an annex to this report, builds upon the experience gained over the last two years.
6. The financial strategy is a key element of how the council plans for the future. To be truly effective it needs to map potential positive and negative impacts on the council's finances and, in so doing, identify the scale of the challenges facing the organisation.
7. Traditionally the financial strategy has looked to achieve this through the development of a detailed medium term financial forecast (MTFF) covering the next three financial years (in this instance the period 2008/09 to 2010/11). However, while this approach has enabled a clear focus on the scale of the problems that the council may face in the short term, it has a number of failings including:
 - An identification of a gross spending pressure requirement that includes not only the unavoidable or political imperatives, but also the aspirational aims of service managers. In some instances such aspirational growth has not been formally discussed with members and, due to funding shortfalls and the priorities of elected members, is often not supported as part of the final budget. To put this in context, in June 2006 the MTFF for 2007/08 to 2009/10 identified £7.3m of service reprioritisation pressures of which only £4.2m were met when the budget was finally set by Council in February of this year.
 - The delivery of a hard hitting MTFF can push the council towards crisis management of its finances. The MTFF consistently demonstrates a large gap between what the council can afford and what it must and would wish to do. Upon publication the focus falls on how the gap can be narrowed rather than a more considered analysis of the major financial issues facing the council and how these can be controlled, eliminated or mitigated.
8. To address these shortcomings the strategy for 2008/09 to 2010/11 has been rebuilt from first principles. Instead of providing a broad brush approach the analysis has instead been focussed on those key areas of strategic need or importance. To provide such focus the strategy does not go into the current aspirational needs of services but instead concentrates on those areas that the council must address before it can start to look at its developmental agenda. However, such aspirations and priorities will not be lost but will, instead, be dealt with during the budget process.

9. The MTFF shows that over the medium term, even with potential funding for council priorities and service improvements excluded, growth pressures will continue to outstrip the levels of funding available by nearly £10.5m. The figures in this table assume:
- A 2008/09 council tax increase of 5%
 - A 1% increase in the council tax property base
 - A cash freeze for the revenue support grant
 - No additional funding from reserves above that already committed (£627k in 2008/09, £584k in 2009/10 and £95k in 2010/11)
 - No contribution from the collection fund surplus (in 2007/08 the contribution was £850k)

	2008/09	2009/10	2010/11
	£'000	£'000	£'000
Unavoidable and Contractual Requirements	7,410	7,242	6,969
Potential Changes to national Government Policy	3,262	1,375	948
Prior Year Decisions	1,598	14	(442)
Demographic and Obsolescence Pressures	2,151	885	685
Reduction or Cessation of Grants to York	787	211	226
TOTAL ESSENTIAL PRESSURES	15,208	9,727	8,386
Funding Increase	(3,924)	(4,634)	(4,375)
Impact of Contingency	(800)	0	0
BUDGET GAP TO BE FUNDED	10,484	5,093	4,011

Table 1 – Projected Budget Gaps 2008/09 to 2010/11

10. Table 1 demonstrates that, even when support for council priorities and service aspirations are excluded, in 2008/09 the council faces spending pressures of just under £15.21m and that whilst the gap is forecast to reduce in 2009/10 and 2010/11, the residual gaps will remain a major challenge for the council, especially when the potential future growth in the impact of prior year decisions and legislative / national policy are factored in. It should be noted that this gap represents the level of saving which will have to be made for the council to merely stand still financially.
11. Figures have been obtained from all Directorates for the levels of council priority and service improvement pressures which they would wish to have met in 2008/09. However, due to the scale of the financial pressures facing the council, it will prove difficult for additional funding to be released to meet these needs. As such they are not being formally reported as part of the MTFF but the Executive may wish to note that such requests currently stand at £4.45m. Within this there are likely to be pressures that are viewed as unavoidable, albeit at different levels than those currently identified. These could include:
- Additional planning resources to manage the development of major schemes and the local development framework.
 - Dealing with income streams that are in decline or not achieving targets.

Addressing the Gap

12. The strategy identifies a number of ways in which the council can meet these financial pressures. These approaches have already been endorsed by CMT and include:
 - a. Controlling growth so that only the truly unavoidable is funded.
 - b. Critically evaluating directorate requests for the reprioritisation of resources so that the council's scarce resources are focussed in those areas that have the highest impact on our priorities.
 - c. Requiring all Assistant Directors to identify potential efficiency savings within their areas. For the purposes of this paper it is recommended that this target is set at 2.5% of gross expenditure.
 - d. Requiring all Directors to identify potential efficiency savings or service reductions across their areas of responsibility.¹ For the purposes of this paper it is recommended that this target is set at a further 2.5% of gross expenditure.
 - e. Bringing the achievement of additional income more clearly into the budget process. For the purposes of this paper it is recommended that all services be required to provide an increased yield equivalent to 5% of gross income. This would replace budget requirements in previous years relating to fee increases (2.3% to 3%) and the additional 5% efficiency target. Any income raised above the 5% could contribute towards AD or Directorate wide totals
 - f. Identifying invest to save opportunities;
 - g. Delivering on a programme of strategic efficiency reviews and strategic procurements based on that agreed by CMT last Autumn.
 - h. Utilising reserves and time limited funding to support one off initiatives.

Links to the Efficiency Review Programme

- 13 One of the key challenges for the finance strategy over next three years is how the council intends to engage in delivering service efficiency improvements. Such work not only has to provide savings but also needs to deliver qualitative service improvement which can change the customer experience or release resources for other emerging priorities. Indeed in many instances these service improvement drivers (akin to the need for Gershon non-cashable

¹ These savings are on top of the targets required of individual services and allow directors to focus efforts on cross cutting initiatives and areas where there is significant potential for service remodelling.

efficiencies) may be of a much higher priority than the need to deliver cash savings. In order to do this the finance strategy proposes the development of a medium term programme of planned efficiency projects.

14. Developing such a programme will also provide an opportunity to change the way the council approaches several, currently disparate strands of activity. Creating links between these will mean a more forward looking, strategic and joined up approach.

Policy Prospectus Response - The Future of A Fair Grant for York

15. Most recently the council's work in this area has been based around the Fair Grant for York Campaign. Submitted in the autumn of 2004 to the Office of the Deputy Prime Minister, these documents outlined the council's financial position and to requested action on seven key areas:
 - a. A reassessment of York's entitlement to Area Cost Adjustment.
 - b. A better recognition of the true costs of tourism.
 - c. Revisions to the capping criteria to reflect the low cash value of the council tax in authorities such as York.
 - d. Revisions to the Bellwin scheme methodology to more accurately reflect the costs of exceptional events.
 - e. The retention of £340m additional revenue support grant that was being paid at that time.
 - f. The treatment of funding in relation to assumed capital receipts.
 - g. The introduction of transitional funding when functions are transferred between national and local government.
16. Since this time the last three of these seven items have been addressed. While there is no direct causal relationship it is safe to assume that York's submission will have contributed to some or all of these decisions.
17. Of the remaining four, proposals have been included in the current grant consultation for the first two. However, in terms of the area cost adjustment the proposals only involve southeast authorities and for tourism the proposals involve a potential loss of £1m per annum in funding. The consultation on the proposed changes provides a route for the council to strongly express its position in these areas and it is anticipated that this will be the case. In addition this representations will also need to be made about the proposed funding framework for the extension to concessionary fare arrangements.
18. However it has to be recognised that while the Fair Grant for York approach has been successful in raising awareness of the issues facing the authority it

can only have a limited impact on moving the council's agenda forward in areas of national policy (such as capping and Bellwin). As a result it is intended that in future the focus of the authority's efforts will be on exploiting opportunities for members and officers to influence national debates. Such an approach will build on work already undertaken, in the past year this has included:

- Using our membership of the Unitary Treasurers Group to push relevant aspects of the Settlement Working Group agenda².
 - The Director of Finance at the Local Government Association, Stephen Jones, spending a day in York with officers and members to better understand the issues facing councils such as York.
 - The Director of Resources and Head of Finance maintaining their respective memberships of CIPFA working groups on Housing and Financial Management.
19. This involvement has resulted in York starting to be viewed as an opinion leader in local authority finance. The three most recent examples of this are:
- York being one of only two unitary council's invited to DCLG meetings on the development of efficiency and transformational government indicators under the new BVPI frameworks.
 - York being invited to provide evidence to a parliamentary select committee on the proposals made in the Lyons Report for the introduction of a supplementary business rate to fund capital investment in infrastructure.
 - The Head of Finance being nominated to sit as the Unitary Authorities representative on the Local Government Association's Core Advisor Group for finance.
20. In summary the response to the Policy Prospectus request is that:
- The council will pursue a robust response to three aspects of the national funding consultation, these being the Area Cost Adjustment, Tourism Funding and proposed arrangements for Concessionary Fares. Where appropriate this response will look to include wider stakeholders such as the local MPs.
 - Officers will look to identify and exploit opportunities to establish York as an opinion leader for local government financial issues. It should be noted that the benefits of such an approach are only likely to be realised in the medium to long term.

² The SWG is the method by which central government and local authorities meet to discuss and analyse potential changes to funding. Under normal circumstances Unitary Authorities have two representatives at these meetings.

Consultation

21. The Finance Strategy has been produced by the Head of Finance and is based upon information provided by individual directorates. An initial draft has been discussed with CMT as the first stage of the consultation on its adoption.
22. The finance strategy does not yet address how the council will consult with the public on its budget proposals. In recent years full details of the budget proposals have been made available on the internet during December and individuals have been asked, through a variety of approaches, to provide comments upon them. These comments have then formed part of the details reported to the Executive when they make their final budget recommendations to full council. In future the council could take a variety of approaches to consultation, these include:
 - a. Not undertaking a formal consultation but instead relying on the normal circulation and advertisement of the various EMAP papers.
 - b. A retention of the publish and comment approach used for this year's budget. This could utilise the internet as the principal consultative tool. This would require consultation to be undertaken in a period between mid December and mid-January.
 - c. A more formalised consultation providing individuals with the opportunity to respond via pre-paid cards on preset questions. This would mirror the approach adopted for the 2005/06 and 2006/07 budgets. As with the option above this would require a time slot in December and January.
 - d. Alternately the council could invite interested individuals and possibly organisations to attend a small number of budget seminars that would be led by elected members and senior officers. These would provide a forum for debate on current and future issues facing the council. Such an approach is utilised by a number of councils including the East Riding who hold four or five such seminars at locations around the council area. As a more reflective piece of work this could be undertaken as the initial budget proposals are still being shaped during October and November. Alternately it could be undertaken during the more traditional December and January timeslots.
23. The development of a preferred route for public consultation will be developed as part of the 2008/09 budget process.

Options

24. The primary focus of this report is to update the Executive about the council's projected financial position for the next three years and steps that could be taken to deal with the underlying pressures that have been identified.

Corporate Priorities

25. The financial strategy is the outline framework against which the council's priorities must be delivered. In addressing the underlying budget gap the council is ensuring the continued delivery of current services. Reprioritisation will enable the council to address its changing needs and objectives. Links to the council's priorities are explicitly addressed throughout the strategy, most notably at section 3.2 and 7.5.

Implications

26. The following implications apply to this report:
 - **Financial.** Whilst it has no direct financial implications this report and the attached strategy present the Leaders with an outline of the council's financial position for the next three years and potential actions available to it. However, if it is decided at a future date to pursue either public consultation option 'c' or 'd' then there may be additional cost implications that will be addressed as part of the approval process.
 - **Human Resources (HR).** None from this report. HR implications may arise as the result of actions taken during the budget process and these will be addressed at an appropriate stage in the process.
 - **Equalities.** None from this report.
 - **Legal.** None from this report.
 - **Crime and Disorder.** None from this report.
 - **Information Technology (IT).** None from this report.
 - **Property.** None from this report
 - **Other.** None from this report.

Risk Management

27. The development of a three year finance strategy is always subject to a degree of uncertainty, especially where, as is the case at present, government spending plans for future years have not yet been announced. The principal risks and mitigating actions are identified below:
 - **Government grant levels are different to those anticipated.** For 2008/09 a prudent position has been adopted in line with the apparent position at the Treasury and DCLG. As such it is unlikely that a smaller grant increase than that shown will be made.

- **Additional spending pressures are not identified.** To minimise the risk of spending pressures not being identified the budget is developed in partnership between directorate management teams, directorate finance teams, and central finance staff.

Recommendations

28. The Executive is asked to:

- a. Endorse the attached financial strategy while noting
 - i. The revised calculation base for the MTFF which currently excludes requests for funding expenditure on council priorities and service aspirations.
 - ii. The initial funding gap (excluding priority and aspirational growth) of £10.484m.
- b. Formally adopt the proposed approach to balancing the budget and to note the relevant savings targets:
 - i. 2.5% per service;
 - ii. plus 2.5% per director;
 - iii. plus a 5% yield on income budgets.

Reason: To enable the commencement of formal budget planning for 2008/09.

- c. Support the proposed response to the Policy Prospectus request for proposals to influence current and future funding decisions at a national level.

Reason: To maximise the council's potential influence on national funding policy and decisions.

- d. Request the Head of Finance to develop a response to the extant consultation on potential changes to the grant distribution formula with a particular focus on:
 - i. Delivering changes to the Area Cost Adjustment for York,
 - ii. Ensuring that new arrangements for concessionary fares are funded either as a specific grant or are excluded from formula damping calculations,
 - iii. Opposing the proposed changes to the day visitor funding calculation.

Reason: To ensure that York's views are reflected in any final decision on national funding changes.

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Report Approved *Yes* **Date** *30/8/07*

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

All *All*

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Background Papers: None

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1. Introduction

1.1. Background

The council is a major organisation employing over 7,000 members of staff (the equivalent of 4,300 full time posts) and operating with net assets of approximately £620m. York itself has 83,000 properties, 8,050 of which are council owned, and a population of 186,000 of which 4,000 receive help from the council to enable them to live at home. For many years the city has been growing in terms of both the number of houses and its population and as major new developments are commenced this growth will continue and accelerate. The impact of such growth is shown at Annex 9.5.

The council also provides 68 schools and services 469 miles of roads. The usage of the transport network is enormous. York receives nearly 8m day visitors and a further 4m overnight visitors each year. To cope with such demands 3,050 car parking spaces are available and 2m passengers per annum access the park and ride service.

The financial strategy is a key element of how the council, as a major organisation, plans for the future. To be truly effective it needs to map potential positive and negative impacts on the council's finances and, in so doing, identify the scale of the challenges facing the organisation.

Traditionally the financial strategy has looked to achieve this through the development of a detailed medium term financial forecast (MTFF) covering the next three financial years (in this instance the period 2008/09 to 2010/11). However while this approach has enabled a clear focus on the scale of the problems which the council may face in the short term it has a number of failings including:

- An identification of a gross spending pressure requirement which includes not only the unavoidable or political imperatives, but also the aspirational aims of service managers. In some instances such aspirational growth has not been formally discussed with members and, due to funding shortfalls and the priorities of elected members, is often not supported as part of the final budget. To put this in context in June 2006 the MTFF for 2007/08 to 2009/10 identified £7.3m of service reprioritisation pressures of which only £4.2m were met when the budget was finally set by Council in February of this year.
- The delivery of a hard hitting MTFF can push the council towards crisis management of its finances. The MTFF consistently demonstrates a large gap between what the council can afford and what it must and would wish to do. Upon publication the focus falls on how the gap can be narrowed rather than a more considered analysis of the major financial issues facing the council and how these can be controlled, eliminated or mitigated.

To address these shortcomings the strategy for 2008/09 to 2010/11 has been rebuilt from first principles. Instead of providing a broad brush approach the analysis has instead been focussed on those key areas of strategic need or importance. To provide such focus the strategy does not go into the current aspirational needs of services but instead concentrates on those areas that the council must address before it can start to look at its developmental agenda. This does not mean that such priorities and aspirations are not important but more that consideration of their relative need and worth is better undertaken as part of internal budget discussions rather than via the initial financial strategy.

On this basis the financial strategy for the next three years has been revisited and reworked to now reflect the following:

- Chapter 2. An exploration of the significant short, medium and long term funding pressures that the council faces.
- Chapter 3. An analysis of the funding envelope within which these pressures must be managed.
- Chapter 4. Details of the medium term financial forecast.
- Chapter 5. How the council can look to balance its budget.
- Chapter 6. Clear statements of the council's policy in relation to the mechanisms available for managing its financial risks.
- Chapter 7. Details of how the financial strategy links to other council strategies.
- Chapter 8. Details of the financial cycle within which budgets will be set and monitored.

1.2. Context

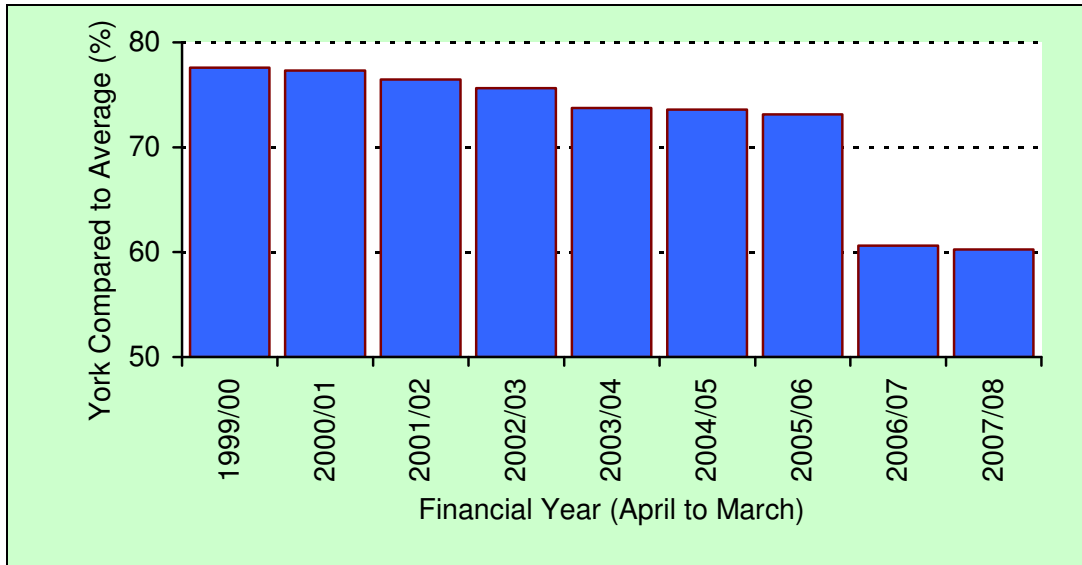
The base for the 2008/09 budget is the Council's net revenue budget, funded by the council tax and revenue support grant, for 2007/08 of £103m¹. The council's total, or gross, expenditure, for 2007/08 is budgeted at £379m, supported by fees, charges, and specific grants of £276m. Therefore the residual net budget represents only 30% of the council's overall expenditure.

	£'m
Gross expenditure	379
Gross income (excluding RSG and C Tax)	276
Net Budget	103
Funded by	
Council Tax	64
Revenue Support Grant	38
Collection Fund Surplus	1

¹ This figure excludes £1.3m non-recurring expenditure funded from reserves as such expenditure does not impact upon the net revenue budget of the Council.

Table 1 – 2007/08 Revenue Budget

Whilst York is the 20th largest of the 46 Unitary authorities it has consistently fared badly in the level of Government grant it receives compared to other local authorities and with the introduction of the Dedicated Schools Grant in 2006/07 this fell to approximately 60% of the unitary average, a position which, as Figure 1 demonstrates, remained unchanged in 2007/08.

**Figure 1 – Comparative Levels of Grant per Person (all unitary councils)**

In addition, because of the on-going threat of capping, the Council is unable to balance this low level of central Government funding through significant Council Tax increases especially as due to the low level of Council tax a one percent increase raises less money than in most other authorities. Indeed, as shown in Figure 2, in 2007/08 York had the second lowest Council Tax of any unitary authority. As Figure 3 demonstrates, this low grant and Council Tax base has consistently resulted in York having the lowest budget spend per head of all unitary authorities.

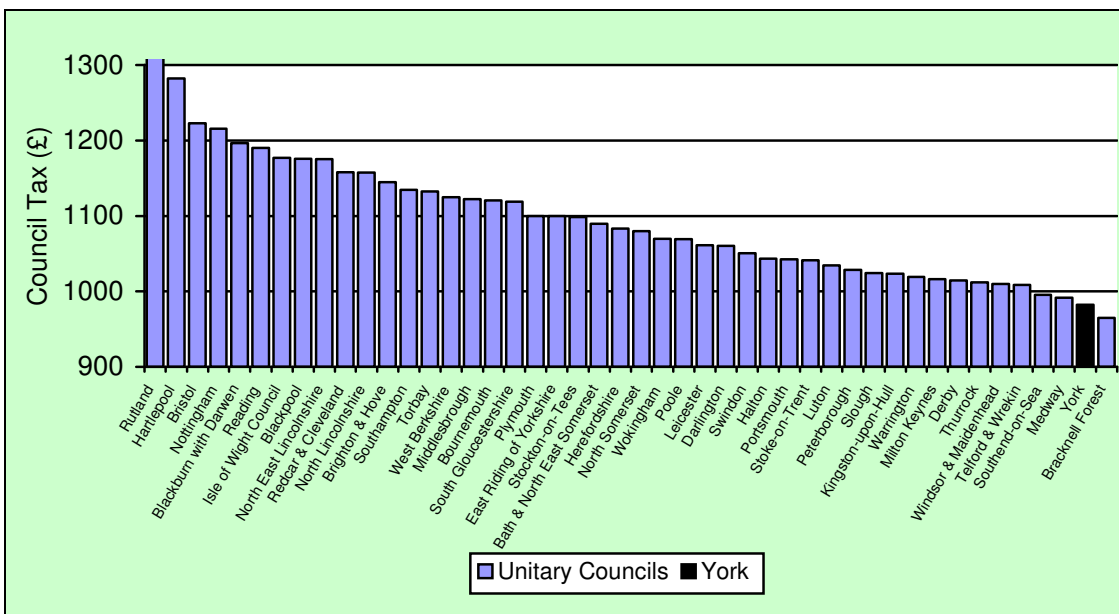


Figure 2 – Unitary Council Tax 2007/08

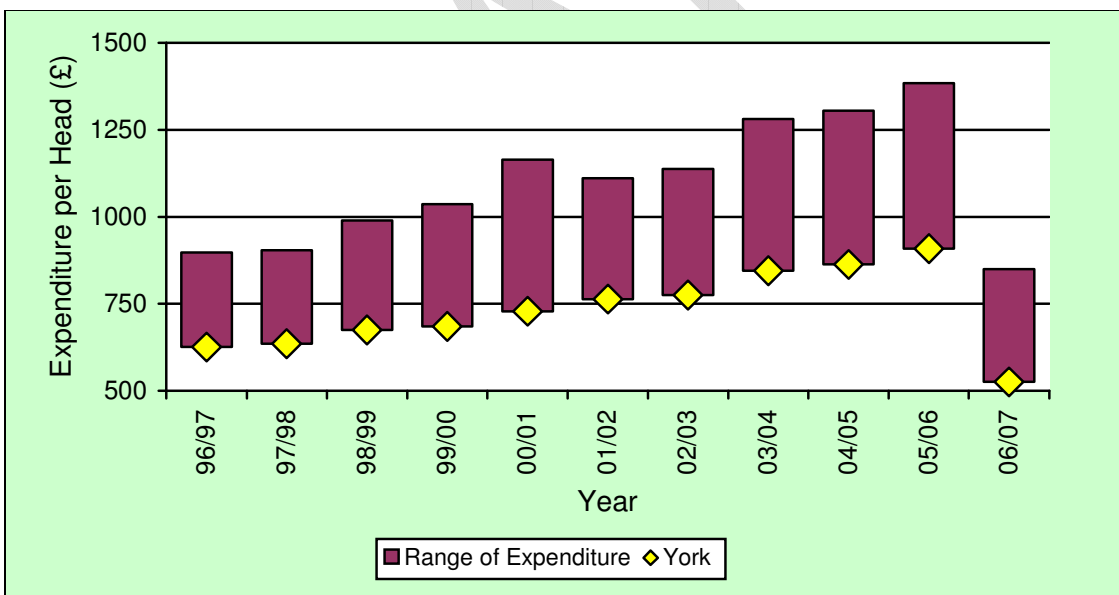


Figure 3 - Unitary Council Expenditure per Head Since 1996²

In such a context it is vital that York maintains its historically tight levels of financial management and a challenging budget process. Without such building blocks the council will struggle to maintain existing service levels and address the future needs of the city.

² The decrease in 2006/07 is the result of the introduction of the Dedicated Schools Grant

2. Expenditure Pressures

2.1. Overall Framework

The financial strategy is a key element of how the council plans for the future. To be truly effective it needs to map potential positive and negative impacts on the council's finances and, in so doing, identify the scale of the challenges facing the organisation. In this regard the identification and prioritisation of current, future and potential spending pressures is of paramount importance.

The strategy does not take a broad brush approach to future spending pressures but instead focuses on those key areas of expenditure that possess a strategic need or importance for the council. To provide such focus the strategy does not go into the current aspirational needs of services but instead concentrates on those areas that must be addressed before it can start to look at its developmental agenda. This does not mean that such priorities and aspirations are not important but more that consideration of their relative need and worth is better undertaken as part of internal budget discussions rather than via the initial financial strategy.

2.2. Links to the Council Improvement Statements

The council's corporate strategy for 2006 to 2009 has laid down 13 clear priorities for improvement. These are:

- Decrease the tonnage of biodegradable waste and recyclable products going to landfill.
- Increase the use of public and other environmentally friendly modes of transport.
- Improve the actual and perceived condition and appearance of the city's streets and open spaces.
- Reduce the actual and perceived impact of violent, aggressive and nuisance behaviour on people in York.
- Increase people's skills and knowledge to improve future employment prospects.
- Improve the contribution that Science City York makes to economic prosperity.
- Improve the health and lifestyles of the people who live in York, in particular among groups whose levels of health are poorest.
- Improve the life chances of the most disadvantaged and disaffected children, young people and families in the city.
- Improve the quality and availability of decent, affordable homes in the city
- Improve our focus on the needs of customers and residents in designing and providing services.
- Improve leadership at all levels to provide clear, consistent direction to the organisation.

- Improve the way the council and its partners work together to deliver better services for the people who live in York.
- Improve efficiency and reduce waste to free-up more resources.

Achieving these ambitious priorities will require a high degree of commitment by the organisation. In some instances work has been on-going towards revising managerial and operational structures to ensure that outcomes can be improved within the existing resource base. Where appropriate additional funding has been directed into specific priorities. Most notably the 2007/08 budget identified opportunities for significant additional investment to support the priorities relating to the reduced use of landfill and increased skills and knowledge.

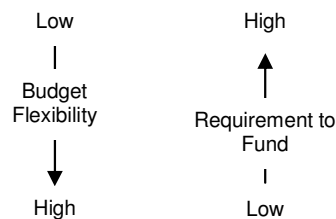
In addition to these priorities for improvement the new administration has, in consultation with the other political parties, produced a "Policy Prospectus" which has commenced debates across a wide range of areas where actions could be considered to improve the range or quality of provision within the city. In many instances briefings and reports are currently being developed to address the potential impacts of the adoption of such changes. In order to maintain on-going financial stability it is vital that the 2008/09 budget reflects such developments and also that any decisions taken in advance of the budget process clearly recognise the fiscal constraints that will face the council in the medium term.

While the priorities are important it must be recognised that resources can only be allocated by retargeting existing provision or by utilising any funding that has not been required to meet the council's underlying spending pressures. Due to York's tight fiscal position such additional funds are severely restricted. This lack of spare resources will, in many instances, switch the emphasis of change from additional funding to service redesign and refocus.

2.3. Defining Spending Priorities

Traditionally spending pressures within the MTFF have been broken down into unavoidable (recurring and one-off) and directorate reprioritisation (historically described as discretionary growth). While this approach has provided a degree of simplicity it has not helped in terms of members and officers understanding the hierarchy of decisions that must be considered in setting the budget. In this regard the budget for 2008/09 to 2010/11 will be developed with a broader and more descriptive allocation of proposals. Within this there are different levels of discretion available to members in terms of the levels of funding that they will be able to allocate ranging from very little on the contractual commitments to a high degree of flexibility on desirable service improvements. The proposed classifications are:

- a. Contractual Requirements
- b. Impact of Prior Year Decisions
- c. Legislative and National Policy Changes
- d. Impact of Changes to National Grant
- e. Demographic and Obsolescence Pressures
- f. Delivery of Priorities for Improvement
- g. Desirable Service Improvements



2.4. Underlying Pressures

As with any organisation the council has an underlying range of revenue pressures which it faces each year. For 2008/09 such pressures are calculated at £6,760k the majority of which fall within contractual requirements and legislative change. The breakdown of these figures are detailed below.

- a. Employment Costs (£2,603k)
 - Pay increases. The pay increase for 2008/09 is budgeted for at 2.5%. A settlement at this level would add £1.8m to the annual pay bill.
 - Increments. As part of their terms and conditions many staff are entitled to pay increments. Based upon current pay structures these would cost the council £753k in 2008/09.
 - The council must also fund adjustments to pension contributions of £50k per annum.
 - There is considerable uncertainty over the above figures due to the unresolved issues of Job evaluation and Equal Pay
- b. Inflation (£2,250k)
 - Price Inflation. Including the cost of utilities and after freezing non-contracted goods and services budgets price inflation is expected to cost the council £2.25m in 2008/09.
- c. Managing the capital programme (£884k)
 - Costs of borrowing and revenue implications of the capital programme. This represents the net cash impact of the capital programme taking into account the level of spend on the programme net of capital receipts and for 2008/09 stands at £524k.
 - Minimum Revenue Provision. The council is required to set aside a specific amount for the repayment of general fund debt. For 2008/09 the calculation requires this increase to be £360k
- d. Waste Management (£733k)
 - Previously due to an annual increase of £3 per tonne the council had budgeted for a £250k per annum increase in landfill tax. However following the last budget this annual increase now stands at £8 per tonne leading to a 2008/09 budget pressure of £600k. This figure may be reduced if less waste can be sent to landfill.

- The on-going growth in the council's property base impacts on the underlying costs of collection. Due to capacity issues on current rounds in 2008/09 it is estimated that meeting this demand will cost £133k.
- e. Contingency (£800k)
- The council maintains a contingency budget to help deal with those areas where funding pressures are likely to occur in year but where an accurate estimate of actual cost cannot be provided at the time the budget is set. For the 2008/09 budget the initial projection for the contingency is £800k.
- f. Other Pressures (£100k)
- Other pressures such as increased levies for the Environment Agency and Internal Drainage Boards, and rent reviews on admin accom properties cost approximately £100k per annum. In light of recent regional and national flooding events such costs may increase in future years.

2.5. Prior Year, Time Limited and One Off Pressures

In a number of instances the council has taken decisions the full impact of which will not be experienced until future years. For 2008/09 recurring costs are expected to accrue in the following areas (budget council annex references in parenthesis).

Table 2 – Impact of Prior Year Decisions on 2008/09 Budget

Decision	Taken By	2008/09 Impact (£'000)
Free Evening Parking for Residents	Urgency (26/6/07)	75
Regrade of Chief Executive	Urgency (23/5/07)	35
Howe Hill Rent Restructure (HSG1)	Budget Council	17
Reprovision of an EPH as an EMI / Dementia Unit (HAG8)	Budget Council	100
Transfer of Ward Committee Capital Expenditure to Revenue (NSG02)	Budget Council	70
Total		297

The council also has previously agreed funding for a range of pressures that are one off in nature or will only occur for a fixed length of time. Such pressures are funded from the general reserve. Existing and known commitments in this area are shown in Table 3.

Table 3 – Existing Commitments to One-Off Funding

	2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000	2011/12³ £'000
Waste Strategy	250	250	250	0	0

³ 2011/12 has been included to show the proposed end of the various time limited funding streams and the material funding impact of the 2011 local elections.

Local Development Framework	149	227	224	0	0
Ward Committee and York Pride	100	0	0	0	0
York Central / British Sugar Action Plan	75	105	65	0	0
Housing Benefit element of RSG due to increased take up	25	25	25	25	0
Contribution to 2010 Mystery Plays	20	20	20	20	0
2011 Local Elections ⁴	0	0	0	50	200
Items funded in 2007/08 only ⁵	793	0	0	0	0
	1,412	627	584	95	200

2.6. Additional Key Financial Pressures

In considering its medium term financial strategy the authority also needs to be aware of the significant pressures that the Council faces in the near future. Indeed the need for heightened awareness of, and focus on, such pressures has been highlighted as a key driver for the change in approach to the MTF. The key financial pressures facing the council include:

2.6.1. Comprehensive Spending Review 2007

CSR07 will define how much funding is available to local government for the three years 2008/09, 2009/10 and 2010/11. Until it is finally announced in the autumn there is little hard data upon which future forecasts can be based. In terms of the council the final impact felt through the grant settlement will be an amalgam of:

- The underlying base increase in general grant.
- The scale of any additional grant provided for transferred functions or new duties.
- The impact of the efficiency savings targets announced in the 2007 budget. The budget indicated that these would represent 3% of the net revenue budget and would be deducted from the funding made available to councils.
- Changes in the government's funding formula. Such changes are currently out to consultation, a process which will not end until October. The most important changes in terms of the council relate to proposals for allocating additional funding for concessionary fares and reductions in funding for day visitors.

Due to this degree of uncertainty the MTF has been predicated upon a nil cash change in the grant provided. As a result the council will need to continue its robust approach to identifying service efficiencies and savings.

⁴ The 2011 has been included as known cost but the funding requirement has not previously been reported to members.

⁵ The breakdown of these items is available in the 2007/08 budget report.

The uncertainty over the funding quantum also impacts in terms of the council grants. Until CSR07 is announced government departments are often uncertain about the funding they will be provided with and, as a result, are unable to make firm and unequivocal commitments about the continuation or future levels of grants available to current recipients. Such uncertainty means that the council may have very little notice of significant changes in its specific grant arrangements.

2.6.2. Waste Management

There are significant cost pressures facing the Waste Management budget over coming years. Each year the Landfill Tax is increasing by £8 per tonne on the previous year's amount and the introduction of Landfill Allowances limits the amount of biodegradable municipal waste⁶ that the Council can dispose using landfill. In 2007/08 the Council put aside £227k to cover these cost increases. The Landfill allowance is 63,450 tonnes in 2007/08 and this is set to reduce to 20,640 tonnes by 2020. While it is currently forecasted levels of landfill will be within allowances up to and including 2008/09 after this date the Council will need to have diverted additional waste from landfill or purchased allowances from other local authorities. If this is not achieved then the Government will fine the authority £150 per tonne landfilled over the allowance. This could potentially cost the Council £11.5m over the following four years. To alleviate this risk the Council, in partnership with North Yorkshire County Council, is seeking to undertake a PFI procurement that will divert waste from landfill from 2013/14. The Council is also developing a LATS strategy to identify options for avoiding LATS fines in the period up to 2013.

However the waste pfi is not a cost neutral solution to York's waste problems. Over the life of the contract it is anticipated that £155m will need to be found to meet its costs. In order to do so the MTFF assumes that the council will start to gradually set aside revenue budgets from 2008/09 onwards. This will provide the council with additional base budget in future years to meet on-going costs and will allow a smooth transition to future funding needs. For the initial purposes of the MTFF this requirement has been forecast at £500k per annum.

2.6.3. Pension Costs

The triennial valuation of the North Yorkshire Pension Fund (NYPF) was undertaken at the end of 2003/04. This review showed that the funding level of the whole fund had fallen from 79.5% (£187m deficit) at 31st March 2001, to 59% (£525m approx deficit) at 31st March 2004 of which York's share was approximately £130m. As recognised in last year's budget this was well below an acceptable level given the requirement to move to 100% fully funded scheme

⁶ BMW is calculated as being 68% of total waste arisings.

and additional investment may be required to bring the fund back to a balanced level over the 24 year timeframe agreed by the council. This time frame compared favourably with the maximum 30 year recovery period allowed for the council by the scheme's trustees. The interim review of the fund undertaken as at 31 March 2007 indicated that due to market conditions the position of the fund had improved with the funding level having increased to 69% (£523m deficit) of which York's share would be approximately £98m. It should be noted that due to their nature, interim valuations can be volatile and while improvements may appear significant a longer term view is required of the overall recovery process.

However, even with this positive short term performance, pressure is increasing on the council's recovery period and levels of contributions. At the interim valuation the Pension Fund's actuaries indicated that changes in a number of demographic areas, most notably longevity, would have a negative impact on the level of funding. In addition changes are being introduced to the Local Government Pension Scheme as a whole and once finalised such changes may require an increased level of contributions from employers. To put this in context in 2008/09 a 1% increase in the employer's pension contribution will cost York approximately £700k.

Until the review findings are announced it would be premature to commit to increasing or decreasing employer contributions and, with a longer term focus, changes at this stage may be considered undesirable. However, regardless of the outcome, the impact of the revaluation will need consideration in the final budget recommended to Council by the Executive for 2008/09. As such this strategy does not propose to increase the level of employer contributions during 2007/08. However, the results of the triennial valuation are expected in October or November 2007 and will feature in the 2008/09 budget process and may require increased contributions to be made.

2.6.4. Job Evaluation

The Council is currently undertaking a full pay and grading review based on a job evaluation exercise. In response to guidance from The Employers Organisation the council has already set aside an ongoing base budget of approximately £2.6m and a one-off budget of just over £1.7m to fund the implementation of this review and the previous financial strategy looked to allocate an additional £500k funding towards the ongoing costs in 2008/09. At this stage in the job evaluation project it is not possible to gauge the total costs of revised remuneration arrangements as the result of implementation. However, as Table 4 demonstrates, it is anticipated that £3.116m will be available on an on-going basis to fund the resultant changes. This includes the allocation of £500k in 2008/09.

	2005/06	2006/07	2007/08	2008/09
--	---------	---------	---------	---------

	£'000	£'000	£'000	£'000
Budget Allocated	541	1,000	1,075	500
On-Going Funding in Base	541	1,541	2,616	3,116

Table 4 – On Going Job Evaluation Funding in Base Budget

A full report will be brought to the Executive prior to the introduction of the new pay and grading system that will highlight the full financial implications of any changes. This will include any potential future reductions in costs as the new grading structure begins to apply. In terms of the financial strategy it is imperative that the ultimate solution is maintained within the resource envelope currently budgeted for.

2.6.5. Elderly Persons

Current estimates envisage that the client base for social care will have increased by 30% from 4,892 in 2002/03 to 6,353 by 2008/09. The impact of this growth in the client base will be further magnified should historic increases in the average cost per client also continue⁷. These are due to a combination of increasing complexity of care needs and cost inflation. Alongside this a number of actions have been taken to control social care costs. In order to maintain a balanced budget into the future it is vital that these actions are successfully monitored and delivered. Even with such actions significant social care growth pressures of just under £1.3m are included in the MTFE as demographic pressures for 2008/09.

2.6.6. Supporting People

The supporting people grant is being reduced from £8.4m in 2006/07, to £8.2m in 2007/08 and then further to £8.0m in 2008/09. As a result services have faced not only reductions in overall funding but also no inflationary increases on existing budgets. Looking ahead the allocation formula (currently being consulted on) would mean a 50% reduction in funding over the next 10 years (phased in at a maximum of 5% per year). Such a reduction would not just impact on the Council but reduce funding across the sector. Due to the scope of the schemes and statutory requirements when Supporting People funds cease the Council often has to continue the service from within its own resources.

2.6.7. National Concessionary Fare Arrangements

From April 2008 the national concessionary fare scheme for the over 60s will change enabling all eligible individuals to free travel regardless of their location. As a result individuals who are not resident in North Yorkshire will be entitled to free travel in York, travel that it will be this council's responsibility to fund. In addition to this, the council will also need to deal with the residual shortfalls in

⁷ For personal care the average costs per client rose from £56 per week in 2001/02 to £95 to 2004/05. Since 2001/02 across all life stages there has been an increase from an average of £58 to £96 (65%).

funding for 2007/08 that have been caused by judgments and settlements on claims made by providers against the council's current scheme.

In order to fund the costs of the scheme expansion DCLG are currently consulting on three mechanisms for allocating additional funding to councils as part of the general grant arrangements. These mechanisms would, on the face of it, provide York with £0.8m, £1.3m or £1.4m of additional funding. However by placing such funding in general grant these increases will form part of the calculation for allocating formula damping. As such any increase in overall funding could be significantly reduced to fund authorities who would otherwise be below the grant floor. In this context it should be remembered that for 2007/08 funding was provided to ensure that all council's with education and social services responsibilities received no less than a 2.7% grant increase. York's contribution towards this funding was £872k, 69% of the grant increase above the floor as calculated by the formula. If such a scenario were to be repeated on concessionary fares then the additional cash funding received by the city would be between £240k and £420k.

To address these problems the Local Government Association is lobbying for concessionary fare funding to be viewed as a specific grant taking it outside of the damping mechanism. Alternately DCLG could exclude the grant from its damping calculations. Both of these options will be supported in the council's final response to the consultation exercise.

2.6.8. Infrastructure Maintenance

While significant highways investment has been made in recent years this has to date only managed to halt deterioration and therefore have not been able to significantly reduce the backlog of structural maintenance work. The 2007/08 budget it was estimated that to address this backlog and bring all grade 3 [poor] highways up to a grade 1 [good] standard would cost £27.628m. Due to an on-going rebalancing of resources between the capital programme and revenue budgets it is currently assumed that an additional £250k will be required in the highways maintenance revenue budget for 2008/09.

The capital resources which were allocated to deal with the repair backlog and access issues in buildings have been directed at those which are most used by the public and which have been identified as being retained for service delivery in the foreseeable future. As a result the amount of urgent repairs required has reduced and accessibility to buildings continues to improve with DDA compliance now having reached 84%. There is still need therefore to continue with these works using the agreed criteria and continued capital and revenue resources will be needed in the coming years. To successfully do so will require a combination of modernisation, replacement, pfi, partnerships and internal resources. A report on addressing the property maintenance backlog will be presented to the Executive later in the year.

2.6.9. Changes to Dedicated Schools Grant

Traditionally York has invested more in schools than allocated to it through the general grant process. When school funding was removed from the general grant in 2006/07 this additional funding (approximately £4m) was removed from the council's revenue support grant and allocated to the dedicated schools grant. However no long term commitment has been made by the DfES to continue this level of school funding. This means that through national normalisation of funding over time the quantum of resource for York's schools could reduce by £4m none of which would be returned to general fund budgets resulting in limited funds being available for the council to invest in schools in order to mitigate any on-going impact on education. As a result York would be subsidising education in other council areas by £4m per annum.

2.7. Future Pressures

In developing a position on future budgetary need the challenge is to marry the information on underlying and future budget pressures to provide an underlying quantum of resources required over the next three years. Traditionally at this stage of the year the MTFF would include within it an attempted analysis of all potential pressures identified by directorates. However, in doing so, the analysis was distorted by items in what would now be termed categories 'e' and 'f' which the council is not required to support and which, indeed, would often only be supported should sufficient funds be left available once other needs have been met. This resulted in distortions to both the scale of the reported budget gap and the focus of the organisation in attempting to manage its perceived future budgetary needs. For the 2007/08 budget the swing between the MTFF and actual budget set was approximately £3m.

For this reason the future pressures model has been delivered excluding these items which will be subject to formal development during the budget process. Details of the model are provided in the MTFF at Annex 9.1 which is summarised in Table 5.

Table 5 – Future Pressures Model

	2008/09 £'000	2009/10 £'000	2010/11 £'000
Contractual Requirements	7,410	7,242	6,969
Legislative / National Policy	3,262	1,375	948
Prior Year Decisions	1,598	14	(442)
Demographic and Obsolescence Pressures	2,151	885	685
Grant Fall-out	787	211	226
TOTAL ESSENTIAL PRESSURES	15,208	9,727	8,386

2.8. Long Term (2011/12 onwards)

While the future pressures model is designed to identify the most difficult to avoid spending pressures for the period 2008/09 to 2010/11 there are also other

significant pressures and events that the council will face from 2011/12 onwards. In most instances the exact timing and impact of such developments is difficult to gauge but they do provide an additional context within which shorter term decisions need to be taken. Potential future events include:

- Future developments under the Building Schools for the Future initiative.
- The new office accommodation at Hungate.
- The outcome of the waste PFI process
- The completion of the current contract for the management of Waterworld.
- The continued development of the York Pools project including a potential university pool.
- Development opportunities on the York Central and British Sugar sites.
- The use of earmarked fund balances for major capital schemes such as Hungate and York Pools impacting on levels of investment income.

2.9. Overall Summary

The council faces significant underlying pressures and the challenges that these present are being exacerbated by the range of short, medium and long term pressures that have also been identified. The budget process will be a key element in managing and dealing with these pressures.

3. Funding

3.1. Revenue Support Grant

Approximately one third of the council's net budget is provided through unringfenced grant paid by the government. This payment comprises revenue support grant and redistributed national non-domestic rates. As the latter bears no relationship to the level of NDR that the council collects then for all intents and purposes these two payment mechanisms represent a single funding stream.

From 2006/07 Local Government funding is based on a four-block model which no longer uses notional figures for spending and local taxation. Instead the formulae are now simply a means to distribute actual Government grant. Actual allocations from this approach for 2006/07 and 2007/08 are shown in Table 6. It is useful to note that the 2007/08 funding settlement indicated a £1.392m increase in formula grant offset by a reduction of £201k due to adjustments on the transfer of responsibilities into general grant providing a total allocation of £38.343m.

	2006/07 £'000	2007/08 £'000
Relative Needs Block	24,242	24,766
Relative Resource Amount	-17,118	-17,794
Central Allocation	31,292	32,244
Floor Damping	-1,265	-0,872
Net Allocation	37,151	38,343

Table 6 – Government Funding Allocations 2006/07 and 2008/09

In 2006/07 York's grant increase of 3.3% was marginally ahead of the average for other unitary authorities (2.89%). However in 2007/08 this position was reversed with a below average increase (3.8% as opposed to 4.1%). As a result, when viewed as a two year settlement for the combined period 2006/07 and 2007/08, York has seen an average level of increase in its grant funding (7.17% compared to an average 7.16%). However it must be noted that in the settlements for 2006/07 and 2007/08 the level of funding received by the Council has, due to use of floor damping, been reduced by £2.137m (£1.265m and £0.872m for 2006/07 and 2007/08 respectively). At this stage there are no clear indications of when damping will finally cease and CYC will get its full grant entitlement. However it would be safe to assume that some damping will remain for affected authorities in the short to medium term.

As has previously been identified CSR07 will define how much funding is available to local government for the three years 2008/09, 2009/10 and 2010/11. Until it is finally announced in the autumn there is little hard data upon which future forecasts can be based. In terms of the council the final impact felt through the grant settlement will be an amalgam of:

- The underlying base increase in general grant.
- The scale of any additional grant provided for transferred functions or new duties.
- The impact of the efficiency savings targets announced in the 2007 budget.
- Changes in the government's funding formula. Such changes are currently out to consultation, a process which will not end until October. The most important changes in terms of the council relate to proposals for allocating additional funding for concessionary fares and reductions in funding for day visitors.

Due to this degree of uncertainty the MTFF has been predicated upon a nil cash change in the grant provided. Should firmer indications be provided about the potential levels of any increase and the treatment of transferred grants the forecast will be updated accordingly. For reference purposes it should be noted that for 2008/09 a 1% cash increase in grant will provide the council with an additional £383k of funding.

3.2. Council Tax

3.2.1. Council Tax Projections

For 2007/08 the Council set a budget including a 4.5% (£42.29) council tax increase. As Table 7 demonstrates when combined with the Police and Fire Authority increases this equated to an increase on the Band D council tax of £49.79 or 4.24%. York's council tax increase was, in cash terms, the lowest for any council in the North Yorkshire area⁸.

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

Table 7 – Headline Band D Council Tax Figures for York

⁸ For York the increase comprises the council, police and fire precepts. For other areas increases comprise county, district, police and fire precepts.

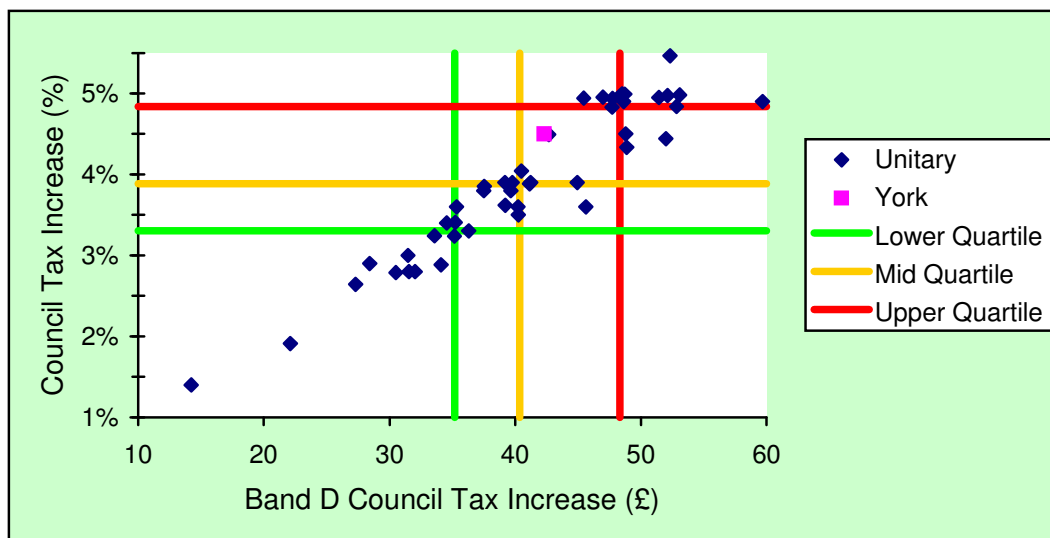


Figure 4 - Unitary Council Tax Increases 2007/08

As Figure 4 shows that the 2007/08 council tax increase fell well within the second quartile for unitary authorities.

3.2.2. Constraints on the Council Tax

The level of council tax and the level of annual council tax increases are both affected by the balance between central and local funding. Traditionally the ratio of central to local funding in the net budget was around 75:25. This ratio gave rise to a “gearing” effect which meant that an increase of 1% in budget requirement resulted in a 4% increase in council tax. This meant that comparatively small spending pressures resulted in considerably large increases in council tax.

From April 2006 this position changed. The transfer of schools funding to a direct grant meant that the council’s net budget reduced by approximately 40% with the council tax representing approximately 60% of the authority’s net expenditure. While this has a nominal affect on gearing in reality the overall position is unchanged. Schools funding is now matched by government grant in a similar way to the restrictions that applied when passporting was in place.

Whilst the council tax is theoretically subject to local determination central government capping powers, which allow the Secretary of State to limit the annual level of increases, means that large rises are unlikely to be possible. The principles for measuring excess must be clearly stated. The government exercised its capping powers against certain councils for both 2004/05 and 2005/06 financial years. More notably for York in 2006/07 the council was nominated for capping purposes and as a result restrictions will be placed upon the scale of the council tax increase in 2007/08. The changing criteria used by

DCLG to determine whether capping should be considered are illustrated in Figure 5.

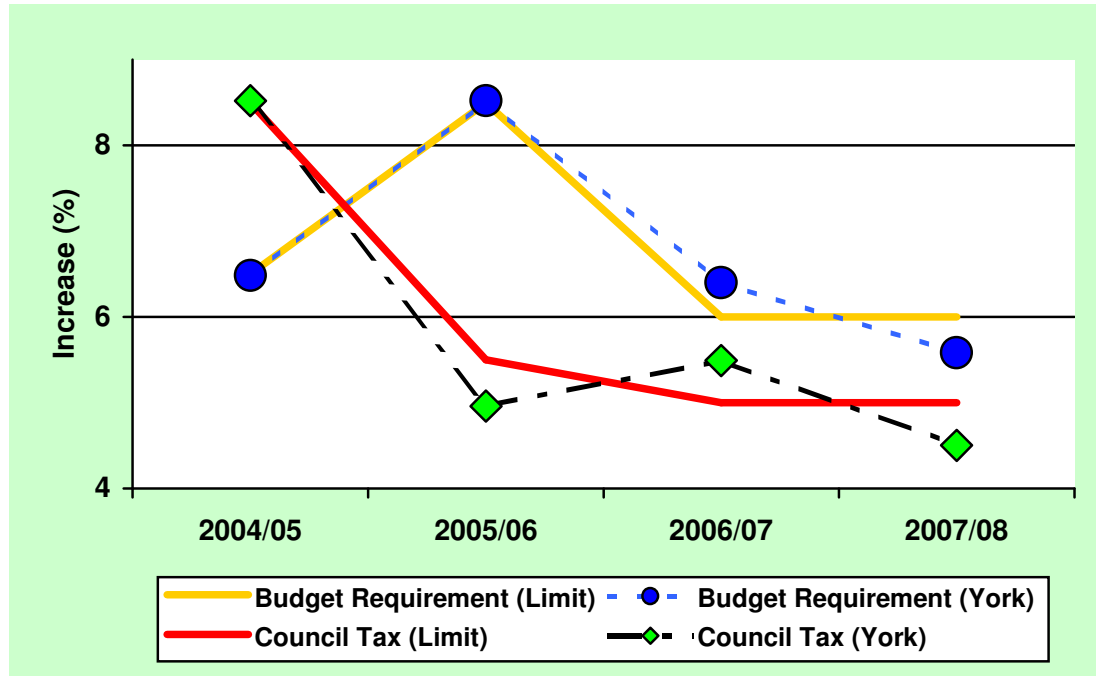


Figure 5 - Capping Criteria 2004/05 to 2007/08

Capping criteria are not announced in advance but the government made it clear that average council tax rises for 2005/06, 2006/07 and 2007/08 should be no higher, on average, than 5%. However in practice these similar statements represented very different interpretations. In 2005/06 council tax increases of up to 5.5% were deemed acceptable (York's council tax increase was 4.96%) but in 2006/07 this position had changed to the extent that no increase over 5% was allowable (York's increase was 5.49%). As a result of this changing interpretation the council found itself subject to nomination in 2007/08.

While nomination does not have a direct cash impact it did affect the council's ability to increase council tax for 2007/08 by nominally reducing the budget against which such increases were calculated; essentially putting an additional 0.5% for capping purposes onto any increase made by the council. As a result the final 4.5% increase was, for DCLG purposes, treated as a 4.99% increase, fractionally below the anticipated capping limit.

As part of its assessment of what level of increases should be made the council will need to pay due regard to the continued operation of capping constraints in future years. The impact of this on future council tax levels is addressed at .

3.2.3. Modelling Future Council Tax Levels

As previously outlined on a per capita basis York is the lowest spending unitary authority and under the current local government funding financing systems is likely to remain so for the foreseeable future. In order to ensure that its position is not further eroded it would be prudent to adopt a policy of setting medium term council tax increases at a level immediately below the anticipated capping limits laid down by central government. Indeed the council's ability to set an increase above this level may be severely curtailed by national policy.

If guidance for 2005/06 to 2007/08 were replicated in the future then this would mean setting council tax increases of just below 5% per annum. As a result the model is currently predicated on increases in council tax of 5% per annum. However, it must be noted that this does not reflect a political decision to set such increases merely an interpretation of potential increases available under the existing national arrangements.

It should be noted that the resultant council tax levels are purely indicative and will be influenced by a number of factors including political decisions (local and national), levels of external funding and the extent of success in securing savings over the three years. If previous predictions concerning the total numbers of properties are accurate then, as shown in Table 8, the total contribution from these annual council tax increases will be as shown.

	2007/08	2008/09	2009/10	2010/11
Number of Band D Equivalents	66,205	66,796	67,414	68,088
Council Tax Increase	4.50%	5.00%	5.00%	5.00%
Contribution from CT Increase	2.73	3.20	3.39	3.59
Contribution from New Properties	0.70	0.60	0.66	0.68
Cumulative Contribution	3.42	3.80	4.05	4.28
Prior Year Yield (£m)	60.61	64.03	67.83	71.88
Yield for Year (£m)	64.03	67.83	71.88	76.16

Table 8 – Council Tax Contribution to Budget Gap 2006/07 to 2009/10

It is important to note that the increased income arising from additional properties does not represent totally new money. The increased property base brings with it additional service demands in areas such as waste collection, street lighting, school places social care etc. In addition York's government funding includes a calculation adjusting for assumed property growth that has a negative impact on grant. There is therefore no net financial benefit to the Council of increasing numbers of properties in the City

In considering the future levels of council tax it is important to note the on-going impact of lower increases. As a guide each one percent increase in council tax will, for 2008/09, yield approximately £604k in income. While it may be possible to identify short term savings to offset such costs under the current funding regime there will not be any opportunity to recoup funding lost in future years, i.e. lower increases in previous years is not a factor in the government's ultimate decision of whether or not to cap a council. Hence a decision to set a 4% council tax in 2008/09 followed by 5% in 2009/10 and 2010/11 would result in a total reduction in available funding across the three years of just over £1.8m. In terms of individual tax payers the 2010/11 band D council tax would be £10.83 lower with a total saving across the three years of £30.96.

3.2.4. Collection Fund

The Collection Fund is the ring fenced account where all Council Tax is credited⁹. 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. If there is a surplus, the funds are used to reduce the Council Tax. If in deficit, a higher Council Tax must be set and the taxpayer must fund the shortfall. All major precepting authorities¹⁰ share in any surplus or deficit on the fund, York's share of the surplus is 80.4%.

For a number of years, due to high collection rates and the buoyancy of the housing market, York's Collection Fund was in surplus. However in 2005/06 this was not the case and hence no surplus was available for distribution. In 2006/07 this position has significantly improved and as a result £1.06m surplus was predicted, providing a one-off contribution towards the council's budget for 2007/08 of £850k. At this stage of the year it is prudent to assume that in future the collection fund will remain in balance (i.e. no surplus or deficit). This means that no income or costs are currently reflected in the MTFF. This position will be adjusted once the overall collection rates for the year become clearer.

However adopting such a position has an impact upon the budget process. The council's base budget assumes that £850k will be contributed each year via the collection fund and failure to do so acts as a direct funding pressure of the annual budget. To reflect this the MTFF at annex 9.1 shows an adjustment of -£850k on funding related to the collection fund. The achievement of any surplus will reduce this figure.

⁹ This includes monies collected on behalf of Parish Councils, the Police and Fire Authorities

¹⁰ City of York, Police and Fire Authorities

3.3. Fees and Charges

The financial strategy also deals with proposed changes to the systems used to drive the identification of resources which can be reprioritised to fund unavoidable costs, investment in alternate services or savings. In recent years all service areas have been asked to identify options which provide a 5% saving on their gross income and gross expenditure budgets¹¹. This is on top of any increases achieved in fee income (in 2006/07 these were normally required to deliver between 2.3% and 3%). Based on this a service with a £1m spend and delivering £1m of income would have to deliver saving options of £100k plus a further £30k in additional income.

The use of a targeted savings system which takes into account both expenditure and income generation is inherently correct in that it encourages managers to look at the funding opportunities that their full range of services provide. However the dual income target system has not proved helpful in terms of clarity for managers or transparency for members. On this basis the process outlined in the financial strategy recommends that in future services provide options to save the equivalent of 5% of their gross expenditure budgets and options to increase the yield from their income budgets by 5%.

3.4. Investment Income

3.4.1. Investment Income

The Council holds cash balances which are invested on the money markets. Typically the cash balances can be separated into two categories.

Cash flow balances are the short-term temporary fluctuations in cash balances that occur each month. An example of this is in relation to the collection of council tax and the payment of salaries, whereby the majority of council tax is collected on the 1st of the month, but salaries are not paid until the last day of the month. This maximised the Council's cash position. Similarly the Council collects its Council Tax over the first ten months of the year (April until January) which means that cash balances tend to fall in February and March.

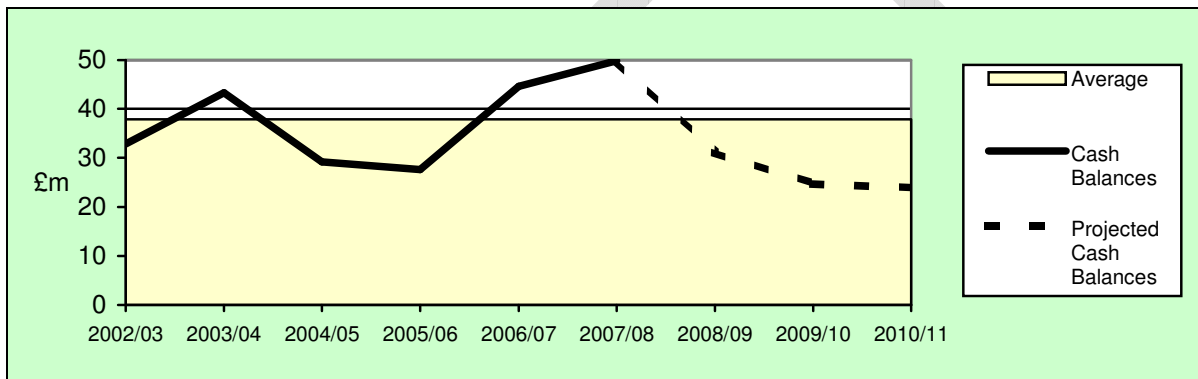
Core cash balances broadly represent the level of Council reserves. They include the HRA working balance, earmarked reserves and any debt overhang (when the Council has borrowed in advance of need).

Investment income varies depending on the level of cash balances and the rate of interest. The long term average cash balances are approximately £38m and the equilibrium¹² interest rate is approximately 4.75%, meaning that annual

¹¹ Following a number of adjustments to eliminate recharges and uncontrollable budget elements.

¹² The equilibrium rate of interest is the rate at which interest rates have to be set to have a neutral impact on the level of inflation. Economists believe this to be between 4.5 and 4.75%.

investment income should be £1.8m. The Council's view of interest rates is formed by reviewing the market and taking advice from our Treasury Management advisors (Sector). The level of cash balances is mainly influenced by the level of borrowing, and size of the capital programme. It is expected that over the next 4 years that cash balances will reduce to below average because of the continued use of reserves to balance the budget, the increased size of the capital programme, and in particular the move to new office accommodation at Hungate and the HRA business plan decision to reduce Housing balances to fund the capital programme. The chart below illustrates the average cash balances from 2002/03 to 2006/07 and projection to 2010/11. At the end of 2010/11 average balances are expected to be around £21m, earning interest of only £1m, a reduction of £0.8m on the average level. This reduced level of income will need to be met by compensating efficiencies elsewhere in the council.



FFigure 6 – Average Cash Balances 2002/03 to 2010/11

3.5. Reward Based Government Grants

3.5.1. Local Authority Business Growth Incentive Scheme (LABGI)

LABGI is a scheme whereby the council can keep locally the increase in business rates generated if growth exceeds a certain level. Actual levels of entitlement are announced in December. In 2005 the council failed to reach the required level of growth to trigger additional funding and in 2006 the council received £30k. Due to the volatility of entitlement LABGI income is not built into the budget and any monies received are transferred into the general reserve.

3.5.2. Local Public Service Agreement (LPSA)

LPSA 2 is the second round of projects where a dozen or so projects or areas of improvement are identified and agreed with government. To assist with this the government allocates pump priming funding to the council and where targets are met also pays a one-off reward grant. While LPSA 2 falls within the life of the finance strategy (it commenced late 2006 and concludes late in 2008) agreed commitments on pump priming and reward grant, alongside the possibility of not

all targets being met (and hence reduced reward grant being payable), means that no allowance for such income is included in the MTFF. From April 2007 the LPSA has been subsumed into the Local Area Agreement.

3.6. Other Government Grants

In addition to Revenue Support Grant the Council receives other funding in the form of Specific and Special Grants. These are distributed by the individual government spending departments to target specific spending needs. Some of these grants are “ring-fenced” and must be spent on specific projects but many are non-ring-fenced and can be used for general revenue spending. The removal of Schools’ spending from Revenue Support Grant into the specific grant DSG has distorted the ratio between RSG and specific grants. The bulk of the Schools’ grants are ring fenced, for example the General Sure Start grant of £1.6m, as are the grants distributed by the Dept of Health. Details of specific and special grants in 2007/08 are detailed in Table 9.

Government Department	£'000
Education and Skills (DfES)	101,264
Of which, DSG equals £83,409 k	
Transport (DfT)	718
Health (DoH)	5,403
Work and Pensions (DWP)	35,219
Communities and Local Government (CLG)	7,974
DEFRA	213
Home Office (HO)	49
TOTAL	152,223

Table 9 – Other Government Grant Funding 2007/08

3.7. Hypothecated Areas

3.7.1. Overall Framework

Hypothecation (or ring fencing) primarily applies to two areas within the council: those areas covered by the Dedicated Schools Grant (DSG), and the Housing Revenue Account (HRA). While the details below outline how restrictions apply to the transfer of base funding into and out of DSG and HRA funded areas this does not prevent appropriate recharges being levied either in relation to overhead costs (such as senior management time) or through recharges for services provided such as payroll.

3.7.2. Dedicated Schools Grant

The DSG funds the pupil led aspects of the council's education service the majority of which are provided by schools. As it is funded via a specific grant expenditure under the DSG does not form part of the council's overall net revenue budget. The distribution of funding to schools is controlled by an agreed funding formula. Under the terms of the DSG the council is not able to take education funding and use it for non-eligible purposes, it can, if it wishes, choose to invest additional funding in this area.

The DSG is ring-fenced for funding the provision of education for pupils in schools. As such it covers funding delegated to individual schools through the Local Management of Schools Funding Formula and funding for other pupil provision that is retained centrally. It is distributed according to a formula that guarantees a minimum per pupil increase for each authority (5% in 2007/08). Additional funding is then allocated based on Ministers' priorities. For 2007/08 personalised learning and practical options for 14-16 year olds have been identified as priorities.

While the LEA cannot use the DSG for any purpose other than schools block funding, with the permission of the Schools Forum limited contributions can be 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 can be demonstrated.
- Some SEN transport costs, again only when there is a net Schools Budget saving.

Although at face value the DSG allocations may appear generous, as Figure 7 demonstrates in terms of the unitary councils York is the seventh lowest of the 46 unitary councils placing this aspect of funding within the bottom quartile. This low funding has also been reflected by the scale of the increases which have been received in funding. In 2007/08 York's increase per pupil was £217, just over half of that for the highest increase nationally of £419.

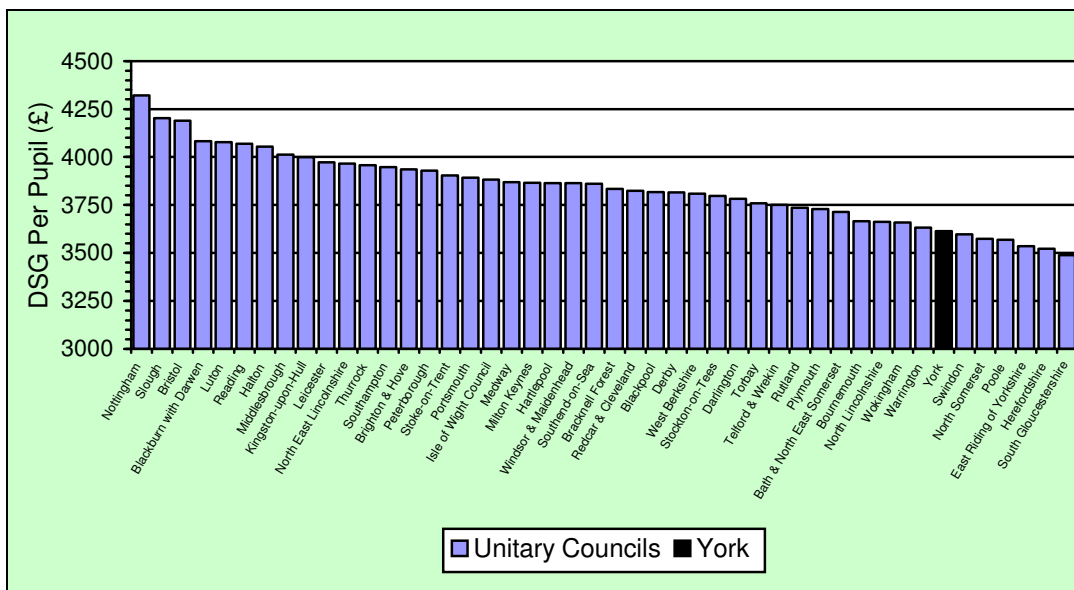


Figure 7 – Dedicated School Grant per Pupil 2007/08

3.7.3. Housing Revenue Account (HRA)

The HRA is the mechanism through which the council operates its housing landlord functions and is funded through the collection of housing rents. It is a statutory requirement that the HRA be a self supporting area of activity which means that services cannot be subsidised by, or contribute towards, the general fund.

The HRA is a ring-fenced account for the management of council housing stock and local housing authorities are required, by legislation, to keep a HRA. The Local Government and Housing Act 1989 states that only items of income and expenditure relating to Council housing must be contained within the account. The main sources of funding for the HRA are housing subsidy and rents.

Housing subsidy is allocated on a 'notional' HRA. This account is based on Government assessments of what local authorities should charge in rents and expenditure on management and maintenance etc., rather than what they actually do. CYC is in a 'negative' subsidy position as there is a net surplus on the 'notional HRA' as the rent income exceeds the subsidy payable by the government for HRA expenditure on management and maintenance etc. CYC will pay over to government in excess of £5 million each year under the current subsidy system.

This means the main source of income for the HRA is rent. Over £22 million of rental income was due in 2006/07 with 97.46% collected. Arrears levels currently stand at 2.6% of the total rent roll. Future income levels will be dependent on maintaining and improving rental collection levels, the number of Right to Buy

sales and the level of rent increase, which is determined by rent restructuring and the move to target rents.

The Council owns just over 8,000 dwellings, including hostel accommodation. By 2010 all council housing stock should meet the governments Decent Homes Standard (DHS). At April 2007 approximately 90% of the housing stock met the DHS, with the remaining 10% of homes being a key priority for future investment. In excess of £35 million will be invested in the councils stock by 2010 to ensure that all homes meet the DHS and in addition meet the York Standard (CYCs own standard), which exceeds the DHS requirements.

Currently the HRA has a balanced business plan in place to ensure that the DHS is achieved by 2010. Beyond 2010 it is difficult to forecast the long-term financial viability of the HRA and any future option that should be taken. This is due to the multitude of factors that are included in the HRA subsidy system, not to mention possible options that may arise from the work ongoing at pilot authorities on options for opting out of the subsidy regime, the results of which are expected to be known as part of the comprehensive spending review 2007.

The current options available to councils appraising the future of their stock are:

- Council retained ownership with in-house landlord service
- Council retained ownership of the stock but with an Arms Length Management Organisation
- Stock Transfer to a new or existing RSL.
- Private Finance Initiative

4. The Medium Term Financial Forecast (MTFF)

As explained elsewhere in this report it is not intended to produce a detailed MTFF at this time. Instead Annex 9.1 outlines a composite position of how funding pressures and budgetary constraints will impact in the short to medium term. While this does not provide an overall theoretical budget gap it does provide a clear indication of the underlying pressures that the council faces and the need for these to be managed and addressed.

	2008/09 £'000	2009/10 £'000	2010/11 £'000
<u>Net Funding Envelope</u>			
Council Tax ¹³	67,830	71,880	76,160
Government Grant ¹⁴	38,343	38,343	38,343
Use of Reserves	627	584	95
Total Funding Envelope	106,800	110,807	114,598
<u>Material Expenditure Pressures</u>			
Base Budget ¹⁵	103,226	106,173	110,223
Contractual Requirements	7,410	7,242	6,969
Legislative / National Policy	3,262	1,375	948
Prior Year Decisions	1,598	14	-442
Demographic and Obsolescence Pressures	2,151	885	685
Grant Fall-out	787	211	226
TOTAL ESSENTIAL PRESSURES	15,208	9,727	8,386
<u>Anticipated Funding Adjustments</u>			
Impact of 2007/08 and 2008/09 Contingency	-800	0	0
Reductions in Landfill Tax	-350	0	0
	-1150	0	0
Net Funding Gap	10,484	5,093	4,011

Other Expenditure Pressures

- Delivery of Priorities for Improvement
- Desirable Service Improvements

Figures not developed as these are desirable rather than essential budget decisions

Table 10 – Summary MTFF

As Table 10 demonstrates even before allowing for the need to replace government grant, deliver on identified priority improvements or address desirable service improvements the council has a £10.5m shortfall between its required expenditure and the funding available.

¹³ In line with Table x this assumes a 5% council tax increase and a 1% increase in the property base.

¹⁴ Net of assumed cash efficiency reduction

¹⁵ Based on a nil collection fund surplus, equals prior year's total funding envelope less prior year use of reserves.

5. Balancing the Budget

5.1. Introduction

As identified at Annex 9.1 in 2008/09 the council faces underlying expenditure pressures totalling £15.21m. Even once a potential council tax increase of 5% and other funding adjustments the council faces an overall budget gap of £10.48m in 2008/09 alone.

In attempting to balance the budget the council has a number of actions it can take. This can be categorised in terms of:

- Controlling Growth
- Directorate and Service Efficiency Savings
- Use of Reserves and One-Off Funding
- Invest to Save
- Efficiency Programme Projects

5.2. Controlling Growth

Due to the scale of the overall budget gap every effort will need to be taken to identify whether funding is truly required and if so what level of resource is appropriate. The first stage of this process has been to better identify and categorise the basis for requests for increased funding. To date the MTFP only includes those pressures that are increasingly difficult for the council to avoid. In addition to these pressures there are other opportunities for reprioritisation that represent an ideal position for investment in services if there were no constraints on council funding. However, this is not the case and during the budget work will be undertaken with directorates to review and prioritise all such areas against relevant criteria including statutory pressures, local priorities and comparative performance

5.3. Service Level Savings

5.3.1. Directorate and Service Efficiency targets

In the current financial climate it is likely that as part of the process to deliver a balanced budget the council will have a year on year requirement to secure efficiency savings. Indeed, as Table 10 shows the underlying budget gap means that just to stand from grant increases and savings the council will need to find £10.484m just to stand still. Any reinvestment in, or reprioritisation of, resources could significantly increase this figure. In terms of closing any budget gap a decision will need to be made about the extent of savings that will be required from all or some service areas. Whilst often criticised as a blunt mechanism such an approach is effective at spreading the burden of savings across all service

areas. In developing proposals to deliver efficiency savings the following principles will be applied:

- Minimum annual efficiency requirements will be established corporately and applied at a service plan level. For the life of this strategy these are assumed to be operating at 2.5% of each service plan expenditure budget.
- In the past services have been required both to deliver increased fee income (in 2007/08 of between 2.3% and 3%) and to deliver efficiency savings of 5% on all income budgets. While this approach has delivered savings it has led to a disconnection between the various decisions made on fees and charges. To eliminate this, from April 2008 the target will be simplified to require all services to provide a net 5% increase in the yield they receive from fees and charges. This can be through straight increases in charges or steps to manage demand. Where services are unable to provide such an enhanced yield the extant income requirement will be viewed as an addition to the service plan efficiency requirement.
- In addition to service plan level saving targets each Directorate will be required to identify directorate level efficiency requirements. For the life of this strategy these are assumed to be operating at 2.5% of each service plan expenditure budget. Such savings must come from those areas within directorates that are best placed to contribute additional savings and this may include additional yields on income or new income streams. This means that many services will be providing potential efficiency savings of well over 2.5% of their overall expenditure budgets.
- To assist with the focus of reportage at EMAPs, Executive and Council it is proposed that, in relation to these requirements, any individual saving proposal under £10k will be viewed as a de minimis change and so not be reported in detail. This is in line with the proposals agreed by members when they approved the 2007/08 to 2009/10 Finance Strategy.

5.3.2. Use of Reserves and One off Funding

The current budget gap does not envisage the use of any additional use of reserves to support expenditure other than those commitments which were made in previous financial years. The resultant impact on future reserve levels are shown at Annex 9.2 and are summarised in Table 11.

	2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000
General Fund Reserve	5,003	4,391	4,547	5,192
Commercial Services Reserve	330	330	330	330
Venture Fund	7,934	1,258	869	481
Total General Reserves	7,267	5,979	5,746	6,003
Minimum Reserve Threshold	5,201	5,361	5,521	5,687
Headroom in Reserves	2,066	618	225	316

Table 11 – Summary Reserve Projections 2007/08 to 2010/11

It is standard practice for the council to only fund items from reserves when they are time limited in nature and will not result in medium term minimum reserve thresholds being breached. Against this framework Table 11 demonstrates that while reserve levels at the end of 2007/08 are approximately £2m higher than the minimum reserve threshold this masks identified pressures in future years that, unless additional funds are invested into the reserves (for example from net underspends, LABGI or business rate refunds) then by 2010/11 the differential between the amount held and the minimum threshold will be in the order of £316k.

5.3.3. Invest to Save

The council set up a Venture Fund in 1997/98 with a balance of £4m. Departments make bids for funding on an annual basis since it was set up loans of approximately £3m have been advanced. The Venture Fund is used for various types of projects including invest to save opportunities, capital investment and restructures. Of the £3m that has been loaned out, £1.2m has related to invest to save projects. Successful projects have included work as diverse as facilitating school amalgamations to supporting benefit uptake. At present the amount available for investing in new initiatives stands at £1.61m.

5.4. Efficiency Review Programme

One of the key challenges for the finance strategy over next three years is how the council intends to engage in delivering service efficiency improvements. Such work not only has to deal with hard cash savings but also need to deliver qualitative service improvement which can change the customer experience or release resources for other emerging priorities. Indeed in many instances these service improvement drivers (akin to the need for Gershon non-cashable efficiencies) may be of a much higher priority than the need to deliver cash savings. In order to do this the finance strategy proposes the development of a medium term programme of planned efficiency projects.

Developing such a programme will also provide an opportunity to change the way the council approaches several, currently disparate strands of activity. Creating links between these will mean a more forward looking, strategic and joined up approach. The broad objectives for the programme are to:

- Identify opportunities for efficiency based transformation of services;
- Deliver service improvements/improve service efficiency and /or quality (strong customer focus);
- Achieve significant financial savings reducing the need for service focussed percentage budget reductions;
- Measure the benefits of change that will lead to the achievement of efficiency targets and meet CPA expectations.

The efficiency review programme will have strong links to the budget process in that any cashable savings that arise from efficiency reviews will go towards meeting the budget gap in the year of realisation. However, while strongly linked to the budget this is only one driver. Improving efficiency should be an integral element of the organisation's culture, and something that every manager and their team should be constantly looking to improve irrespective of whether a budget target exists.

Therefore the efficiency review programme should be a stand alone set of projects that are phased over an agreed timescale. They will be monitored and delivered to increase the council's efficiency in running its services whilst, where appropriate, contributing to the annual budget deficit. The ultimate aim as far as the budget process is concerned is to get to a stage whereby the annual budget gap is addressed mainly by targeted efficiency reviews driving both cash savings and wider service improvement. It is intended that proposals for a formal efficiency review programme covering the life of the financial strategy will soon be presented to the Executive.

Current and recent projects that would be viewed as integral elements of such a review programme would include:

- Changes to the Park and Ride contract.
- The new legal commissioning framework contract.
- Changes to the delivery mechanisms for adult homecare.
- Major cultural change projects such as Easy@York and Admin Accom.
- The collaborative transport provision project.

5.5. A Balanced Approach

In order to balance the 2008/09 budget it is proposed to focus on the following actions:

- To require all services to provide options for 2.5% efficiency savings on expenditure budgets.
- To require all services to provide proposals to secure a 5% increase in the yield from external fees and charges.
- To require all Directors to provide options for portfolio wide savings equating to 2.5% of expenditure budgets.
- To indicate that the majority of progress on the council's priorities for improvement and policy prospectus will need to be addressed through service remodelling and reprioritisation.
- To indicate that Directors should expect to meet all Desirable Service Improvements through internal service remodelling and reprioritisation.

In terms of future efficiency reviews these will be considered alongside the overall efficiency requirements and depending on the potential benefits accruing these schemes may result in the above efficiency and yield percentages being adjusted.

DRAFT

6. Financial Policy Statements

6.1. Influencing National Decisions

As part of its recent Policy Prospectus the Executive requested that the Director of Resources examine how the council can best look to influence future central government funding decisions.

Most recently the council's work in this area has been based around the Fair Grant for York Campaign. Submitted in the autumn of 2004 to the Office of the Deputy Prime Minister these documents outlined the inequities in the council's financial position and to request actions on seven key areas:

- A reassessment of York's entitlement to Area Cost Adjustment.
- A better recognition of the true costs of tourism.
- Revisions to the capping criteria to reflect the low cash value of the council tax in authorities such as York.
- Revisions to the Bellwin scheme methodology to more accurately reflect the costs of exceptional events.
- The retention of £340m additional revenue support grant that was being paid at that time.
- The treatment of funding in relation to assumed capital receipts.
- The introduction of transitional funding when functions are transferred between national and local government.

Since this time the last three of these seven items have been addressed. While there is no direct cause and effect relationship it is safe to assume that York's submission will have had a small influence on some or all of these decisions.

Of the remaining four items proposals have been included in the current grant consultation for the first two. However, in terms of the area cost adjustment the proposals only involve southeast authorities and for tourism the proposals involve a potential loss of £1m per annum in funding. The consultation on the proposed changes provides a route for the council to strongly express its case in these areas and it is anticipated that this will be the case. Alongside this representations will also need to be made about the proposed funding framework for the extension to concessionary fare arrangements.

However it has to be recognised that while the Fair Grant for York approach has been successful in raising awareness of the issues facing the authority it can only have a limited impact on moving the council's agenda forward in areas of national policy (such as capping and Bellwin). As a result it is intended that in future the focus of the authority's efforts will be on exploiting opportunities for members and officers to influence national debates. Such an approach will build on work already undertaken, in the past year this has included:

- Using our membership of the Unitary Treasurers Group to push relevant aspects of the Settlement Working Group agenda¹⁶.
- The Director of Finance at the Local Government Association, Stephen Jones, spending a day in York with officers and members to better understand the issues facing councils such as York.
- The Director of Resources and Head of Finance maintaining their respective memberships of CIPFA working groups on Housing and Financial Management.

This involvement has resulted in York starting to be viewed as an opinion leader in local authority finance. The three most recent examples of this are:

- York being one of only two unitary council's invited to DCLG meetings on the development of efficiency and transformational government indicators under the new BVPI frameworks.
- York being invited to provide evidence to a parliamentary select committee on the proposals made in the Lyons Report for the introduction of a supplementary business rate to fund capital investment in infrastructure.
- The Head of Finance being nominated to sit as the Unitary Authorities representative on the Local Government Association's Core Advisor Group for finance.

In summary the response to the Policy Prospectus request is that:

- The council will pursue a robust response to three aspects of the national funding consultation, these being the Area Cost Adjustment, Tourism Funding and proposed arrangements for Concessionary Fares. Where appropriate this response will look to include wider stakeholders such as the local MPs.
- Officers will look to identify and exploit opportunities to establish York as an opinion leader for local government financial issues. It should be noted that the benefits of such an approach are only likely to be realised in the medium to long term.

6.2. Contingency

In order to meet any unforeseen costs that may arise during the financial year, the Council sets aside a contingency amount in the budget. This is a prudent way to ensure that unforeseen costs do not result in any substantial overspends against budget, which would impact on Council reserves or require in year cuts to be made. Due to the uncertainty of any of these events occurring the level of funding provided is less than the total potential demands. As Figure 8 shows calls on the contingency have varied significantly in recent years¹⁷.

¹⁶ The SWG is the method by which central government and local authorities meet to discuss and analyse potential changes to funding. Under normal circumstances Unitary Authorities have two representatives at these meetings.

¹⁷ 2006/07 Figures assume the allocation of £55k to Neighbourhood Services in respect of income pressures at the crematorium.

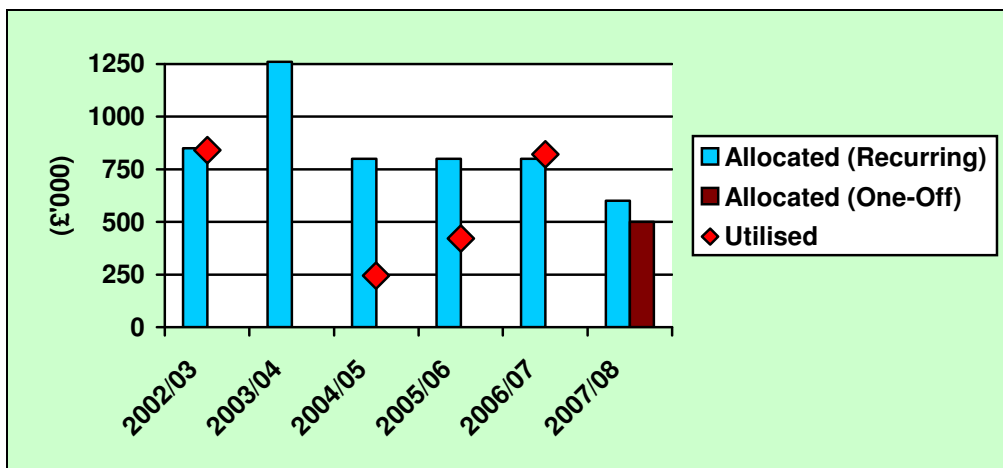


Figure 8 – Size and Use of Contingency

Releases from the contingency can only be made by the Executive and, under normal circumstances, would only be allowed for items identified during the budget process and up to the maximum amount indicated at that time. Any such releases need to have first been considered by the relevant EMAP who would then refer their request to the Executive for approval. As a result use of the contingency is an explicit element of the revenue monitoring reportage provided to the Executive.

6.3. Reserves

Table 13 shows the position on all of the unearmarked General Fund reserves that, it is anticipated, will decrease from £9.732m at the start of the 2007/08 financial year to £5.979m by the end of 2008/09. In the longer term the Council's budget should not rely on one-off funds to support recurring expenditure. Using balances to fund recurring expenditure items creates funding problems in future years, as the resources no longer exist, but the expenditure will. Also, any large approvals against balances reduce the scope to utilise reserves to fund overspends or new investment in future years.

Forecasts for the future levels of reserves are shown at Annex 9.2 and summarised at Table 12.

	2007/08 £'000	2008/09 £'000	2009/10 £'000	2010/11 £'000
General Fund	4,628	4,376	3,807	4,452
Venture Fund	1,934	1,258	869	481
Commercial Services	330	330	330	330
Total	7,267	5,979	5,746	6,003
Minimum Reserve Threshold	5,201	5,361	5,521	5,687
Headroom in Reserves	2,066	618	225	316

Table 12 – Projected General Reserves

Under current CPA guidance, a recommended prudent level of reserves for this Council should be 5% of the net non-schools revenue budget. For 2007/08 this would be equal to 5% of £104.982m, or approximately £5.25m. However in line with best practice the council has moved away from this blanket figure to a targeted calculation taking into account identified risks and known commitments. The Director of Resources has undertaken a mini-review of the level and nature of balances held both for general purposes and for earmarked purposes, and also calculated the level that should be held by undertaking a risk assessment for the Council rather than using the former CPA guidance of 5% of net general fund budget. In considering what level of general purpose balances that should be held, rather than those held for earmarked purposes, the Director of Resource has determined that, as a minimum, the prudent level must:

- a. Provide sufficient cover to match the highest peak values for net departmental overspends over the last three financial years;
- b. Be sufficient to fund the Council's contribution to the Bellwin scheme relating to the costs of two major disasters in a financial year;
- c. Cover a shortfall in council tax income of approximately 0.5%;
- d. Cover 2% of the Council's net revenue budget.

The total of the above is that the prudent minimum level of reserves for 2007/08 was calculated at £5,201k compared to the former CPA guideline figure of £5,250k. For 2008/09 it is assumed that the first of these items will remain fixed while the others will increase by 5%. This provides a 2008/09 minimum prudential balance of £5,361k.

For calculation purposes the overall general reserves comprise the general fund reserve, the venture fund reserve and the commercial services reserve¹⁸. Details of these are also shown in Annex 7.

Members are reminded that balances are not normally used to fund recurring expenditure and any further large approvals against these balances will reduce the scope for Members to utilise reserves to fund current year overspends or new investment in future years. Using balances to fund recurring expenditure creates funding problems in future years, as the resources will no longer exist, but the expenditure will.

Annex 9.3 demonstrates that whilst there is some projected headroom in the projected reserves balances this is forecast to decrease once the administrative accommodation project begins it's agreed draw down of funding from the venture fund. In line with the agreed project plan such funds will be repaid from savings made in future years. In addition should some the one-off pressures in 2007/08

¹⁸ For statutory accounting purposes the general reserve also includes the balances held by schools. However as these balances are not available to support general council expenditure they are not included in this calculation.

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

Notwithstanding the fact that these funds are required to meet risks, uncertainties and future commitments, as these funds could be spent on current services there is an opportunity cost¹⁹ of holding reserves, especially those above the minimum CPA threshold. All council funds are invested via the treasury management function. Between April and December 2006 the return on such investments averaged 4.74% or £47,400 per annum for each £1m held. Such income is fed back centrally to support the council's overall revenue budget. As shown in Table 13 investment income from the council's reserves between for 2008/09 and 2010/11 is projected to be just under £300k per annum.

	2008/09		2009/10		2010/11	
	Balance £'000	Interest Income £'000	Balance £'000	Interest Income £'000	Balance £'000	Interest Income £'000
Minimum Threshold	5,361	254	5,521	262	5,687	270
Headroom in Reserves	618	29	225	11	316	15
Total	5,979	283	5,746	272	6,003	285

Table 13 – Reserve Thresholds and Investment Income

Were members to determine to immediately utilise the identified headroom in the reserves then in taking such a decision the following would need to be considered:

- Should the contingency pressures be realised or other adjustments occur (such as the LPSA2 reward grant not being received) then would the impact on services of maintaining the minimum reserve threshold outweigh the benefits of short-term investment?
- The potential need to fund identified one-off revenue pressures in 2008/09 and 2009/10 from the on-going revenue budget.
- The need to identify additional savings to address the loss of budgeted investment income (£38k in 2007/08, £44k in 2008/09 and £26k in 2009/10).
- Whether such funding was truly one-off or if it created additional on-going revenue and capital costs for future years?

¹⁹ Opportunity cost is a measurement of the benefits of the alternate uses which an asset, in this case cash held, could be used

6.4. Treasury Management

Treasury Management is governed by the prudential code which requires the Council to have a Treasury Management Policy, well documented Treasury Management Practices, a Treasury Management Strategy statement, and an Annual Performance report. The Policy and Practices statements are reviewed annually and are reported to the Corporate Services EMAP in June or July with the Annual Performance report. The Treasury Management Strategy is reported to Council alongside the annual revenue and capital budgets.

6.5. Prioritising Budget Decisions and Service Choices

6.5.1. Current Developments

Various reports on the public sector have heightened the need for the council to better exemplify the links between its key priorities and its systems for allocating funding. However, while much talked about, there has been little concrete work on establishing clear and unambiguous links between a local authority's priorities and its allocation of funding. Against such a background York faces the challenge of developing a sustainable model that clearly links budgets and priorities in an arena where such initiatives are at best patchy and often short lived.

Such an approach also has to pay due regard to the limited levels of management capacity which exist in many service areas. In such a context it would appear logical for data collection to be integrated into the service planning framework. This presents a number of problems not least the need for such data to be in line with the overall size of the service plan. Work is currently underway between staff in Resources and the Chief Executives Department to develop future revisions to the format of service plans, and the budget and service planning cycles. Once firm proposals are produced these will be consulted upon and brought forward for approval.

6.5.2. Assessing the Service Baseline

As has previously been discussed if the council is to develop a rational and coherent budget framework then it is vital that direct links are developed into the service planning process. However, to impact on the 2008/09 budget process it is intended that in developing their proposals for savings, growth and reprioritisation Directors will have to formally consider, for the first time, comparative information on the service's cost and performance (commonly called the strategic compass) and the impact of proposals on performance and priorities. As shown in Figure 9 for simplicity these two requirements are being dealt with via simple matrices.

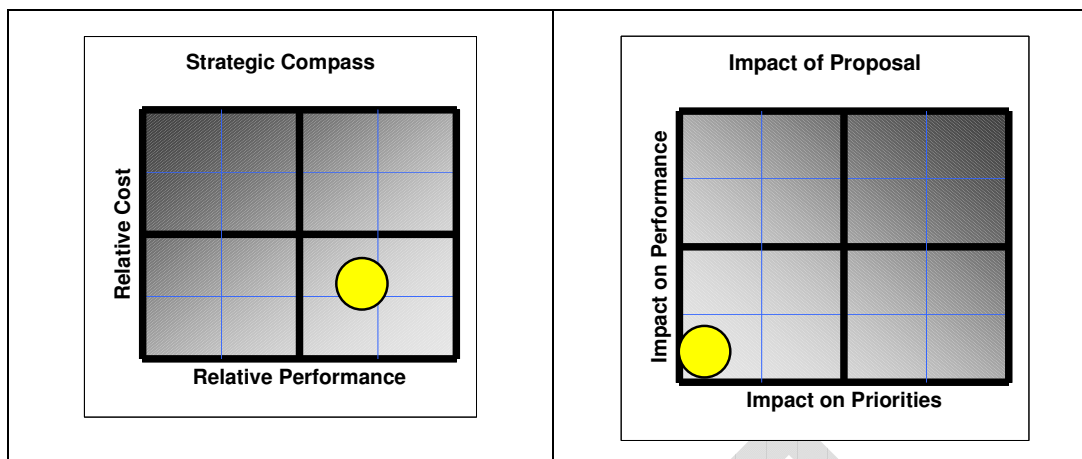


Figure 9 – Identification of Comparative Information

The strategic compass will enable Directors to better utilise comparative benchmarking information when determining and prioritising their proposals. Essentially the council would normally strive to deliver high quality services, ideally at a low cost. Where costs are high or quality is low then this provides an indication that aspects of the service need examining and possibly remodelling, the budget process provides a mechanism for achieving this.

The second matrix will allow Directors to better gauge the overall impact of their proposals and will reflect not only the scale of any positive or negative impact but also whether such impacts are one-off in nature or on-going. Again it is intended that this should assist Directors in determining which of their potential proposals to bring forward as part of the budget process.

6.6. Capital Financing

The Council has to make provision within the revenue account to fund the interest and principal repayments on any borrowing it undertakes. Until 2006/07 the FSS formula provided an explicit allocation of funds to support this expenditure however, with the implementation of the four-block model, this is no longer the case. The Council also funds a significant proportion of its capital expenditure from capital receipts. The continued use of capital receipts will result in the reduction of investment income that could have been generated if these receipts had been invested on the money markets. Based on the prevailing money market rates²⁰ each £1m of receipts invested in capital works costs £55k per annum in lost investment income.

²⁰ To date in 2007/08 the council has been receiving an average return of approximately 5.5% on its investments.

The changes to the RSG formula and the 4 block model mean that there is no longer a transparent link between the level of government support provided for capital spend and the amount of funding that is actually received. Unlike the previous system which provided councils with supported capital expenditure (SCE) approvals to borrow to finance capital expenditure the 4 block model has a factor for capital financing that is relative to the capital financing of other local authorities. This factor is then applied through the formula and adjusted for damping and other adjustments.

Table 14 below illustrates the funding of York's capital programme between 2007/08 and 2010/11. The Government are providing SCE of £24.2m over the next 4 years, revenue support traditionally amounted to around 10% of this (4% MRP and 6% interest).

	2007/08 £000	2008/09 £000	2009/10 £000	2010/11 £000	Total £000
Grants and Contributions	23,737	11,401	6,181	6,038	47,357
Government Supported Borrowing	6,663	5,955	5,933	5,623	24,174
Unsupported Borrowing	1,872	10,701	12,710	2,253	27,536
Capital Receipts	15,400	18,380	5,874	1,572	41,226
Housing Revenue Contribution	1,652	1,484	1,619	1,927	6,682
Total	49,324	47,921	32,317	17,413	146,975

Table 14 – Funding of the 2007/08 to 2010/11 Capital Programme

6.7. Trading

The Local Government Act 2003 gave certain classes of local authorities the power to trade in any of their ordinary functions. The Council can only trade after it has had regard to the following:

- a) only authorities with a "fair", "good" or "excellent" CPA rating can trade
- b) the purpose of trading is to make a profit
- c) trading must be pursued via a company (limited by shares, guarantee, unlimited)
- d) trading can only commence after the Council has approved a Business Case
- e) the Council must cease to trade within 2 years if it falls below the "fair" CPA categorisation
- f) the Council can only trade in activities in which they have the power to engage.

6.8. Invest to Save

The council provides two mechanisms to support invest to save opportunities the venture fund and prudential borrowing.

6.8.1. The Venture Fund

The venture fund is an earmarked reserve set aside for invest to save projects. The Director of Resources has delegated powers to make advances from the fund based on a business case of the project concerned. The advance has to be repaid within 7 years of the advance and interest is charged at 2% above the prevailing borrowing rates. The maximum advance is £2m to any one project. Both capital and revenue projects can be funded from the venture, but it must be repaid from revenue resources.

The rules and requirements applying to venture fund applications are addressed in paragraphs 37 to 39 of Part B of the Council's Financial Regulations:

37 Officers are able to bid for Venture Fund monies each year with a view to any advances from the Venture Fund being re-paid within a 7 year period at an internal borrowing rate fixed in relation to Public Works Loan Board (PWLB) rates to be determined by the CFO at no more than 2% above base. All bids to the Venture Fund must be made in the form of a business case setting out the nature and purpose of the proposal, forecast income and expenditure and payback period.

38 The CFO is responsible for convening a panel of at least 3 suitably experienced officers to consider all bids to the Venture Fund. The Panel will meet to determine which bids to support based on the merits of the individual business case and the level of balances in the Fund available for investment over the course of the financial year. Where there are competing demands for resources the Panel will determine a scoring model based on an assessment of fit with corporate objectives, the strength of the financial business case, risk of return, impact, customer benefits and alternative funding opportunities.

39 All bids must be sponsored by the relevant Chief Officer and have been considered by the local Finance Manager before being submitted to the Venture Fund Panel for consideration. The CFO has delegated authority to approve bids up to £250,000 in consultation with the Leader of the Council. Delegated decisions will be advised to the Executive as part of the budget monitoring and reporting process. Bids in excess of £250,000 must be referred to the Executive for approval.

6.8.2. Prudential Borrowing

The Council can undertake prudential (unsupported) borrowing providing the it is prudent affordable and sustainable. Prudential borrowing can only be used for capital purposes, unless supported by a capitalisation directive from central government. Prudential borrowing advances have to be approved by the Executive and are subject to a CRAM²¹ bid and business case appraisal.

²¹ The capital resource allocation model is the process by which individual applications for funding are assessed and prioritised for funding. Assessments under the CRAM process assist members in taking decisions on the final components of the council's capital programme.

Prudential borrowing can be repaid from either capital or revenue resources. The minimum repayment is the cost of interest plus 4% of the outstanding balance.

6.9. Year End Variances from Revenue Budgets

The council expects that those managing services will take all steps necessary to maintain their expenditure within their agreed budgets. However it has to be recognised that under certain circumstances individual service areas actual and planned expenditure for the year may differ resulting in under and over spends. The treatment of year end over and underspends is addressed at paragraphs 29 and 30 of Part B of the Council's Financial Regulations:

- 29 Any overspending on service estimates in total on budgets under the control of a Director must be carried forward to the following year and will constitute a first call on service estimates in the following year. The Chief Finance Officer must report the extent of the overspendings carried forward to the Executive and Full Council. Net underspendings on service estimates may be carried forward subject to financial limits set by the Chief Finance Officer and other criteria, consistent with the provisions of the Medium Term Financial Strategy.
- 30 All internal surpluses arising from in-house trading activities/business units shall be retained for the benefit of the Council subject to any provision to do otherwise set out in the Medium Term Financial Strategy.

In line with paragraph 29 the Director of Resources has determined that where a service area has underspent its budget for the year it may request as part of the revenue outturn report that some or all of this underspend may be utilised for work in the following financial years. Such carry forwards of resources are reported to the Executive as part of the revenue outturn report and will only be agreed when the service and directorate are underspending by more than the amount requested. Such carry forwards are normally only permitted where the expenditure relates to an on-going project where progress has either slipped or been rescheduled.

6.10. External Funding

In a number of circumstances (for example external grants) the council is provided with funding which is linked to specific projects that have a clear end date. While such funding is often a useful addition to the council's resource base the following broad issues should be taken into consideration during any application and deployment process:

- Funding should only be sought where a successful application would complement the council's priorities. Where funding is provided in low priority

areas, or for schemes contrary to on-going council objectives, careful consideration should be given prior to acceptance²²;

- Under normal circumstances funds should be viewed as one-off expenditure and hence care should be taken not to commit to expenditure that occurs after the funding stream has ended.

6.11. Partnerships

The management requirements for partnerships are laid down in paragraphs 2 to 9 of Part E of the Council's Financial Regulations. Paragraphs 2 to 5 that lay down the framework in which partnerships should be considered are replicated below:

2	Partnerships are expected to play an increasingly important role in helping to deliver community strategies and promoting the well being of an area. The Executive provides the focus for forming partnerships with other public, private, voluntary and community sector organisations and forming a shared vision of services reflecting community needs and ambitions. The Executive can choose to delegate its responsibilities for partnership working to officers but remains accountable for them to Full Council.
3	The main reasons for entering into a partnership are usually: <ul style="list-style-type: none"> · the desire to find new ways to share risk; · the ability to access new resources otherwise unavailable; · to provide new and better ways of delivering services; · to forge new relationships and opportunities for innovation.
4	A partner is defined as either an organisation (private or public) undertaking, part funding, or participating as a beneficiary in a project, or who's nature or status give it a right or obligation to support a partnership project.
5	Partners have common obligations and responsibilities to: <ul style="list-style-type: none"> · be willing to take on a role in the broader programme appropriate to the skills and resources of the partner organisation; · act in good faith at all times in the best interests of the partnership's aims and objectives; · be open about any conflict of interests that might arise; · encourage joint working and promote the sharing of information, resources and skills between public, private and community sectors; · hold confidentially any information received as a result of partnership activities or duties that is of a confidential or commercially sensitive nature; · act as ambassadors for the partnership; · act in accordance with their responsibilities set out by the financial regulations of the partnership organisations; · ensure risk management processes are in place to identify and assess all risks;

²² If managing or match funding the scheme involves diverting core resources from high priority to low priority then whilst the overall resource base may increase the impact may be to make the council do less of what it actually wishes to do.

- ensure project appraisal processes are in place to identify and assess the viability of the project in terms of resources, staffing and expertise;
- agree and accept formally the roles and responsibilities of each of the partners involved in the project before the project begins;
- communicate regularly with other partners throughout the project so that problems can be identified and shared to achieve their successful resolution.

6.12. The Gershon Efficiency Agenda

DCLG are due to commence consultation on the role of nationally set efficiency targets for the period 2008/09 to 2010/11. Based upon the information currently available it appears that DCLG will require local government to deliver 3% cashable efficiency savings for each of the years concerned. It is also expected that the current non-cashable targets will disappear. This is a significant change from the current 2.5% per annum target of which at least half (i.e. 1.25% had to be cashable). However, it is anticipated that this will be viewed as a three-year target and hence may be profiled in response to local projects and opportunities.

Once formal proposals have been produced DCLG then these will be translated into profiled annual saving targets for the council. These targets will need to be aligned with areas such as the strategic procurement programme, the efficiency review programme and the annual budget process. The resultant figures will be addressed as part of the 2008/09 budget report that will be considered by the Executive on the 12th February 2008.

7. Links to Other Strategies

7.1. Local Area Agreement

7.2. IT Development Plan

The ITDP is the mechanism by which the Council funds growth in IT and Telecommunications. It is an annual bidding round which this year is being modified to reflect the potential budget implications of IT development requirements in the next three years but only seeks agreement for one year's funding. The annual investment is revenue funding which funds the cost of prudential borrowing to purchase IT systems and hardware and services, as well as ongoing maintenance costs. Funding for internal staff to resource IT projects is not included in the ITDP and is bid for separately (not always successfully, leaving the problematic situation where we attempt to implement a system with no dedicated resource in the business area which often leads to failures.

Decisions about what to fund are made by members following a prioritisation exercise undertaken by the Corporate IT Strategy Group which is made up of Assistant Directors from each Directorate. They use a points system which allocates points based on statutory requirement, risk and strategic fit with the Corporate and Departmental Strategies and plans. The bids are submitted by each directorate, short listed by the group to ensure corporate thinking is being applied and then put into priority order with recommendations of which to fund.

7.3. Human Resources Strategy

The Council formally adopted an HR Strategy in 2005. The strategy is aligned to the Council's strategic objectives and operates on a five year rolling basis, being refreshed annually. Through the Human Resource Strategy, the Council aims to develop and maintain those key systems, processes, policies, procedures and practices necessary to deliver excellent services to the citizens and communities of the City of York. Corporate Management Team, Senior Managers and, crucially, Elected Members play a key part in ensuring that the Strategy is fully integrated across the Council.

7.4. The Procurement Strategy

The Council formally adopted a corporate procurement strategy (CPS) and accompanying three year medium term action plan earlier this year which sets out the way in which all procurement activity is undertaken at the Council. The CPS will be complemented by the introduction of a robust Competition Strategy in the autumn of 2007 which once adopted will play a key role in the way in which the council will look to control costs and maximise the value it receives from its non-pay expenditure on goods, services and works. Development work in the area of procurement over the last few years, has also involved analysing Council

spend on goods, works and services and this has helped in identifying a number of areas for review that could result in reduced costs to the council.

7.5. Capital Strategy

The capital strategy was approved by the Executive on 12 September 2006. The strategy was updated to reflect the capital receipts position of the Council now that the majority of easy high value receipts have been achieved. The strategy highlights the level of repairs backlog and the need to rationalise and integrate our existing assets to release capital receipts in which to reinvest the capital funds in new integrated assets.

The council's property portfolio is of a varying age and condition. The schools repairs and maintenance backlog currently stands at £xxm and at £xxm for other properties. The capital strategy highlights the need to dispose of assets with repairs liabilities and reinvest in reducing the back log in other operational properties.

7.6. Administrative Accommodation Review

The council has undertaken a review of its administrative accommodation portfolio that it inherited when it was formed in 1996. The administrative functions of the council are spread across 17 buildings around the city, some which are owned and some of which are leased. Following consultation with employees and customers a business case has been developed which proposes the construction of a new office building at Hungate resulting in the council operating from 4 main buildings. The business case will enable over £5m of saving to be realised at today's prices.

8. The Financial Cycle

8.1. The Budget Cycle

8.1.1. Approval Timelines

The revenue and capital budgets are developed and implemented on an annual basis starting with an outline of the projected future provision at the preceding year's budget executive and finishing with budget council immediately preceding the start of the financial year. The 2008/09 budget process is outlined in figure 10.

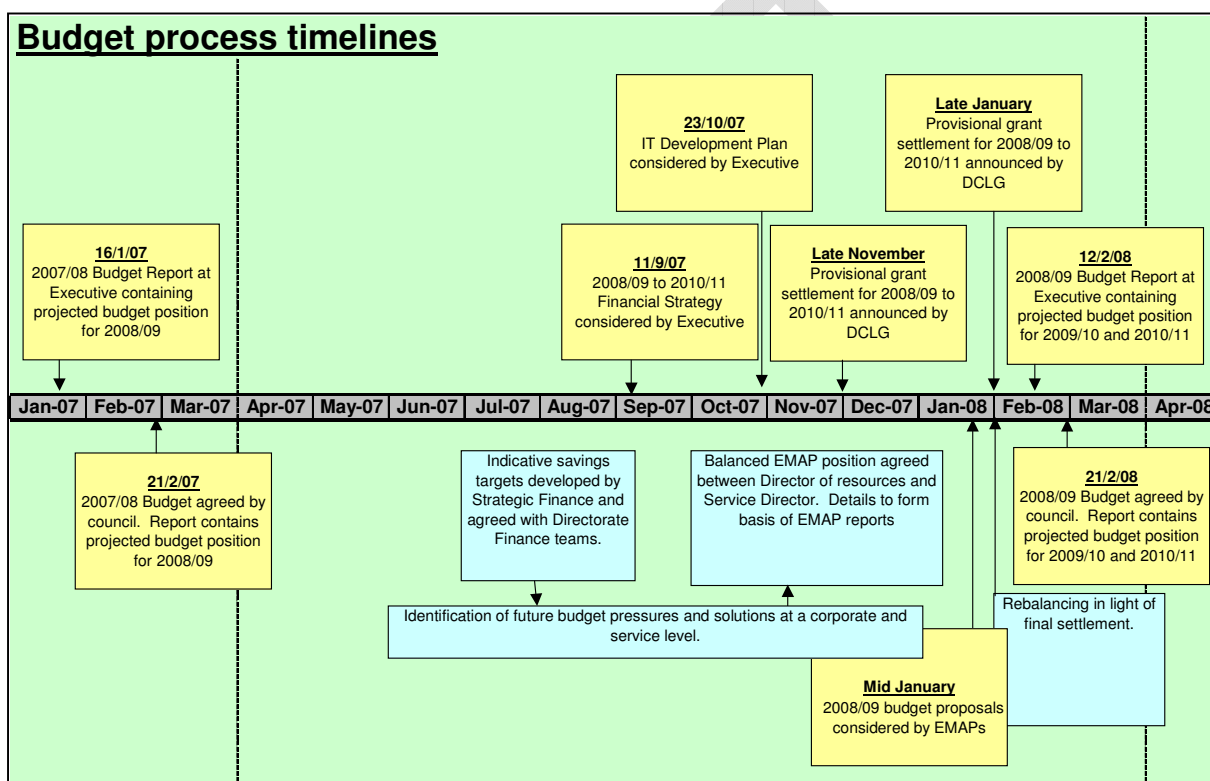


Figure 10 – Timelines for Agreement of 2008/09 Budget

This process has been developed to meet the following key objectives:

- To ensure adequate time exists for Directors to develop budget proposals that can be discussed agreed with the relevant Executive Members.
- To enable robust public debate on budget proposals through the EMAPs.
- That the budget is set in time for the first council tax instalments to fall due on the 1st April 2008. A one-day delay in instalments being received can cost the council £8,000 in lost interest on balances held.
- That the council meets its legal obligation to set an annual budget.

8.1.2. Budget Consultation

In determining its final budget the council consults with three main groups:

- **The Public**
Consultation with the public has, in recent budgets, taken a number of different forms. These have varied from a request for all council tax payers to indicate their preference for a 5%, 7.5% or 10% council tax increase for 2005/06 to a more qualitative request for comments on the budget for 2007/08. Alongside these specific approaches each year the council has asked via the Talkabout and ResOp panels for indications on areas where the public would like to see more, the same or less invested in council services.
- **The Business Community**
Consultation with the business community is undertaken via a round table meeting between the Leader of the Council, senior officers and invited representatives of major organisations and bodies such as the Federation of Small Businesses which represent a range of organisations within the city.
- **The Voluntary Sector**
Consultation with the voluntary sector is also undertaken on a round table basis with members of the York Compact group who liaise with the council on a wide range of issues. Again this body includes some of the major local voluntary sector bodies who deal with the Council, such as the Citizens Advice Bureau, and umbrella organisations such as CVS.

To assist with the deliberations in the consultations the council utilises the EMAP process to ensure that full details of the budget changes under consideration are placed in the public domain via the council's website. The results of all consultations are feed into the budget papers. Ideally such details are included in the papers considered by the Executive but on occasion are not reported to members until after the budget has been recommended to full Council.

8.2. The Reporting Cycle

8.2.1. Finance and Performance Monitors

The Finance and Performance monitoring cycle is outlined at Figure 11. This cycle is based around three formal monitors being undertaken and reported to individual EMAPs with a consolidated report then being considered by the Executive. Such monitors ensure that relevant performance and financial information are considered at the same time. The meeting schedules are:

- Monitor One September EMAPs, October Executive
- Monitor Two December EMAPs and Executive
- Outturn Monitor May EMAPs, June Executive

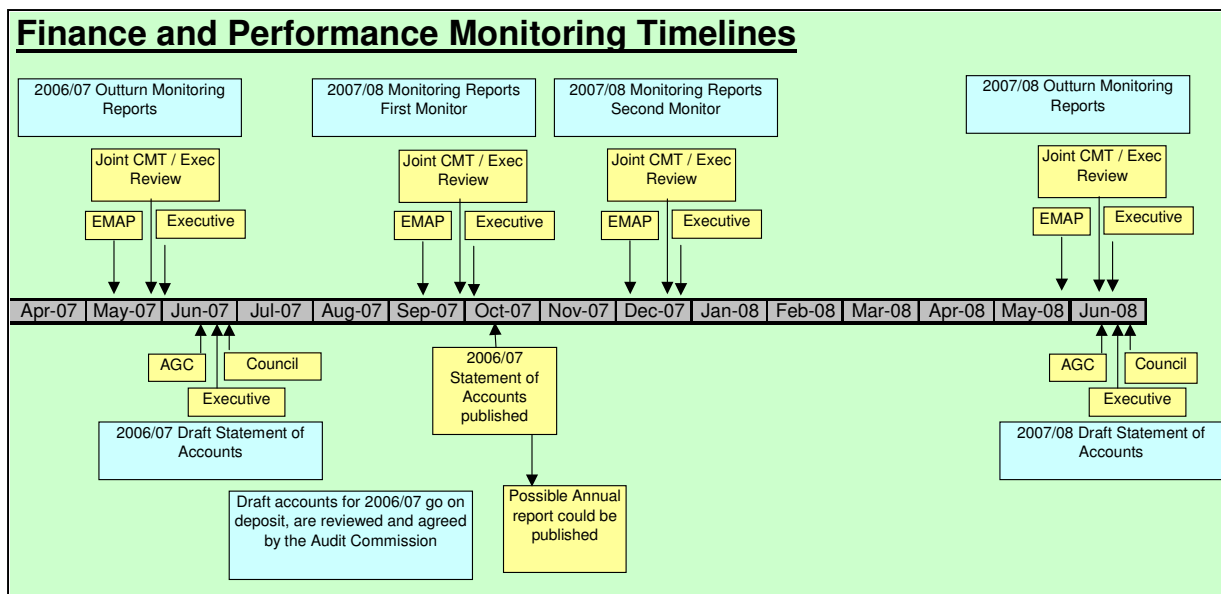


Figure 11 - Finance and Performance Monitoring Timelines

The financial basis for these reports is to provide members with a projected outturn for the service areas concerned.

8.2.2. The Statement of Accounts

In addition to these monitors the council also has to publish a formal Statement of Accounts by the 30th June following the end of the financial year (which ends on the 31st March). The accounts are produced in line with the requirements of the Statement of Recommended Practice for Local Authority Accounting which is produced each year by the Chartered Institute of Public Finance and Accountancy. At present the draft accounts are first considered in late June by the Audit and Governance Committee and then by the Executive who recommend them for acceptance by full council. Their acceptance by full council must occur by the 30th June. Following approval the accounts are formally reviewed by the Audit Commission who issue their opinion by the 30th September at which stage the accounts are considered finalised and formally published.

8.2.3. The Annual Report and Summary Accounts

As the statement of accounts is often a wieldy and technical document from September 2007 members have indicated their support for the publication of an annual report for the council. This report will provide in summary detail both key elements of the council's statement of accounts and notable developments or performance issues for the year. It is hoped that such a development will enhance the level of public accessibility to financial and performance information about the council's activities.

9. Annexes

9.1. Medium Term Financial Forecast 2008/09 to 2010/11

		2008/09	2009/10	2010/11
		£'000	£'000	£'000
<u>Unavoidable and Contractual Requirements</u>				
CORP	<u>Employment Costs</u>			
	Pay Increases for APT&C @ 2.5%	1,800	1,900	2,000
	Pay Increments	753	780	800
	Job Evaluation	500		
	Employer's LGPS Contributions	50	50	50
LCCS	SPA Points	30	30	30
CORP	Price inflation	2,250	2,300	2,400
CORP	Rent Reviews on admin accom	100	33	TBC
CORP	Additional Financing on Capital Programme	474	578	290
CORP	Minimum Revenue Provision - New Borrowing	229	196	131
CORP	Minimum Revenue Provision - Commutation	131	95	18
CORP	Revenue implications of Capital Programme	50	100	100
CORP	Full year effect of prior year savings	TBC	TBC	TBC
	Contingency	800	800	800
CS	Inflation in cost of maintenance - Highways & Street Ops	110	110	110
CX	2011 Local Elections			50
HASS	Continued impact of PCT pressures	TBC	TBC	TBC
NS	Increased Environment Agency & IDB Levies	30	30	30
NS	HWRC Site Management & Transportation Contract - stepped increases	20	40	10
NS	Inflation on paper & delivery costs of "Your Ward"	10		
NS	Waste Processing Contract - stepped increases			150
RES	Insurance Contract		200	
RES	Inflation on IT contracts	73		
		7,410	7,242	6,969
<u>Potential Changes to National Government Policy</u>				
CS	Changes and 2007/08 Adjustments to Concessionary Fares Arrangements	1,100		
CS	Deregulation of Land Charges - need to reduce surplus	300		
CS	PROW - Definitive Map (CROW Act)	70		
CS	Building Control - need to reduce surplus	50	50	50
CS	Additional condition testing (SCANNER)	30		
CS	Traffic Management Act - additional Senior Engineer	20		
HASS	EPH Staffing	TBC	TBC	TBC
HASS	Centre for Independent Living	TBC	TBC	TBC
HASS	Accommodation & support strategy	TBC	TBC	TBC
HASS	White Paper (incl, prevention agenda)	150		
HASS	Individualised budgets	50		

		2008/09 £'000	2009/10 £'000	2010/11 £'000
LCCS	Shortfall on Connexions Grant	100		
LCCS	School Workforce Census	7		(2)
LCCS	CRB Clearances	15		
LCCS	Children's Information Service	10		
NS	Increase in Landfill Tax by £8 per tonne	600	600	600
NS	4 additional kerbsiders for recycling from domestic properties	500		
NS	Purchase of LATS allowances		700	300
RES	Property - unable to continue to fund costs from cap. receipts	260		
RES	Supplementary Business Rates		25	
		3,262	1,375	948
<u>Prior Year Decisions</u>				
CEX	Impact of revised political arrangements on Members Allowances	25		
CEX	Appointment of new Chief Executive	35		
CS	Reduction in use of capital - Highways & Street Ops	250		
CS	End of Prudential Borrowing - Highways & Street Ops	250		
CS	Withdrawal of evening parking charges - Minster Badge	75		
CS	Revenue Implications of Local Transport Plan	60	60	60
HASS	Reprovision of an EPH as EMI/Dementia unit	100		
LCCS	Edmund Wilson Gym	66	(33)	(33)
LCCS	One off revenue implications of Oaklands closure.	40	(40)	
NS	Replacing ward committee capital budgets with revenue	70	70	70
	Existing One Off Commitments	627	(43)	(539)
		1,598	14	(442)
<u>Demographic and Obsolescence Pressures</u>				
CORP	IT Development Plan	500	500	500
HASS	Increased need for home care	540		
HASS	Increased number of LD complex cases & transitions	400	400	200
HASS	Increased need for residential & nursing care	348		
LCCS	Fostering	200		
LCCS	City of Festivals	TBC		
LCCS	Joseph Rowntree one school pathfinder	30	(15)	(15)
NS	Additional refuse collection round due to growth in property no's	133		
		2,151	885	685
<u>Reduction or Cessation of Grants to York</u>				
HASS	Supporting People Reductions	200	200	200
LCCS	Cessation of LSC Grant for lead post for 14-19 Strategy	60		
LCCS	Early Support Programme	30		
LCCS	Street Sport - Sport England	15	7	1
LCCS	Funding for 19+ Learning	50		
LCCS	Staffing for AAY - Arts Council Yorkshire			24

		2008/09 £'000	2009/10 £'000	2010/11 £'000
LCCS	Early Years Advisor	60		
NS	End of Waste Performance Revenue Grant (WPRG)	203		
NS	End of WPRG - revenue costs previously capitalised	100		
NS	Award of Air Quality Monitoring Stations Maintenance contract	39	4	1
NS	End of CRED funding for St Nicholas Fields SLA	20		
NS	Part funding of Local Authority Liaison Officer	10		
		787	211	226
TOTAL ESSENTIAL PRESSURES		15,208	9,727	8,386
FUNDED BY :				
	Increase in Council Tax	3,797	4,050	4,280
	Use of Reserves	627	584	95
	Council Tax surplus	(850)		
	Reductions in Landfill Tax (assumes new arrangements in place)	350		
TOTAL FUNDING		3,924	4,634	4,375
IMPACT OF CONTINGENCY				
	Use in 2007/08 addressing 2008/09 pressures	400		
	Assumed 2008/09 Contingency offset against current year pressures	400		
BUDGET GAP TO BE FUNDED		10,484	5,093	4,011
ADDITIONAL FUNDING OPTIONS:				
	Annual change in Government Grant	TBC	TBC	TBC
	Identification of Savings and Efficiencies	TBC	TBC	TBC
	Increased yield on Fees and Charges	TBC	TBC	TBC
	Additional Use of One Off Resources	TBC	TBC	TBC

9.2. Capital Budget 2008/09 to 2010/11

Total by Department	2007/08 Budget	2008/09 Budget	2009/10 Budget	2010/11 Budget	Total Budget
	£m	£m	£m	£m	£m
Children's Services	18.853	9.543	0.250	0.000	28.646
City Strategy	9.246	6.852	6.113	5.552	27.763
Economic Development	0.509	3.500	0.000	0.000	4.009
Housing	9.249	8.705	8.887	9.303	36.144
Leisure and Culture	4.592	5.688	1.763	0.000	12.043
Neighbourhood Services	0.615	0.202	0.000	0.000	0.817
Resources	6.039	13.226	15.099	2.353	36.717
Social Services	0.221	0.205	0.205	0.205	0.836
Total	49.324	47.921	32.317	17.413	146.975

9.3. Reserves Forecast 2008/09 to 2010/11

	2007/08	2008/09	2009/10	2010/11
	£'000	£'000	£'000	£'000
General Fund Reserve				
Balance at 31 March 2007	7,682	5,003	4,391	4,547
Less: Already Committed To Annual Budget	-1,312	-627	-584	-95
Carry Forwards from Previous Years	-1,519	0	0	0
Supplementary Estimates	-223	0	0	0
Revised General Fund Reserve	4,628	4,376	3,807	4,452
Add: <u>Other Adjustments</u>				
Release of Bellwin Reserve	300	0	0	0
NDR Rebates	75	0	0	0
LPSA2 Reward Grant	0	15	740	740
	375	15	740	740
Expected General Fund Reserve as at 31 March	5,003	4,391	4,547	5,192
Commercial Services Reserve				
Balance at 31 March 2007	439	330	330	330
Less: Use of Reserve	-109	0	0	0
Estimated Commercial Services Reserve at 31 March	330	330	330	330
Venture Fund				
Balance at 31 March 2007	1,611	1,934	1,258	869
Plus: Repayments	1,578	602	611	611
Less: Advances	-1,255	-1,278	-1,000	-999
Estimated Venture Fund Balance as at 31 March	1,934	1,258	869	481
Total Revenue Reserves as at 31 March	7,267	5,979	5,746	6,003
Estimated Minimum Reserves Threshold	5,201	5,361	5,521	5,687
Headroom In Reserves	2,066	618	225	316

9.4. Consultation on Changes to 2008/09 to 2010/11 Funding Formula

The Government has recently published a consultation on potential changes to the data and formulae used in the calculation of the 3-year local government finance settlement. Each of the proposals has been illustrated using the 2007/08 settlement as a base. The proposals are not exclusive and respondents to the calculation, which closes on 10 October 2007, may propose alternatives. The potential changes relevant to York are described below.

9.4.1. Key Potential Changes Affecting York

These are the key proposals that York should look to influence and comment on. An appropriate response is vital if York is to ensure that negative proposals are negated and positive proposals maximise benefits for the city.

The Day Visitors Indicator

The number of day visitors to an authority is taken into account in the calculation of funding levels for Highways Maintenance and Environmental, Protective and Cultural Services. Day visitors ignores net in-commuters, overnight visitors (measured elsewhere) and trips to families and friends. There is no consistent reliable source of measurement and the current indicator uses information from the 1998/99 Leisure Day Visits Survey, the 1991 Census, the 1991 Census of Employment and the 1991 survey of visits to tourist attractions. It is accepted that this information is out of date. DCLG undertook a review of visitor numbers in 2005 but the results were not accepted as reliable.

The DCLG has now taken a different approach and has tried to identify an indicator that would reflect the reasons why day visits are made, rather than attempt to estimate the actual number of day visitors in a year.

The 2005 English Leisure Survey provides information on the main attractions for a day visit. The number of visits to each type of attraction (including categories such as cycling, shopping and attractions) at a national level has been used to determine the weight of each type of attraction. Visits to family and friends are excluded. These are combined via proxy measures to indicate an authority's relative ability to offer the type of main attraction shown as the reason for making a day visit.

The final indicator applies a population factor to measure the attractiveness of an area. This factor is the natural log of the number of people within the authorities that border the host authority (within 50 miles or 80 km) divided by the distance between the authorities. The threshold of 50 miles is based on the English Leisure Visits Survey that showed that 95% of leisure day visits were taken up to a distance of 50 miles.

Issue for York: The exemplifications provided by the DCLG for this change indicate a £1m reduction in funding for York. It would appear that this problem (which is replicated at a number of other notable tourist destinations) is due to the model not accurately representing the flow of long distance tourists. This is certainly the case in York where survey work undertaken at Easter 2007 indicates that 26.4% of visitors come from Yorkshire and Humberside, 60.4% come from elsewhere in the UK and 15% come from overseas.

Concessionary Fares

When £350m was put into formula grant in 2006/07 to fund free bus travel for the over 60's and disabled people the DCLG increased the judgemental weightings on population density, pensioners on income support and incapacity benefits/severe disablement allowance, i.e. these were used as a proxy for increased bus usage by the over 60's.

A further extension of this scheme starts in 2008/09, allowing free travel anywhere within England. A decision has yet to be made on whether funding will be via formula grant or via special grant. If it is to be distributed via formula grant the DCLG propose to increase the judgemental weights on some parts of the formula. The DCLG have proposed 3 possible methods to distribute this funding via formula grant:

- a) distribute the entire £200m based on the number of day visitors to each authority (day visitor information is used elsewhere in the formulae). There is also an assumption that the majority of trips will be made to neighbouring authorities.
- b) distribute half the funding pro-rata to the day visitor indicator and half to overnight visitors.
- c) distribute roughly equal proportions pro rata to net in-commuters, day visitors and incapacity benefit claimants. Net in-commuters and day visitors act as a proxy for journeys to and from neighbouring authorities, whilst incapacity benefit claimants represent the trips made by disabled people. The remainder of the funding is distributed by a population density uplift to capture the increased opportunity for travel in dense urban areas. The DCLG have indicated that they consider this option to be the best proxy for bus patronage.

Issue for York: The issues in York relate not only to the formula adopted (the three models provide an indicative allocation that ranges between £800k and £1,400k per annum) but also to the inclusion of funding in general grant that could result in any allocation being subject to formula damping. If the damping position affecting York for 2007/08 were to be replicated for 2008/09 this would reduce any final allocation to between £240k and £420k per annum.

Area Cost Adjustment

The Area Cost Adjustment (ACA) reflects the varying cost of service delivery around the country and it is proposed to adjust the component parts of the calculation using 2005/06 spending information.

In addition to this, DCLG have also reviewed the geography of the ACA. Outside London, authorities are grouped into pre-reorganisation county areas, so York is included within North Yorkshire and DCLG does not propose to calculate ACA at a sub-county level. It does however propose changes to the groupings of authorities in the South East and London.

Issue for York: The proposals take no account of the higher costs of provided services in York than elsewhere in the region and the city's unique status within North Yorkshire.

Student Exemptions and the Council Tax Base

The tax base is used as a measure of an authority's potential capacity to raise council tax and is defined as the number of Band D equivalent properties in each authority. All other things being equal, the greater the tax base, the less formula grant received. With three-year settlements the tax base is projected using the mean of the two most recent years' percentage increase to predict the tax base for the following years.

The current calculation of the tax base takes into account the number of exempt student properties as at 10 October. Because this is so early in the academic year it is likely that the number of student exemptions declared is less than the final number. This results in an artificially inflated tax base and a consequent reduction in formula grant.

In 2007 student exemption data will be collected on both the 31st May and a date in mid-September. Because data as at 31st May has not been collected in previous years, any adjustment would only be applied to the starting position of the tax base. The annual percentage increases to be applied to the starting position would be calculated using the existing annual average percentage increase figures, consistent with the existing treatment of student exemptions.

The options given are dependent on all authorities producing the relevant data.

The first option uses just the 31 May data as an adjustment for student exemptions. This should mean that the eventual level of student exemptions is more fully reflected, but there is a risk that the figures will overstate student exemptions, since some properties may not be exempt for a proportion of the year.

The second option uses the average of the data at 31 May 2005 and the data collected in mid-September 2007 for the CTB1 form, which should reduce the risk of overstating the level of exemptions.

Issue for York: There are no exemplifications for these changes but it is hoped that as York has a sizeable student population the overall impact on funding will be positive. It would be logical, therefore, for York to support this change.

9.4.2. Other Proposals

Adjusting the Formula Grant Floor

Floors are included in the grant calculations to ensure that all authorities receive a minimum annual increase in their grant. This is paid for by scaling back the increase of all authorities above the minimum increase (the floor). The floor is required because at the beginning of each 3-year settlement period there will always be a degree of underlying distributional change. The rate at which this change occurs is determined by the level of the floor. Whilst the use of a floor is a permanent part of the system it does not have to be at the same level over all 3 years. The DCLG's proposal tapers the floor downwards over the 3-year settlement period.

The new formulae introduced in 2006/07 for Children's and Younger Adults' PSS resulted in considerable distributional change, meaning that some authorities saw a considerable decrease in their funding whilst others increased dramatically. To smooth the effects of these changes a minimum increase of 2.7% was awarded to all authorities. In order to pay for this, authorities that received more than a 2.7% increase had their awards scaled back. Whilst DCLG recognises the need for certain stability and predictability in the annual finance settlements it remains committed to fully implementing the new formulae. Therefore DCLG is asking for opinions on whether a specific floor for PSS should be maintained or removed.

Issue for York: Over the past two years York has suffered due to the application of the floor and formula damping. However due to the degree of uncertainty around future funding levels, especially with significant reductions potentially occurring through the day visitor allocations it may be inadvisable for the council to strongly campaign against this principal at this time.

Social Services for Older People

There is a Low Income Adjustment within the Older People's PSS formula which takes into account each authorities ability to raise income from fees and charges. DCLG is proposing to update the information used as a proxy for this in order that it will be more easily updated in future (current data used is based on the 2001 Census). The implied funding impact on York of this change is not significant.

Highway Maintenance

DCLG is proposing to update the information regarding winter and non-winter maintenance from 1998/99 spending to an average of 2003/04-2005/09 spending. The implied funding impact on York of this change is not significant.

9.4.3. Outline Response

It is apparent that the focus of the council's efforts needs to be on those areas which will have the greatest impact on funding, in this instance day visitors and arrangements for the payment of additional concessionary fare funding.

Responses may also be required in other areas, most notably in relation to proposals for adjusting Area Cost Adjustment which fail to meet York's historic representations to the DCLG and its predecessors. In addition any response should be supportive of the proposed changes in the calculation of the impact of students on the taxbase

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Executive**11 September 2007**

Report of the Assistant Director for Economic Development and Partnerships

Developing the York Compact: new codes of good practice**Summary**

1. This report sets out and seeks approval of the new and revised York Compact codes of good practice that have been developed by the York Compact Group. It further asks that Members endorse the Council's continued involvement in and support for the York Compact.

Background

2. City of York Council is a long standing partner and founding member of the York Compact, which is an agreement guiding the way in which local public bodies and voluntary and community organisations work together in the city. The York Compact was first signed in 2000 between the Council and the local voluntary and community sector (VCS), with the Primary Care Trust, Hospital Trust and Learning and Skills Council signing up in 2004.
3. The York Compact agreement is in 2 parts:
 - (i) The status, shared vision and principles and general undertakings by both public bodies and voluntary and community organisations
 - (ii) Codes of good practice covering: funding; consultation; partnership with black and minority ethnic voluntary and community groups; volunteering (first agreed between the Council and VCS in 2002); community groups (agreed 2004), plus a new code on partnership working.
4. The York Compact is based on the national compact between central government and the voluntary and community sector, but has been developed locally through a process of representatives of public bodies and voluntary and community organisations sitting down together to decide what the local agreement should contain and how it should be implemented.
5. The York Compact Group, with a balance of public sector and VCS representatives, meets on a regular basis to promote and monitor progress in implementing the Compact, to revise and update the documentation, develop new codes of good practice and to investigate and resolve breaches of the Compact. The Compact Group has also helped to promote the effective participation of the VCS in Council and citywide processes such as the

development of the Local Area Agreement (LAA), and in the Council's annual budget consultation processes. The current members of the Compact Group are listed at Annex 1.

6. The Compact is a useful tool for the Council in guiding its working relationships with the very wide range of voluntary and community organisations in the city. In addition, by continuing to engage with the Compact in a proactive way the Council also benefits in terms of meeting the Government's expectations for local authority engagement with the 'third sector'; for example, the inclusion of the Compact in the LAA process was welcomed by Government Office.
7. Whilst the York Compact is not intended to be a legally binding agreement all signatories have given their commitment to supporting the principles and 'spirit' of the agreement and working towards meeting the good practice contained in the codes. Members should therefore be aware of the implications set out in paragraph 26 below.

New codes of good practice

8. The original local codes of good practice agreed in 2002 (and amended slightly in 2004) were quite lengthy documents, applied only to the Council and the VCS and reflected the situation in place at the time. Since then the membership of our local compact has widened and there have been substantial developments in relation to national and local policy and practice, including the Government's drive to develop the role of the voluntary sector in public service delivery.
9. A process of reviewing the local codes, with the dual aims of shortening them to improve their accessibility and broadening their remit to include the wider public sector was therefore put in place. The revisions have also taken into account changes to the national codes of good practice and the developments in local policy and practice. The process has been slow due to the limited resources available for this work and the need to consult widely with partners across the public sector membership and the VCS.
10. The main revisions to the codes are summarised in the table below and the full codes are attached at Annex 2.

	New code
General changes across all codes	Refers to 'public bodies' rather than 'the Council' All codes now 2 sides A4 or less by removing some of detail about processes and background information
Funding code	Includes funding and commissioning / procurement in line with the most recent national code Removes some of the detail about processes Highlights Full Cost Recovery Highlights elements of VCS accountability Introduces: <ul style="list-style-type: none"> ▪ role for VCS in funding/ programme design & review ▪ to work towards giving 3 months notice of decisions ▪ giving 3 months notice of funding reductions / termination ▪ encouragement for payment in advance where 'appropriate and possible'
Consultation code	Increases timescale for major consultations from 6 to 8 weeks (<i>national code has 12 weeks</i>)
Volunteering code	Introduces: Commitment to take volunteers views into account in decision-making & include them in communications (<i>equality with paid staff</i>) Public sector 'support' for the provision of specialist volunteering infrastructure
Black & Minority Ethnic (BME) code	Includes the duties under the Race Relations (Amendment) Act Highlights the importance of partnership between all sectors
Community groups code	Highlights role of voluntary organisations in encouraging greater involvement by community groups
Partnership working	New code to reflect growing importance of partnership as a way of 'doing business' (provides link to the Council's Partnership Guidelines)

Implementation

11. The codes contain some challenging clauses which individual agencies in the public and voluntary and community sectors may not currently meet. Each organisation will need to consider how they can develop existing policies or practices in order to meet these clauses in the future. Some clauses may be impossible to meet locally until changes are introduced nationally e.g. planning

consultations have a statutory 6 week timescale and the Council's planning service will be unable to meet an 8 week consultation timescale locally.

12. The Compact Group accepts that there are clauses which will be difficult, and even impossible for some organisations to meet straight away. As codes of good practice they are therefore to some extent aspirational. Nevertheless the Council, along with other public and voluntary and community organisations, is asked to work towards meeting this good practice, and, most importantly to continue to use the Compact to help build on and develop positive working relationships and partnerships across the city.
13. The Compact Group will be developing an implementation plan for the Compact as a whole in terms of communication, training and monitoring of breaches. Similarly it makes sense for the Council to develop its own implementation plan, focussing on those elements of the revised codes which have yet to be met.
14. In relation to the new good practice on funding and commissioning, implementation will need to take into account the work which is underway to review existing arrangements for commissioning services; which is a commitment in the Local Area Agreement. This will need to pay particular attention to how the Council progresses towards giving longer notice periods of decisions, especially where funding is reduced or terminated.

Consultation

15. Consultation has taken place throughout the Council, with the wider VCS and through the other member public bodies. The codes have been considered at our local compact conferences over the past 2 years (in December 2005 and May 2007) with the Compact Group agreeing the final set of amendments in July 2007.
16. The majority of Council services are involved in some sort of joint working with voluntary and community organisations and it is therefore important that all Council service areas are familiar with the York Compact and its codes of practice. This involvement may include:
 - financial relationships (grants or contracts)
 - consultation on Council or citywide proposals
 - community development work
 - participation in joint working or partnership arrangements
17. Consultation around the Council has produced a varied response to the new codes with some feeling the codes do not go far enough in terms of strengthening the relationship between the Council and the VCS and others expressing concerns about particular aspects of the codes, which may be more difficult for them to meet. This is a similar situation for the other public bodies; e.g. the Primary Care Trust can meet the 8 week consultation period as their statutory consultation period is 12 weeks; they however, have greater difficulty with the funding code at the moment due to the remaining uncertainty about how funding arrangements will work. The Learning and Skills Council are tied by national policy and practice to a great extent and will not under current

arrangements be able to meet a number of the funding and commissioning clauses.

18. Consultation has also revealed that there is a varied understanding of the Compact within the Council and that one of the challenges facing the Compact Group and the Council is to promote the Compact more widely amongst council staff and Members. This will need to be part of the implementation plan (see paragraph 13).

Options

19. Members may wish to consider the following options in relation to the new codes of practice:
 - (i) endorsing the codes of practice in full as currently drafted, accepting that some clauses will not be met in the short term
 - (ii) seeking specific amendments to individual codes of practice

Analysis

20. Option 19 (i) is the recommended option, as this will show that the Council continues to support the Compact and wants to maintain good working relationships with voluntary and community organisations in the city. Whilst it would mean accepting that the Council has some work to do to meet all the good practice set out in the codes, the overall commitment of the Council to the principles of the Compact and to ensuring an on-going dialogue with the sector is considered more important than any specific concerns about when we might be able to meet every single element of good practice.
21. Option 19 (ii) is not recommended as it would present difficulties for the Compact Group as a whole, and for other signatories in the public sector. Achieving a set of codes which all public bodies can meet in full at the current time would result in the lowest common denominator being set as a standard rather than best practice. Where there are specific concerns about particular clauses in the codes then this is best dealt with through a process of gradual development and on-going dialogue which will hopefully enable the clauses to be met in the future.

Corporate Priorities

22. The proposal to put in place new codes of good practice for the York Compact and to continue the Council's engagement in the York Compact support a number of the Council's priorities, in particular:
 - to improve the way the council and its partners work together to deliver better services for the people who live in York.
23. The Compact's primary aim is to improve the way organisations work together in the city in order to achieve 'better services' for people in York. The Compact Group provides a mechanism to help achieve better joint working through its

promotion of the shared principles and good practice and its encouragement to effective engagement and partnership.

24. The Compact also supports the priorities

- to improve leadership at all levels to provide clear, consistent direction to the organisation, and
- to improve our focus on the needs of customers and residents in designing and providing services

25. The codes of good practice can be used as a tool across the Council to help give leadership and direction in the area of joint working with the VCS. Whilst it is accepted that more promotion of the Compact is needed internally to increase its use, approval of the new codes will provide a springboard for publicising the Compact approach. The emphasis on the needs of customers and residents is key to many local voluntary and community organisations and one of the ways in which the Council finds out about customer needs is by working through the local VCS. The Compact seeks to ensure that consultation is effective by setting out guidelines for good consultation which can be applied across the Council.

Implications

26. The following implications have been considered:

- **Financial**

There are no direct financial implications arising from the Compact codes of practice which deals with process used rather than actual outcomes. However, the Compact does deal with the processes used by the Council to award grants and contracts to voluntary and community organisations and sets some standards for decision-making and making payments which may indirectly have financial implications. The Compact does not over-ride the Council's Financial Regulations; however, it is noted that the Financial Regulations do include arrangements for waiving specific regulations in appropriate circumstances. This does allow for matters, such as payments in advance, to be considered through a proper process where appropriate.

The code on funding and commissioning is in line with the Government accounting and procurement law.

The Compact Group operates with a very small budget which pays for occasional conferences, publicity and room hire. Current practice is for the public bodies to each contribute £500 once every year or two. The Councils' most recent contribution of £500 was in 2006/7.

- **Human Resources (HR)**

There are no direct HR implications in relation to the Compact. Promotion and implementation of the York Compact is coordinated by the report author. The volunteering code of practice is currently adopted within the Council's HR manual and this should be updated with the new version once approved.

- **Equalities**

The code of practice for Black and Minority Ethnic voluntary and community organisations has been considered by the Council's Equalities officer and comments taken into account.

- **Legal**

The York Compact is not intended to be legally binding or to take precedence over contracts that already exist, or over statutory requirements or duties placed on the Council. However, if the Council were proposing to act in a way that was not in line with the Compact it would need to demonstrate that the rationale for taking such action was reasonable in the circumstances.

- **Crime and Disorder**

There are no Crime and Disorder implications.

- **Information Technology (IT)**

There are no implications for IT.

- **Property**

There are no property implications.

- **Other - Partnership**

The new partnerships code makes reference to the Council's own partnership guidelines which contain much fuller advice on effective partnership working. The new code will need to be widely promoted, including via the Local Strategic Partnership, if it is to be properly considered by the many partnerships operating in the city.

Risk Management

27. The Compact is not intended to be legally binding and as such does not tie the Council into acting in a particular way where this would be contrary to regulations or contractual arrangements. However, specific examples of non-compliance with the Compact may be investigated either locally or nationally where voluntary or community organisations have been disadvantaged by non-compact compliant decisions. Past experience has shown that in most cases a resolution can be found through informal local negotiation, however, voluntary and community organisations may ask for assistance from the national Compact Advocacy Programme, which can and does make representations to public bodies to resolve Compact breaches.
28. The most effective way of minimising the risk of any negative publicity or damage to local Council-VCS relations in connection with possible compact breaches is to maintain engagement with the compact process including via the Compact Group and through building on the already positive relations between individual council services and local voluntary and community organisations. Where we know there are problems with meeting new good practice then it is recommended that discussions are held with individual service areas to agree how to progress towards compliance where this is possible.

Recommendations

29. Members are asked to consider the officer's recommendations as follows:

- (i) That the Executive endorse in full the new and revised York Compact codes of practice

Reason: so that the Council can build on its positive engagement with the voluntary and community sector in the city, with the aim of improving services for people in the city

- (ii) That the Executive supports the Council's continued participation in the York Compact

Reason: so that the Council can play its part in implementing the new codes of good practice

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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:

'The York Compact: an agreement governing the relationship between local statutory and voluntary and community agencies in York', 28 June 2004

Compact 'working together, better together' (various national codes)

www.thecompact.org.uk

York: A City Making History, York's Local Area Agreement, March 2007

Annexes

Annex 1: York Compact Group current membership

Annex 2: York Compact Codes of Good Practice (York Compact Group, July 2007)

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Current Membership of the York Compact Group

Voluntary and Community Sector representatives:

(3 nominated representatives)

Colin Stroud	York CVS (Chair)
Rita Sanderson	York Racial Equality Network
Chris Houseman	York & District Sports Federation

(3 representatives elected at the Compact conference)

Chris Hailey-Norris	York & District Citizens Advice Bureau
Ginnie Shaw	Tuke Housing
Alison Shepherd	York Playspace*

(*co-opted following 2007 conference)

Public Sector representatives:

(6 nominated representatives)

Cllr Sue Sunderland	City of York Council
Cllr Ruth Potter	
Sue Poole	(Strategic Partnerships Team)
Pat Sloss	North Yorkshire & York Primary Care Trust
Marilyn Thirlway	York Hospitals NHS Trust
Martin Wynn	North Yorkshire Learning & Skills Council

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Annex 2

Code of good practice on Funding and Commissioning

Introduction

Local public bodies and partnerships recognise the positive and creative role that voluntary and community organisations (VCOs) can play in building strong and cohesive communities, including the provision of services. Many VCOs enter into financial relationships with public bodies to deliver outcomes on their behalf. Others rely on small grants with few conditions attached. This code sets out key principles and undertakings for all involved and is consistent with the general public duty to achieve value for money and principles in Government accounting and procurement law.

Key principles

The following principles should apply at all stages of the financial relationship:

- discussion and dialogue between partners can help to build trust and identify and overcome problems before they impact on the delivery of outcomes
- funding and commissioning processes should encourage business with the sector, including opportunities that are accessible to newer or smaller community and BME organisations as well as larger staffed organisations
- procedures should be as simple as possible and proportionate to the level of funding and allow sufficient time for planning, decision-making and action
- contracts should be awarded on the basis of their community benefit, quality and cost effectiveness. Small grants, with minimal bureaucracy attached, should also be available to promote strong communities and active citizens
- there should be consistency and co-ordination amongst funders, to help minimise the burdens on all organisations involved and achieve more efficient and sustainable outcomes.

Public bodies undertake to:

- acknowledge and respect the independence of VCOs
- provide appropriate opportunities for relevant VCOs to contribute to the design of new funding opportunities, procedures and reviews
- implement longer term financial arrangements (usually for at least 3 years) where this is consistent with programme design and the constraints of each body's financial regime
- provide sufficient information to enable organisations to decide whether or not to bid for funding, including: what funding is available, the criteria to be applied, deadlines and decision-making timetables, documentation required and contact name(s) for enquiries
- seek only information which is relevant
- allow sufficient time for organisations to respond to funding or bidding opportunities by making information widely available, in accessible formats, normally at least 6 weeks before the application deadline
- in respect of tenders for contracts, clearly state the commissioning procedures to be used at the outset and to follow them

- accept that adequate reserves are essential to a VCO's financial stability and sustainability, and only take into account high levels of free reserves, usually above 6 months revenue expenditure
- consider the value of 'in kind' resources by organisations under matched funding arrangements
- recognise, have commitment to and encourage Full Cost Recovery, (the inclusion of relevant elements of overhead costs in estimates for providing a particular service)
- always make payments on time and in advance of expenditure where possible and appropriate
- keep organisations informed of progress with their application or bid
- work towards giving notice of all funding decisions 3 months in advance of the start of funding
- give at least 3 months notice of terminations or reductions in funding.

Termination of funding

A funder considering terminating funding due to changing priorities or if outcomes are not delivered, should first discuss ways of changing or improving outcomes with the VCO concerned.

If funding is to be terminated early, public bodies should give enough notice to enable the organisation to make alternative plans and to fulfil its duties as an employer. This should be a minimum of 3 months notice and include reasons for ending the agreement. It should allow the provider to respond to the proposal.

Voluntary and community organisations undertake to:

- respect confidentiality and be clear about whose views they represent when consulted about the design or review of funding opportunities and procedures
- ensure they are eligible before applying for funding or contracts
- have clear lines of accountability, especially with joint bids
- clearly identify costs so that Full Cost Recovery can be achieved
- have good systems in place to manage the work and account for finances
- agree terms of delivery at the outset and be aware of responsibility for risks
- be honest and transparent in reporting performance.
- give early notice of any issues arising concerning budgets or outcomes
- plan in good time for different situations to reduce any potential negative impact on both beneficiaries and the VCO itself

All parties undertake to:

Discuss in advance, the terms and conditions of the service delivery including:

- potential risks and who is best able to manage them, including non-delivery, variable levels of demand and sustainability;
- outcome success measures in proportion to the size of the grant or contract
- the treatment of any underspends.

Code of good practice on Consultation

Introduction

Consultation is important in building and developing positive working relationships and partnerships in the city. Listening to and engaging effectively with voluntary and community sector organisations (VCOs) will help public bodies to plan and deliver better services. Consultation provides an opportunity for VCOs to input their knowledge, experience and expertise.

Key principles

The scope of any consultation should be made clear at the start and the process itself should be transparent; giving clear information about who is being consulted, about what, when, how and why and how results will be used. For major consultations it can help to consult a small group of organisations or individuals in advance about the scope and method of the consultation. Where possible, organisations should plan consultations collaboratively with others to avoid duplication and minimise consultation overload.

All organisations involved recognise that effective consultation should:

- take place early enough in planning and decision-making processes for it to make a difference
- be announced in advance, and allow sufficient time for responses
- use varied and accessible methods to encourage maximum participation
- reach those most affected by the proposals
- pay special attention to including community groups and black and minority ethnic (BME) organisations
- be clear about which areas are open to change and which are not
- include an analysis and review of all responses
- include feedback on the findings of the consultation and resulting decisions.

Public bodies undertake to:

- consult with VCOs where proposed changes, initiatives or decisions may have a significant impact on them or their users. This is likely to include the development or review of strategies, policies and services; budgetary or funding matters including changes to charges and fees, changes to grants, commissioning, performance monitoring and evaluation arrangements; changes to partnership arrangements
- be willing to make changes to proposals as a result of consultations
- invite comments on how the consultation proposals may affect 'the sector'
- take account of the time and financial constraints of 'the sector' in carrying out consultations and consider offering expenses for taking part in consultation processes where appropriate
- ensure that the views of York's diverse communities are reflected in responses
- comply with the principles and practice outlined in this code and to be clear about any constraints which may limit their full application.

Voluntary and community sector organisations undertake to:

- take steps to consult their members and service users when responding to consultations and to state clearly who has been consulted
- where appropriate, identify issues for the organisation as a service provider separately from issues affecting members or users
- provide clear and objective information in their responses.

Timescales:

The period allowed for major public consultations should comply with the relevant statutory duties; otherwise, the minimum period allowed should be 8 weeks and avoid school holiday periods wherever possible (the national compact between Government and the sector states 'generally a minimum of 12 weeks').

Consultations should:

- be appropriate and accessible for the audience concerned. Any written materials should be easy to read (checked for plain language), and be available in languages and formats other than written English to meet the needs of disabled people and those whose first language is not English
- explain the scope and process of the consultation, including timescales
- list those being consulted
- be clear about whether or not views given will be kept confidential
- give the names of staff who can be contacted about the consultation
- explain why one option is preferred, if multiple options have been put forward
- enable respondents to put forward their own proposals
- invite comments on the methods and quality of the consultation
- make clear when decisions will be taken, and by whom
- publicise the way in which feedback will be provided. This could include written responses, posting of outcomes on agency websites, public meetings, and a contact person for follow-up enquiries.

Feedback:

Feedback is an essential part of consultation. It allows participants to see how their views have been used in arriving at a decision, and to know what will happen next.

Feedback should be made available by various means, to everyone consulted. It should include information about the method of consultation, a summary of responses, the outcome and how decisions have been reached.

The way in which feedback is provided should be publicised at the time of the consultation. It may not necessarily include sending an individual response to each organisation consulted.

Code of good practice on Volunteering

Introduction

This code aims to set out guidance on good practice in the use of volunteers by public bodies and voluntary and community organisations (VCOs) in York.

Key Principles

Local public bodies and the voluntary and community sector (VCS) endorse the principles which underpin the national Code of Practice on Volunteering:

Choice: volunteering must be a choice freely made by each individual. Freedom to volunteer implies freedom not to become involved.

Diversity: Volunteering should be open to all no matter what their background.

Mutual benefit: Volunteers offer their contribution and skills unwaged but should benefit in other ways in return for their contribution.

Recognition: Valuing the contribution of volunteers is fundamental to a fair relationship between volunteers, voluntary and community organisations, and local public bodies. This includes recognising the contribution to the organisation, the community, the social economy and wider social objectives.

All parties undertake to:

- apply this Code of Practice in their work with volunteers
- treat volunteers with respect and care and as of equal value to paid staff
- recognise that volunteers should not be exploited or used to replace established paid workers
- provide suitable training opportunities for volunteers (with accreditation wherever possible)
- adopt a policy on their use of volunteers
- identify a 'Volunteering Champion' who is responsible for volunteer involvement throughout the organisation, and for the implementation of the volunteer policy
- provide a 'Volunteer Agreement' between the volunteer and the organisation which should include:
 - clear task descriptions for the volunteer
 - the organisation's induction, supervision and appraisal systems
 - the names of the organisation's 'Volunteering Champion' and the individual's supervisor
 - a commitment to take volunteers' views into account in decision-making and including them in internal communications
 - details of payment of volunteers' out-of-pocket expenses (for example, travel and childcare, but not recompense for lost working time)
 - training opportunities
 - policies on: equal opportunities; racial, sexual and other harassment; health and safety; confidentiality; dealing with problems.
- improve the public perception of volunteers by recognising their skills, dedication and significance in the well-being of the local community.
- quantify and publicise the value of volunteers' contributions in reports and through the media

- work together to create and maintain a modern and dynamic volunteering infrastructure, including the sharing of resources and expertise, for example through shared training, and networking opportunities.
- work to effectively tackle discrimination to ensure that volunteering is open to all, and ensure that arrangements made for volunteers do not unfairly exclude particular groups from volunteering
- maintain the principles of this Code of Practice in service provision agreements between local statutory agencies and voluntary and community organisations.

Public Bodies undertake to:

- consider the impact on volunteering of their policies and services and carry out appropriate consultation when necessary.
- work with the voluntary and community sector to promote volunteering, for example through their publications and communication media
- accept that the following non-service costs for volunteers may be included within an organisation's budget for service provision:
 - insurance cover, including public and employer's liability, drivers' no claims discount protection, and professional indemnity
 - recruitment and on-going support costs to maintain the volunteer base
 - training and accreditation
 - statutory Criminal Records Bureau checks
 - out-of-pocket expenses, for example, travel and childcare
- recognise that there can be higher costs involved in engaging some groups of volunteers
- support the provision of specialist volunteering infrastructure.

Voluntary and community organisations undertake to:

- promote volunteering opportunities within their organisation and take steps to include groups of people who are often excluded or under-represented in the volunteering community
- ensure that they have both the time and resources to support and train volunteers
- identify a 'Volunteering Champion' for their organisation.

Expectations of volunteers:

- organisations using volunteers expect that volunteers will contribute to maintaining high quality service provision by:
 - observing the organisation's 'Volunteer agreement' and its policies
 - working to health and safety standards and within the law
 - being reliable
 - participating in supervision and appraisal and undergoing the training required of them
- attending and contributing to staff/volunteers meetings, and offering feedback to the organisation on the volunteering experience.

Code of good practice for partnership with the black and minority (BME) ethnic voluntary and community sector

Introduction

This code aims to strengthen relationships between local public bodies, the voluntary and community sector (VCS) and black and minority ethnic (BME) community organisations. It seeks to enable BME organisations, including Traveller and faith organisations, which represent York's diverse communities to contribute to policy development, partnership working and service delivery in York on an equal footing to other agencies. The code takes into account the requirements of the Race Relations (Amendment) Act 2000

It is based on the national compact's BME code in which Government recognises the important role of the BME sector in 'ensuring the wider voluntary and community sector is more representative of society and in supporting Government efforts to create a more cohesive and inclusive society'.

Key principles

All partners to the Compact recognise that:

- the needs of York's BME communities, including Gypsies and Travellers, have not been adequately met in the past, and that, especially bearing in mind the changing and increasing BME population, there is still a need for issues affecting BME communities to be given priority by all sectors.
- BME voluntary and community organisations, including some faith-based organisations, may be especially well placed to identify and/or meet the special needs of refugees and asylum seekers, migrant workers and new BME communities.
- BME voluntary and community organisations can face barriers which exclude them from effective engagement with local consultation processes. Attention needs to be given to enabling and supporting smaller and under-resourced BME organisations to engage effectively.
- BME individuals may face particular barriers to volunteering in mainstream voluntary and public sector organisations. These need to be removed if BME members of the community are to participate fully in volunteering.
- organisations such as York Racial Equality Network and York Travellers' Trust have a particular role in promoting awareness of the needs of BME people in York and in encouraging a multi-agency approach to race issues.

Public bodies undertake to:

- establish named contacts within each directorate to deal with issues raised by BME organisations. These officers will receive training in BME issues and the particular concerns of the minority ethnic voluntary and community sector.
- support the York BME Citizens' Open Forum where ethnic minority groups and individuals can set the agenda, raising their concerns. This includes responding positively to invitations to attend Forum meetings so that they can respond to concerns and discuss action on the issues raised.
- work with existing BME voluntary and community sector specialist organisations such as the York Racial Equality Network, York Travellers'

April 2007 – final draft

Trust and general VCS infrastructure organisations such as York CVS to make sure that support is available to new and emerging BME groups.

- recognise that extra resources may need to be allocated to provide adequate support for BME organisations, setting specific, measurable, attainable, realistic and time-based targets.
- regularly review funding programmes and criteria to see that they do not disadvantage BME groups. Such reviews should incorporate transparent and robust procedures designed to ensure that access, approval and funding rates compare equitably with the mainstream sector.
- recognise the independence of the BME sector and its right to challenge institutions, policy and practice as part of its goal of achieving race equality.

The black and minority ethnic voluntary sector undertake to:

- comply with undertakings set out in the rest of the Compact, when working in partnership with local public bodies and mainstream voluntary and community organisations
- encourage joint working by diverse groups within the BME sector
- play a full and active part within the wider voluntary and community sector and to work in partnership with the sector and public bodies to promote race equality and to tackle social exclusion
- work to ensure proper governance and effective management of BME organisations

Public bodies and the voluntary and community sector jointly undertake to:

- comply with undertakings set out in the rest of the Compact in working in partnership with the BME voluntary and community sector, and in addition:
- respond positively to the changing needs of York's BME citizens
- take active steps to consult appropriately with the BME organisations throughout policy development and implementation, including the development and review of the local community strategy
- take steps to eliminate unlawful racial discrimination (from individuals and/or institutions), promote equality of opportunity, promote good race relations between people of different racial groups and formulate and observe policies for responding to incidents of harassment
- take active steps to encourage volunteering by BME individuals across all types of organisation, in line with the guidance in the volunteering code
- provide training for their own staff, volunteers and management committee members to improve their awareness of BME issues in the area, help them to provide services in an appropriate way to BME citizens and to deal with racism in all its forms.
- advise BME organisations of available funding opportunities and offer practical support throughout the application process.
- work together to achieve these objectives.

Code of good practice on Community Groups

Introduction

The community sector is very diverse and people come from very different kinds of community. Communities of place are formed by people who live in particular geographical areas, whilst communities of interest may be formed by people who share common needs or interests.

The community sector contributes in many ways to building strong, cohesive and inclusive communities. Community groups can:

- promote good citizenship and provide community leadership
- give a voice to their communities and help strengthen local democracy
- identify the needs of their communities
- break the isolation of people who are socially excluded
- provide informal services and leisure facilities
- provide information and expertise on their specialist subjects

It is recognised that small community groups can be left out or marginalised by both public bodies and the wider voluntary sector and find it difficult to get involved. This code of practice outlines ways of ensuring that the skills and experience of community groups add value to policy and service development and delivery in the city.

Key principles

Community groups have different needs when working alongside or in partnership with public bodies and other voluntary organisations because they, generally, have less formal structures, are reliant on volunteers and have no or low levels of income or other resources. In particular:

- consultation with community groups will be more effective if there is more time to respond to consultations, easily accessible information and financial support to enable more people to participate
- small grants can play an important role in stimulating community activity and encouraging new ideas and fresh approaches, but they are often needed quickly and with a minimum of paperwork.

Public bodies and the voluntary and community sector undertake to:

- promote community development based on the following definition:
“Community development is about building active and sustainable communities based on social justice and mutual respect. It is about changing power structures to remove the barriers that prevent people from participating in the issues that affect their lives. It promotes the active involvement of people through sharing power, skills, knowledge and expertise.” (Standing Conference for Community Development - May 2001)
- work in partnership to promote good practice.

Public bodies undertake to:

- help create and maintain the conditions and support that help community groups to succeed
- value the work, knowledge and skills of community groups, and their role in helping local public bodies achieve their aims
- take account of the views of community groups when assessing needs, developing policies and consulting the public
- recognise the contribution community groups make to partnership working in the city and provide the resources they need for partnership working
- encourage the involvement of community groups in developing the local community strategy and local compact
- hold meetings at times convenient to community representatives and offer expenses, when their participation is sought
- make small grants available to community groups and ensure that any rules that apply are proportionate to the size of the grant and the capacity of the group, including monitoring requirements
- identify specific posts within their organisation to support community involvement.

Voluntary organisations undertake to:

- wherever possible include and involve the diversity of community groups in all their work
- recognise that the interests of community groups and voluntary organisations are not always the same, and clarify this when the sector is being represented or discussed
- regularly review the support they are giving to community groups and make sure that some are not being left out or marginalised
- challenge barriers to community sector involvement in planning and policy development
- encourage community group members to take on leadership roles.

Community groups undertake to:

- carry out any reasonable monitoring and evaluation of their expenditure, in proportion to the size of the grant that may be required by funders
- encourage good quality partnership working and community involvement
- encourage local people to get involved in the design and delivery of local services
- tackle racism and other forms of discrimination and promote diversity
- be clear about the community they claim to represent, consult them regularly and gather evidence to support what is said on their behalf
- channel information to and from the community
- work with voluntary sector organisations where appropriate.

Code of good practice on Partnership Working

Introduction

Partnerships vary greatly in structure and remit, but have in common the intention to achieve better solutions to local issues. Some partnerships have a statutory basis and significant resources, others may be more informal and less well resourced. Membership of partnerships also varies but might include public bodies, voluntary and community organisations (VCOs), service-users and private businesses.

For the purposes of this code, the following definition of a partnership is used: 'a coalition of organisations and individuals from more than one sector who agree to work together for a common aim or set of compatible aims, and who share resources and responsibilities and agree to work together in a cooperative and mutually supportive fashion' (Regional Action and Involvement South East, 2005)

This code of practice sets out a short, basic guide to working in partnership in the city with the particular aim of improving the effectiveness of voluntary and community sector (VCS) involvement.

Key principles

The starting point for any partnership should be to define what needs to be done and agree the type of joint working arrangement that is needed to achieve it. Is its role advisory, or, does it have executive powers and responsibilities for service delivery, with a budget and staff? Is it simply a discussion forum or subject to a service agreement or contract? Will it share risks and/or rewards?

Where some form of partnership is needed the following principles should apply:

- membership should include an adequate number of VCS representatives taking into account the particular contributions that may be made by black and minority ethnic (BME), faith and community organisations
- VCS representatives should be provided with sufficient support, training and resources to enable them to contribute effectively. This should include the reimbursement of reasonable expenses incurred by them in carrying out their work and enabling their participation
- relationships between partners should be based on trust and mutual respect, valuing what each brings to the partnership
- the Chair of the partnership should be agreed by all partners
- meetings should be fully accessible and conducted in a manner which seeks to enable and encourage the participation of all partners
- there should be clear agreements on: (a) the financial and other contributions expected from partners, and (b) the decision-making process and accountability for their use
- members of the partnership should share responsibility for its work and be collectively accountable to the constituencies represented
- all partners should be kept equally well informed.

Public bodies undertake to:

- ensure that resources and support are available to enable VCS representatives to participate fully
- share the costs of building and maintaining the partnership, which should include training and VCS expenses.

Voluntary and community organisations undertake to:

- be clear about whose views they are representing as members of the partnership and do the necessary work to back this up (for example, in consultation and feedback)
- contribute their time, expertise, experience and use of their links with their communities and the wider VCS.

All parties undertake to:

- ensure their members have the required skills, knowledge and commitment to cooperate in order to contribute to the partnership vision, aims and objectives
- do the necessary work to enable their meaningful participation in the partnership
- take part in an annual review of how the partnership itself is working, including in relation to this code of practice.

Good governance:

Effective partnerships are based on good governance arrangements, which should include:

- shared vision, clear aims and SMART objectives (specific, measurable, attainable, realistic, time-based)
- shared action plan (including timescales, resources, responsibilities)
- arrangements for monitoring, evaluation and achieving milestones
- clear roles and responsibilities of members
- agreements about sharing information and reporting outcomes, including confidentiality issues
- shared accountability to stakeholders
- clear management and decision-making structures
- ground rules for meetings (that is, the procedures and processes that govern meetings)
- arrangements for recording actions and chasing progress
- arrangements for resolving disagreements and ending the partnership
- risk assessment and arrangements for insurance / indemnity
- arrangements for finance and accounting (including identifying the accountable body, and contractual and financial liabilities)
- appropriate reference to other legal requirements including Health and Safety, Equalities, Human Resources, Freedom of Information and Data Protection

(Fuller guidance on partnership working in the City of York will shortly be available via the Council's A-Z of services at www.york.gov.uk)