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MEETING	EXECUTIVE
DATE	17 NOVEMBER 2009
PRESENT	COUNCILLORS WALLER (CHAIR), AYRE, STEVE GALLOWAY, MOORE, MORLEY, REID AND RUNCIMAN
IN ATTENDANCE	COUNCILLOR ALEXANDER

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## **PART A - MATTERS DEALT WITH UNDER DELEGATED POWERS**

### **100. 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. No interests were declared.

### **101. MINUTES**

RESOLVED I That the minutes of the Executive meeting held on 20 October 2009 and the Executive (Calling in) meeting held on 27 October 2009 be approved and signed by the Chair as a correct record.

### **102. PUBLIC PARTICIPATION / OTHER SPEAKERS**

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

With the consent of the Chair, Cllr Alexander addressed the meeting with reference to agenda item 8 (Introduction of a Quality Contract for Bus Service Provision in York). He queried why it had taken so long for this matter to come before the Executive, Council having approved the relevant motion in April. He noted that in recent years some bus fares had increased, while at the same time services had been withdrawn and punctuality had worsened, resulting in a decrease in customer satisfaction. He suggested that government funding might be obtainable for a pilot scheme if York was the first to adopt a QCS and urged Members to support Council's request to move ahead with the scheme.

### **103. EXECUTIVE FORWARD PLAN**

Members received and noted details of those items that were currently listed on the Forward Plan for the next two Executive meetings.

**104. LORD MAYORALTY 2010/11**

Members considered a report which asked them to decide which of the political groups should be invited to appoint the Lord Mayor for the 2010/11 Municipal Year.

Under the current points scheme for nomination of the Lord Mayor, the Liberal Democrat group, with a total of 46 points, would qualify to make the nomination. Should Members wish to invite a different group to submit a nomination, this would require a change to the agreed procedure.

RESOLVED: That the Liberal Democrat group be invited to nominate the Lord Mayor for the 2010/11 Municipal Year.<sup>1</sup>

REASON: In accordance with the agreed procedure, to provide continuity for future selection and to ensure that the Council has the necessary leadership to undertake its civic functions.

Action Required

1. Ensure nomination is obtained and reported to Council DS

**105. 'QUALITY AND ACCESS FOR ALL YOUNG CHILDREN' - ALLOCATION OF EARLY YEARS CAPITAL GRANT**

Members considered a report which presented the recommendations of the assessment panel set up to examine applications received from early years and childcare providers in the private, voluntary and independent (PVI) sector for amounts of £50k or more from the Council's allocation of the 'Quality and Access for All Young Children Capital Grant.'

Four applications had been received for amounts of £50k or more, requiring the approval of the Executive. Details were set out in paragraph 11 of the report. All four related to projects that were dependent on the receipt of planning permission. All were recommended for approval in principle, on the grounds that they met the agreed criteria and represented high quality and innovative projects that were consistent with the Council's strategic aims.

Approval of these applications (amounting to £417,271) would bring the total amount allocated to £2,118k which, allowing for a contingency of £90k, amounted to almost all the available funding. This should be taken as a sign of success, as the Council had been encouraged by DCSF to commit as much of the funding as possible.

RESOLVED: That the four applications received from early years and childcare providers for amounts of £50k or more from the authority's allocation of the 'Quality and Access for all Young Children' capital grant, as set out in Table 1, paragraph 11 of the report, be approved in principle.<sup>1</sup>

REASON: To enable the further development of early years provision in York, in accordance with government guidelines, and to manage the fund within the available budgets.

Action Required

1. Make arrangements to allocate funding to the four applicants as agreed, subject to planning approval CB

**106. ECONOMIC MASTERPLAN AND YORK RENAISSANCE TEAM**

Members considered a report which sought approval for a proposal to undertake an economic masterplan for the City, establish a York Renaissance Team and create a York Renaissance Academy.

The idea of an economic masterplan had originated from a recommendation of the Future York Group and a subsequent review of the Sustainable Community Strategy approved by the Council last year. The need for a masterplan, and a positive approach to attract investment to development sites in York, had further increased in recent times. Discussions had taken place with Yorkshire Forward and English Heritage on how best to take forward this initiative and both organisations had now given their approval to the proposal outlined in the report, namely a programme encompassing:

- An economic masterplan and visioning exercise, to be funded by Yorkshire Forward
- The creation of a York Renaissance Team consisting of 6 extra posts for 3 years, funded by Yorkshire Forward and English Heritage
- The development of a Renaissance Academy in York, to enhance staff skills in 'place-making', funded by Yorkshire Forward.

A strategic board involving the Leader of the Council, the Chief Executive and the Director of City Strategy, with representation from Yorkshire Forward, English Heritage and the York Economic Partnership would be established to oversee the development of the programme. Officers reported at the meeting that they had received assurances from Yorkshire Forward that the programme would not impact upon the timetable for the Local Development Framework.

Having noted the comments of the Labour Group on this item, it was

RESOLVED: (i) That the proposal set out in the report be endorsed and that approval be given for:

- a) The preparation of an economic masterplan for the City, to be funded by Yorkshire Forward and completed by May 2010;<sup>1</sup>
- b) The creation of a York Renaissance Team consisting of six officers on three-year fixed term contract, employed by City of York Council and

funded by Yorkshire Forward and English Heritage;<sup>2</sup>

- c) The establishment of a York Renaissance Academy to enhance staff skills in 'place-making', to be funded by Yorkshire Forward.<sup>3</sup>

REASON: To provide greater certainty for future investment in the City.

(ii) That updates be requested on how the economic masterplan will improve the sustainability objectives of the Council and the Local Strategic Partnership in developing York as an example of a low carbon economy, and the stimulation of local jobs and training during future developments in the City.<sup>4</sup>

REASON: To keep the Executive informed on the benefits that the economic masterplan is expected to bring to the City.

#### Action Required

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| 1. Begin preparation of an economic masterplan, in partnership with English Heritage & Yorkshire Forward     | SS |
| 2. Make arrangements for the employment of 6 York Renaissance Team officers                                  | SS |
| 3. Begin development of a York Renaissance Academy, in partnership with English Heritage & Yorkshire Forward | SS |
| 4. Schedule update reports on Forward Plan for appropriate Executive meetings                                | SS |

## **107. INTRODUCTION OF A QUALITY CONTRACT FOR BUS SERVICE PROVISION IN YORK**

Members considered a report which responded to a motion approved by Full Council on 2 April 2009 requesting that the Executive apply to take up the powers available under Section 124 of the Transport Act 2000 (the Act) to impose a Quality Contract Scheme (QCS) for the provision of bus services. This would equate to a re-regulation of the York bus network, enabling the Council to issue contracts for routes, specify service levels, monitor performance and regulate frequencies and fares.

The report outlined the process by which a QCS might be introduced and the advantages, disadvantages and costs of its introduction. It also examined two potential alternative courses of action under the Act; namely the enhancement of the existing Voluntary Quality Partnership (VQP) and the introduction of a Quality Partnership Scheme (QPS). It was noted that:

- The introduction of a QCS would require significant funding (estimated at £3m, with ongoing revenue costs of £500k per annum) and would take four to five years.
- A city-wide QCS would include all bus routes operating wholly within York, with the possible exception of the Park & Ride network.
- It was possible that a QCS need not be applied to the whole City.

- The introduction of a QPS would also require significant funding but would support the voluntary partnership and complement existing work, whilst achieving many of the aims of a QCS.

Members were invited to advise Officers whether or not to proceed with the first stages of an enquiry into a launch of a QCS and whether introduction of a QCS on specific routes might be possible.

Having noted the comments of the Labour Group on this item and the comments made by Cllr Alexander under Public Participation / Other Speakers, it was

RESOLVED: (i) That the contents of the report be noted, and in particular the fact that no government guidance has yet been issued on the introduction of a Quality Contract Scheme.

(ii) That it is recognised that the costs outlined in the report are well beyond the resources available to the Council unless central government were to underwrite them.

(iii) That, nevertheless, it is accepted that a Quality Contract Scheme might offer some advantages to passengers, particularly if focused on a corridor (or corridors) which are poorly served by public transport.

(iv) That Officers therefore be requested, once guidance from central government becomes available, to further develop a trial scheme based on a corridor approach and to report their findings to a future meeting.<sup>1</sup>

REASON: In order to respond appropriately to the Council motion, in the light of the current economic climate and the lack of resources and guidance currently available for the introduction of a Quality Contract Scheme.

#### Action Required

1. Make arrangements to develop a trial scheme and report SS  
to Executive once government guidance is available

## **108. SECOND PERFORMANCE AND FINANCIAL MONITOR FOR 2009/10**

Members considered a report which provided details of the headline performance issues from the second performance monitor of 2009/10, covering the period from 1 April to 30 September 2009, with further up to date information where possible.

The report covered the Council's service and corporate budgets, general performance against indicators at corporate and directorate level, and progress against corporate priorities. The following key points were highlighted:

- Following an extensive review of activity across the organisation, the Council was forecast to out-turn on budget at the end of the current year, provided that directorates continued to identify options to achieve savings equating to 1.5% of their net budgets.
- 56% of National Performance Indicators (NPIs) were improving, with 62% on track to meet their 2009/10 target. 75% of LAA indicators were improving and on track to hit their 2009/10 target.
- 6 of the 54 milestone actions in the Corporate Strategy had been completed and over three quarters were on track to meet agreed deadlines. Slippage had been reported for 10 of the actions but half of these would still be delivered within year 1 of the Strategy.

Members expressed appreciation for the work carried out by departments to reduced the projected overspend, but indicated that future reports should include clearer information on the volumes and trends behind the increases in service costs.

RESOLVED: (i) That the performance issues identified in the report be noted.

REASON: So that corrective action on these performance issues can be taken by Members and directorates.

(ii) That the financial issues identified in the report be noted, in particular:

- a) The significant pressures arising due to the economic recession and social care costs that are still evident across the Council;
- b) The work already undertaken within directorates to contain financial pressures;
- c) That work continues to identify and implement options to meet the 1.5% savings targets required to contain spending within budget by the end of the financial year;
- d) The longer term need for growth in some budgets, which will require compensating efficiencies and

REASON: So that the Council's expenditure can be contained within budget.

(iii) That Officers be requested to ensure that future monitor reports include background information sections on service demand levels and the trends which are influencing significant items of budget performance, and that key performance information is tabulated to allow for comparison with past trends and future targets, along with relevant information on national trends and comparison with other local authorities, where appropriate.<sup>1</sup>

REASON: To ensure that this key information, showing how volume increases are driving higher costs, is provided in a transparent way.

### Action Required

1. Put arrangements in place to ensure background information sections are included in future reports, as requested

PL  
SA

## **109. CAPITAL PROGRAMME MONITOR 2**

*[See also under Part B minutes]*

Members considered a report which presented the likely out-turn position of the 2009/10 capital programme, based on information up to October 2009, and sought approval for changes to the programme, allocations from contingency funding and slippage of funding where required.

At this stage, an out-turn of £67.379m was predicted, representing a net increase of £0.345m on the current approved budget of £67.034m. The variances leading to this increase were outlined in paragraph 5 (Table 2). By the end of September, £19.623m (26.6%) of the approved budget had been spent. Details of the revised position in respect of each department in the Council were set out in paragraphs 9 to 32 of the report and in Annex A. Details of adjustments to the Administrative Accommodation scheme were set out in paragraphs 26-29.

Members were asked to consider the following requests for funding from contingency:

- £140k to fund urgent repair work to the slipway at Lendal Bridge. Further details of this scheme were attached at Annex B to the report.
- £32k to supply essential furniture and IT/phone circuits for the new hostel on Fishergate.

In response to Members' queries on the repairs to the Lendal Bridge slipway, Officers reported that due to current weather conditions the initial survey had not yet been carried out. An update would be circulated to Members once the work was under way.<sup>1</sup>

RESOLVED: (i) That the 2009/10 revised budget of £67.379m, as set out in paragraph 5 of the report and Table 2, be noted.

(ii) That the slippage of £733k from 2009/10 to 2010/11 be noted.

REASON: To enable the effective management and monitoring of the Council's capital programme.

(iii) That the use of £140k from the contingency fund for slipway repairs at Lendal Boatyard (as detailed in Annex B) and £32k for the Fishergate Hostel be approved.<sup>2</sup>

REASON: To enable this essential work to take place, and in accordance with the Council's contractual obligations in respect of the slipway.

(iv) That the re-stated capital programme for 2009/10-2313/14, as outlined in paragraph 33, Table 12, and detailed in Annex A, be noted.

REASON: To enable the effective management and monitoring of the Council's capital programme.

(v) That the Chief Executive be asked to review with the Council's Corporate Management Team how records can be kept of the following items for inclusion in future capital reports:

- a) Photographic records of the current state of building / completed buildings with, where appropriate, comparison photographs of the building being replaced;
- b) A record of the sustainability features that have been achieved through the construction;
- c) The economic impact on local employment and training.<sup>3</sup>

REASON: To enable the Council to celebrate the success of delivering new buildings and services to the residents of the City, by means of the capital programme.

#### Action Required

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|---|----|
| 1. Circulate update information to Executive Members on progress of slipway repairs               | SA |
| 2. Include these items in the capital programme, to be funded from contingency                    | SA |
| 3. Review with CMT options for keeping these records and including them in future capital reports | SC |

## **110. TREASURY MANAGEMENT MONITOR 2 REPORT**

Members considered a report which provided an update on the Treasury Management performance for the period 1 April to 30 September 2009, as compared against the budget presented to Council on 21 February 2009.

The report highlighted the economic environment during the first six months of the current financial year and reviewed performance in relation to short term investments, long term borrowing, the Venture Fund and the Treasury Management Budget, against this background. It also outlined the change in the budget to September 2009 and the forecast out-turn position for the year.



The position of the Venture Fund had not altered from that reported at Monitor 1. Likewise the projected under-recovery of income on the Treasury Management budget remained at £529k, as reported at Monitor 1. However, the breakdown of under recovery had changed and was weighted towards an under recovery of income from interest received.

RESOLVED: That:

- the performance of the treasury management activity
  - the general fund venture fund repayment holiday to assist in corporate budget savings and
  - the projected overspend of £529k on the treasury management budget
- be noted.

REASON: To ensure the continued performance of the Council's Treasury Management function.

## **PART B - MATTERS REFERRED TO COUNCIL**

### **111. CAPITAL PROGRAMME - MONITOR TWO**

*[See also under Part A Minutes]*

Members considered a report which presented the likely out-turn position of the 2009/10 capital programme, based on information up to October 2009, and sought approval for changes to the programme, allocations from contingency funding and slippage of funding where required.

At this stage, an out-turn of £67.379m was predicted, representing a net increase of £0.345m on the current approved budget of £67.034m. The variances leading to this increase were outlined in paragraph 5 (Table 2). By the end of September, £19.623m (26.6%) of the approved budget had been spent. Details of the revised position in respect of each department in the Council were set out in paragraphs 9 to 32 of the report and in Annex A. Details of adjustments to the Administrative Accommodation scheme were set out in paragraphs 26-29.

Members were asked to consider the following requests for funding from contingency:

- £140k to fund urgent repair work to the slipway at Lendal Bridge. Further details of this scheme were attached at Annex B to the report.
- £32k to supply essential furniture and IT/phone circuits for the new hostel on Fishergate.

RECOMMENDED: (i) That Council approve the net adjustments of £0.345m in 2009/10, £3.233m in 2010/11 and £3.550m in 2012/13, as set out on a scheme by scheme basis in the report and in Annex A, be approved.

(ii) That Council approve £3.050m of prudential borrowing, supported by the £250k revenue budget established in 2009/10.

REASON: To enable the effective management of the Council's capital programme.

## 112. DRAFT REVISED CONTRACT PROCEDURE RULES

Members considered a report which presented a set of draft revised Contract Procedure Rules for comment and onward referral to Full Council.

The draft revised CPRs, attached at Annex A to the report, were intended to provide a more flexible set of rules and reflect the more devolved decision-making framework adopted by the Council in April 2009, whilst maintaining the key principles of the current procurement regulations. Unlike the current regulations, which formed part of the Financial Regulations, they would be maintained as a separate document. One major change contained in the revised CPRs was that 'routine' procurements over £500k (as defined in Annex B to the report) would no longer need to go to the Executive for approval. Other substantial and minor changes were listed in paragraph 10 of the report.

The draft CPRs had been issued to finance managers and other key Officers for consultation. Member consultation had been undertaken at the Audit & Governance Committee meeting on 4 November and changes recommended at that meeting were highlighted in italics in Annex A, for consideration.

Officers at the meeting suggested some amendments to the draft CPRs and the accompanying guidance to address Members' concerns in relation to the delegation of decision-making in awarding a contract or waiver and the financial evaluation of contractors prior to their appointment.

RECOMMENDED: (i) That Council approve the revised draft Contract Procedure Rules at Annex A to the report, subject to the inclusion of the following table setting out delegation and recording arrangements for the award of contracts:

### Delegation Thresholds

Decision	Approval	Delegated Powers	Thresholds	Record
To award a contract based on VFM	Officer	To approve contracts ≤ £5k or delegated limit in scheme of financial delegation whichever is the lower.	> £0 and ≤ £5K	CR
To award a contract based upon written	Officer	To approve contracts ≤ £139k or EU Threshold up to delegated limit in	> £5K and ≤ £139K or EU	CR

quotation > £5K and ≤ £139K or EU threshold whichever is the lower based upon lowest cost or MEAT.		scheme of financial delegation whichever is the lower.	Threshold	
To award a contract based upon tender ≥139K or EU threshold and < £500K based on lowest cost or MEAT.	Officer	To approve contracts ≥ £139k or EU Threshold and < £500K up to delegated limit in scheme of financial delegation whichever is the lower.	≥ £139k or EU Threshold and < £500K	CR
To award a contract based upon tender ≥ £500K and classed as 'Routine'	CFO/MO	Contract Procedure Rules	≥ £500K and classed as 'Routine'	CR/DL
To award a contract based upon tender ≥ £500K and not classed as 'Routine'	Executive	Constitution Key Decision limit	≥ £500K and not classed as 'Routine'	CP
To award a contract > £5K and ≤ £139K or EU threshold not on lowest cost or MEAT	Local Chief Officer	Contract Procedure Rules		WR
To award a contract > £139K or EU threshold not on lowest cost or MEAT	CFO	Contract Procedure Rules		DL
Exceptional circumstances above Key Decision limit non-routine	CFO/MO	Contract Procedure Rules		DL

## Key

CR	- Contract Register
DL	- Officer Decision Log
CP	- Committee Paper
WR	- Waiver Register
Officer	- Officers with delegated powers to approve expenditure
CRO	- Chief Finance Officer (Section 151 Officer) Director of Resources
MO	- Monitoring Officer

REASON: To ensure that the revised CPRs are appropriate in maintaining the integrity of the Council's procurement arrangement and to provide clarity and transparency to the process for the awarding of contracts.

(ii) That Council approve the delegation of routine procurements (defined in Annex B to the report) to the Chief Finance Officer in consultation with the Monitoring Officer, as set out in paragraphs 6-8 of the report.

REASON: To ensure that the Council can continue to deliver business as usual and that only non-routine procurements are referred to the Executive for approval.

## 113. CORPORATE DEBT POLICY

Members considered a report which presented a draft Corporate Debt Policy, for comment and onward referral to Full Council.

The draft Policy, attached as Annex A to the report, set out a framework for a consistent, 'firm but fair' approach to debt collection that would apply across the organisation to ensure that the Council continued to maximise collection performance, in line with its Income Policy.

The draft Policy had been circulated to all finance managers and key Officers involved in debt collection across the Council, as well as to efficiency partners Northgate Kendrick Ash. Consultation had also taken place with the Social Inclusion Working Group and comments had been invited from the Citizens Advice Bureau, Christians Against Poverty and the North Yorkshire Credit Union. Further Member consultation had been undertaken at the Audit & Governance Committee meeting on 4 November 2009; their recommended amendments were highlighted in italics in the draft policy at Annex A.

Officers reported at the meeting that the North Yorkshire Credit Union had commented favourably on the draft policy and were supportive of its aims. Officers also suggested some amendments to the policy to address concerns raised by Members.

RECOMMENDED: That Council approve the draft Corporate Debt Policy at Annex A to the report, subject to the following amendments:

- a) Removal of disconnection of water supply as a result of not paying the bill, as this is no longer classed as a priority debt;
- b) Amendment of the debt write-off list to reflect that the category of 'Deceased and Bankrupt' only applies where there are no assets;
- c) Amendment of the wording at paragraph 45(b) of the draft policy in relation to debt recovery officers attending a customer's home, to ensure that it sounds supportive rather than threatening, to reflect the intention of the paragraph.

REASON: To ensure a consistent, 'firm but fair' approach to debt collection, whilst enabling the Council to maximise collection performance, in line with its Income Policy.

A Waller, Chair

[The meeting started at 2.00 pm and finished at 2.45 pm].