

Executive

Thursday, 14 February 2019

Decisions

Set out below is a summary of the decisions taken at the Executive meeting held on Thursday, 14 February 2019. The wording used does not necessarily reflect the actual wording that will appear in the minutes. Recommendations to Council (nos. 13-19) are included for completeness, but please note that these cannot be called in.

Members are reminded that, should they wish to call in a decision, notice must be given to Democracy Support Group no later than 4pm on the second working day after this meeting.

If you have any queries about any matters referred to in this decision sheet please contact Fiona Young.

6. A Cultural Strategy for York 2019-2025

Resolved: That the Vision and Key Ideas set out in paragraphs 13 and 14 of the report be approved on behalf of the city.

Reason: So that:

- York will be internationally recognised for its exceptional heritage and unique arts offer;
- Residents and businesses in York will benefit from York's unique cultural offer, leading to greater investment and participation in the city;
- The cultural offer for York's residents will be expanded beyond the city centre; and
- All citizens, irrespective of age or background, will be proud to be engaged with York's arts and heritage offer, which will include a wide range of inclusive opportunities.

7. The Guildhall Redevelopment Tender Evaluation & Project Business Plan Appraisal

Resolved: (i) That the additional construction costs necessary to address the structural instability of the

Guildhall and to access the riverside site, as set out in paragraph 21 of the report, be noted.

(ii) That the additional costs arising due to inflation and contingency, as set out in paragraph 21, be noted.

(iii) That the 250 additional jobs with a Gross Value Added economic impact (GVA) of £117m over 5 years be noted.

(iv) That the redevelopment of the Guildhall at an additional cost of £7.372m, funded from prudential borrowing identified in the 2019/20 capital budget report, be approved.

(v) That the updated business case for the scheme be approved.

(vi) That it be agreed to proceed to the award of a contract to Bidder B as the construction contractor for the Guildhall project and to delegate authority to the Director of Economy & Place, in consultation with the Assistant Director of Legal & Governance or his delegated officers, to take such steps as are necessary to enter into the contract and, subject to contract, to commence the construction works.

(vii) That approval be given to seek tenants for the commercial space to maximise income to the council and that authority be delegated to the Director of Economy & Place, in consultation with the Executive Leader (incorporating Finance & Performance) to agree the length of the lease(s).

Reason: To ensure the future viability and effective re-use of the Guildhall as one of the city's most significant historic buildings.

8. Consultation on Disposal of Open Space at Rowntree Park Lodge and Update of Financial Business Case

Resolved: (i) That the objections raised to the proposal be noted.

(ii) That approval be given to continue with the proposal previously endorsed by the Executive in January 2018 to convert the upper two floors into holiday let accommodation.

Reason: To support Rowntree Park and its stakeholders in developing the facilities on a long term sustainable basis.

(iii) That it be noted that all net revenue generated will be ring-fenced for the benefit of Rowntree Park, as per the Executive decision in January 2018, and that the public will have an input in setting priorities for the use of the fund, which is projected to deliver £380k over the next 15 years.

(iv) That it be noted that the Explore Reading cafe will be closed for a period of 12 weeks during the development works.

9. 2018/19 Finance and Performance Monitor 3

Resolved: (i) That the finance and performance information be noted.

(ii) That the position on the overall budget, and the need to retain some of the additional business rates income to cover potential cost pressures, be noted.

Reason: To ensure that expenditure is kept within the approved budget.

10. Capital Programme - Monitor 3 2018/19

Resolved: (i) That the 2018/19 revised budget of £106.291m, as set out in Table 1 at paragraph 6 of the report, be noted.

(ii) That the re-stated capital programme for 2018/19-2022/23, as set out in Table 2 at paragraph 58 and detailed in Annex A, be noted.

(iii) That the use of £120k from capital contingency to the Mansion House scheme, as set out in paragraphs 56-57, be approved.

Reason: To enable the effective management and monitoring of the council's capital programme.

11. Financial Strategy 2019/20 to 2023/24

Resolved: (i) That the average rent decrease of 1% to be applied to all 'social housing rents' for 2019/20 be approved, as required by legislation and as shown in table 16 at paragraph 169 of the report and described in paragraph 168.

(ii) That the average rent increase of 3.4% to be applied to all rents which fall outside the definition of 'social housing rents' for 2019/20, with the exception of a 2.7% increase on the Gypsy, Roma and Traveller Community site rents, be approved, as described in paragraphs 170 and 172.

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

12. Chief Officer Redundancy

Resolved: (i) That Executive Members confirm to the Leader that they have no objections to the proposed redundancy within 5 days, in accordance with the arrangements set out in paragraph 5 of the report.

(ii) That a virement from the pay related matters reserve be approved, to cover the cost associated with the pension strain and enable the proposed redundancy to progress, subject to the Chief Executive being satisfied that there are no 'material' or 'well founded' objections to the proposal from Executive Members under Section 4D(6) of the council's Constitution.

Reason: To ensure that the decision on the proposal is made in accordance with statutory and constitutional provisions.

Recommendations to Council

13. **Capital Financing & Investment Strategy**

Recommended: That Council approve the capital and investment strategy at Annex A to the report.

Reason: To meet the statutory obligation to comply with the Prudential Code 2017.

14. **Capital Budget 2019/20 to 2023/24 (formerly Capital Programme 2019/20 and 2023/24)**

Recommended: That Council:

- (i) Agree to the revised capital programme of **£579.762m** reflecting a net overall increase of **£185.898m**, as set out in table 13 at paragraph 92 of the report and in Annex A, key elements of which include:
 - New schemes funded by prudential borrowing totalling £28.960m as set out in table 3 and summarised in table 13.
 - New schemes funded by a combination of Prudential borrowing and external funds of £28.7m, as set out in table 4 and summarised in table 13;
 - Extension to existing schemes of £7.372m funded by prudential borrowing, as set out in table 5 and summarised in table 13;
 - Extension of prudential borrowing funded Rolling Programme schemes totalling £6.903m, as set out in table 6 and summarised in table 13;
 - Extension of externally funded Rolling Programme schemes totalling £7.941m, as set out in table 7 and summarised in table 13;

- An increase in HRA funded schemes totalling £106.022m, funded from a combination of HRA balances / Right to Buy receipts, as set out in table 8 and summarised in table 13.
- (ii) Note that the total increase in council borrowing as a result of new schemes being recommended for approval, the details of which are considered within this report and the Financial Strategy report, is £46.385m.
- (iii) Approve the full re-stated programme, as set out in table 13 and summarised in Annex B, totalling **£579.762m** and covering the financial years 2019/20 to 2023/24.

Reason: In accordance with the statutory requirement to set a capital budget for the forthcoming financial year.

15. Treasury Management Strategy Statement and Prudential Indicators for 2019/20 to 2023/24

Recommended: That Council approve:

- a) The proposed treasury management strategy for 2019/20, including the annual investment strategy and the minimum revenue provision policy statement;
- b) The prudential indicators for 2019/20 to 2023/24 in the main body of the report;
- c) The specified and non-specified investments schedule at Annex B; and
- d) The scheme of delegation and the role of the Section 151 Officer at Annex D.

Reason: To enable the continued effective operation of the treasury management function and ensure that all council borrowing is prudent, affordable and sustainable.

16. Consultation on Disposal of Open Space at Rowntree Park Lodge & Update of Financial Business Case

Recommended: (i) That Council allocate a further £110,000 capital budget, funded from prudential borrowing, to facilitate the regeneration of Rowntree Park Lodge in accordance with the revised business case, this allocation to be funded from the revenue receipts from the holiday lets together with funds from existing budgets to deal with property maintenance.

(ii) That the decision to commence delivery of the scheme be delegated to a future Decision Session of the Executive Leader (Incorporating Finance & Performance) following further consultation and engagement with the Friends of Rowntree Park and local residents to establish how funding priorities will be identified using the net income from Rowntree Lodge.

Reason: To support Rowntree Park and its stakeholders in developing the facilities on a long term sustainable basis.

17. Financial Strategy 2019/20 to 2023/24

Recommended: That Council approve the budget proposals outlined in the report; in particular:

- a) The net revenue expenditure requirement of £123.372m;
- b) A council tax requirement of £90.066m;
- c) The revenue growth proposals as outlined in the body of the report;
- d) The 2019/20 revenue savings proposals as outlined in Annex 2;
- e) The fees and charges proposals outlined in Annex 3;
- f) The HRA (Housing Revenue Account) budget set out in Annex 4, the HRA savings proposals set out in Annex 5 and the 30

- year HRA Business Plan set out in Annex 6;
- g) The dedicated schools grant proposals outlined from paragraph 173;
 - h) The use of £100k of funds previously set aside in a Public Health Grant Reserve, to fund one off investment and £51k New Homes Bonus to fund recurring expenditure, as outlined in paragraph 83;
 - i) The use of the remaining £522k New Homes Bonus funding and £300k funding from the business rates pool to create a Service Risk Reserve for future use, as outlined in paragraph 84.
 - j) The use of £1.5m funding from the LCR and NWY business rates pools to allocate into the venture fund to deal with future cashflow or revenue implications regarding major planned developments, including Castle Gateway and Castle Museum, as referred to in the Capital Strategy report and to be subject to future reports to Executive.

Reason: To ensure that a legally balanced budget is set.

18. Capital Programme - Monitor 3 2018/19

Recommended: That Council approve the adjustments resulting in a decrease of £15.952m in the 2018/19 budget, as detailed in the report and in Annex A.

Reason: To enable the effective management and monitoring of the council's capital programme.

19. Chief Officer Redundancy

Recommended: That Council approve the proposed redundancy.

Reason: In accordance with legal and constitutional procedures.